1. At the time a subagreement is written, OSP completes a Purchase Requisition form to encumber the subagreement funds in a Purchase Order (PO). The first $25,000 of each subagreement will be encumbered in the 2910 subcode and the remaining balance will be encumbered in the 2950 subcode.

2. Once a PO has been issued, the PI/department contact will receive a copy of the PO. This PO will be referenced on all invoices submitted for payment under that subagreement. All modifications to the Purchase Order will be processed by OSP.

3. Per the terms of the subagreement, the subrecipient invoices are mailed to the PI or to his departmental contact. If it is received by OSP, it will be sent to the PI/departmental contact for approval with OSP retaining a copy for follow-up purposes. When an invoice is received from the subrecipient, the PI must review the invoice to ensure that the subrecipient:
   - Meets the expectations outlined in the subagreement’s scope of work and budget;
   - Has submitted required technical reports; and
   - Has submitted sufficient cost-sharing statements (if applicable)
   - Has submitted final close out documents (if applicable)

4. Once the PI has approved the expenditures, s/he will stamp the invoice with the payment stamp, complete the appropriate blocks, secure an authorized signature (PI or individual authorized to access this account) and date, and send to OSP for final processing for payment. AU has a Subagreement Invoice form with the payment block already printed that is used by some subrecipients. This form is available on OSP’s web site at: http://www.auburn.edu/research/vpr/contracts/index.html

5. After OSP receives the PI-approved invoice, OSP will:
   - Check the account and PO balance
   - Check subagreement contract period
   - Check the payment stamp information to ensure the correct PO number and subcode were used
   - Log the invoice into the Subagreement Invoice Database

OSP retains a copy of each invoice to include in the subagreement file.

6. If there are any pending actions, such as outstanding cost-share statements or close-out documents, OSP may hold payment until all required information is received.

7. After OSP has approved the payment, entered data into the Subagreement Invoice Database, and copied, OSP initials approval and mails the original invoice to Accounts Payable.

8. If the PI/departmental contact mails the invoice directly to Accounts Payable for payment without OSP’s approval, Accounts Payable will forward the invoice to OSP for processing before payment will be made.

For questions:

Juanita Syljuberget
Contracts and Grants Administrator II
Office of Sponsored Programs
310 Samford Hall
Auburn University, AL 36849-5131
(334) 844-5931
winegjm@auburn.edu