

Alaska Sustainable Salmon Fund  
**INVOICING POLICIES AND PROCEDURES**  
8/11

The Alaska Sustainable Salmon Fund (AKSSF) is a cost-reimbursable program; AKSSF reimburses only for actual expenses incurred including approved federally negotiated indirect costs. AKSSF strives to provide timely reimbursements of invoices while maintaining compliance with state and federal requirements.

Allowability

In general, costs must meet the following federal criteria to be allowable under the AKSSF program:

- Be necessary and reasonable for proper and efficient performance and administration of the AKSSF project they are charged to
- Be allocable to the AKSSF project they are charged to
- Be authorized or not prohibited under state or local laws or regulations
- Conform to all limitations or exclusions set forth in the subrecipient's\* applicable federal cost principles, federal laws, terms and conditions of the PCSRF grant award, or other governing regulations as to types or amounts of cost items
- Be consistent with the subrecipient's policies, regulations, and procedures (which must be consistent with the applicable federal uniform administrative requirements)
- Be accorded consistent treatment (e.g., a cost may not be assigned to an AKSSF project as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to another project as an indirect cost)
- Be determined in accordance with generally accepted accounting principles
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior period, except as specifically provided by federal law or regulation
- Be the net of all applicable credits
- Be adequately documented

*\*For the purposes of this document, "subrecipient" refers to any direct recipient of AKSSF funds including federal, state, and local governments, non-profit organizations, for-profit organizations, and educational institutions.*

Invoice Requirements\*

Every invoice must contain the following information:

- Name of the billing organization
- AKSSF project number (e.g., 45111)
- Unique invoice number (assigned by the billing organization)
- Date of the invoice
- Period of expenditure (e.g., July 1, 2012 – September 30, 2012)
- Total expenses billed by line item (expenses must be listed by lines 100-600 as shown in the statement of work budget table)

- Signature of the authorized representative of the billing organization (see below)
- Itemized list of expenses claimed (attached)
- Documentation of each expense (e.g., invoice, receipt, timesheet/activity report; see below)
- Proof of payment of each expense (e.g., cancelled check, receipt, credit card statement, zero balance invoice; see below)
- Documentation and proof of payment of match expenses
- Any other documentation required by the subaward agreement

*\*Federal agencies and departments within the State of Alaska should contact Debbie Maas at (907) 465-6134/debbie.maas@alaska.gov for information on invoicing procedures.*

### Signatures

Invoices must be signed by an authorized representative in the subrecipient's organization with knowledge of the project and expenses in question. The authorized representative shall review the invoice to ensure that expenditures are in compliance with the statement of work and subaward agreement. Electronic signatures are acceptable.

### Invoice Routing

All invoices should be sent to AKSSF, Box 115526, Juneau, AK 99811-5526.

### Documentation of Expense

Documentation of every expense must be provided sufficient that AKSSF staff can easily identify each item. Common problems with invoices include credit card receipts that are copied on top of invoice expense descriptions, copies of backup documentation that are too faint to read, and cryptic product descriptions on invoices and receipts. These and other issues can cause delays in invoice processing. The subrecipient should provide an explanation for any expense that is not clear and understandable by a layman. All expenses should be easily tied back to the budget narrative in the statement of work.

### Unallowable Costs

AKSSF will review all invoices for allowability of costs. Any costs that are not reasonable, not identified in the statement of work budget narrative or otherwise not allocable to the project, or are unallowable per federal requirements or AKSSF policies may be questioned and disallowed. If AKSSF learns that reimbursed or AKSSF approved match costs are unallowable per federal requirements, these costs may be retroactively disallowed, as follows:

Active projects: Retroactively disallowed costs that have been reimbursed must be credited on the subrecipient's next invoice. Disallowed match costs must be replaced with the next invoice, if needed to meet matching requirements; further reimbursements will be withheld until/unless match requirements are met. If necessary, the subrecipient may be required to reimburse AKSSF if sufficient allowable match is not accrued for reimbursed expenses. The subrecipient may provide additional match documentation or accrue additional match expenditures during the project period to meet match requirements.

Closed projects: Retroactively disallowed costs from closed projects must be reimbursed to AKSSF. Retroactively disallowed match may result in the disallowance of reimbursed costs; subject to approval by auditors, the subrecipient may provide documentation of additional allowable match incurred during the project period or reimburse AKSSF for the portion of reimbursed costs originally met with the disallowed match. Match expenses may not occur outside the original project period.

#### Reimbursement Timing and Review

It is ADF&G policy to issue warrants within 30 days of receipt of an invoice; however, incomplete invoices (i.e., invoices that lack required documentation) will be held pending submission of missing documentation. Invoices may also be held until any questions arising during review of the invoice are resolved. The subrecipient's invoice contact identified in the subaward agreement will be contacted by AKSSF staff with any questions or concerns and, if appropriate, guidance on how to resolve the issues. The subrecipient may choose to remove questioned costs from the invoice to expedite payment. Funds withheld due to unsatisfactory compliance with any of the AKSSF's policies and/or federal requirements may be paid at a later day at AKSSF's discretion upon satisfactory correction or completion of the condition that caused the withholding.

#### Profit

Profit is not allowable. For-profit subrecipients must provide documentation of actual costs exclusive of profit and overhead (unless indirect costs are supported by a federally negotiated indirect cost rate agreement (NICRA)). Billing rates and markups on expenses may not be applied to AKSSF projects. See 48 CFR 31.2 for information on federally-funded agreements with for-profit entities.

#### Late Project Costs

All expenditures must be necessary to accomplish project objectives during the project period. Therefore, supplies and equipment must be purchased early enough in the project to allow significant use during the life of the project. Supplies and equipment purchased late in the project period (e.g., within six months of the end date for supplies and within one year of the end date for equipment) will receive additional scrutiny and may be disallowed by AKSSF even if they are approved in the statement of work. Questions about acceptable timing of supplies and equipment purchases should be directed to AKSSF staff.

#### Credits

Provide brief explanations for any credits issued on AKSSF invoices.

#### Invoice Submission Deadline

All invoices must be submitted with adequate documentation for approval and received by AKSSF no later than 30 days following the project end date in order to qualify for reimbursement. AKSSF encourages all recipients to bill at least quarterly for efficient processing of invoices.

#### Confidentiality and Privacy

All invoices submitted become the property of the State of Alaska. Alaska Statute 40.25.110 requires public records to be open to reasonable inspection. The subrecipient is responsible for

ensuring that invoices and supporting documentation do not contain private or sensitive information such as social security numbers, home addresses, or telephone numbers of employees.

### Personnel

Compensation for personnel services approved in the statement of work shall be reimbursed for reasonable, allowable, and allocable services rendered during the project period, including but not necessarily limited to, wages, salaries, and fringe benefits. Compensation for employees engaged in work on AKSSF projects will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the subrecipient.

### Salaries and Wages

Specific requirements on salary and wage documentation vary depending on the nature of the subrecipient's organization; please review the applicable federal cost principles for information specific to your organization. In general, where employees work on multiple projects (i.e., their time is not solely devoted to a single AKSSF project), a distribution of salaries or wages must be supported by personnel activity reports or equivalent documentation unless a substitute system has been approved by AKSSF. Personnel activity reports or equivalent documentation must meet the following standards:

- Reflect an after the fact distribution of the actual activity of each employee
- Account for the total activity for which each employee is compensated
- Be prepared at least monthly and coincide with one or more pay periods
- Be signed by the employee (or, in some cases, by a responsible supervisory official having first hand knowledge of the activities performed by the employee)

AKSSF requires activity reports for all salaries and wages charged to AKSSF projects as well as pay stubs, accounting sheets showing direct deposit transactions, or other documentation that the employee was paid.

### Fringe benefits

Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, social security, and unemployment benefit plans. The costs of fringe benefits are allowable to the extent that the benefits are reasonable, follow the subrecipient's written policies, and are distributed to particular projects and other activities in a manner consistent with the pattern of benefits accruing to employees whose salaries and wages are chargeable to such projects and other activities.

Only actual fringe benefits provided to employees are allowable. Documentation of all fringe benefits are not required; however, the subrecipient must be able to satisfy the AKSSF that claimed costs are based on actual expenditures. If a percentage rate is used to calculate the fringe benefits charged to AKSSF projects, the subrecipient must provide AKSSF with calculations justifying the rate used by employee or provide the federally

negotiated indirect cost rate agreement (NICRA) if the fringe benefits rate is federally negotiated.

### Travel

Meals, incidentals, and lodging costs will be reimbursed according to the subrecipient's travel policies and procedures. If a per diem rate is used, a calculation including the per diem rate and the number of days claimed must be provided. AKSSF may require a copy of the subrecipient's travel policies and procedures prior to reimbursing travel costs.

### Contractual, Supply, and Equipment Expenses

Contractual, supply, and equipment expenses must be documented with an invoice, receipt, or other documentation describing the expense as well as a canceled check, receipt, zero balance invoice, or other documentation showing the expense was paid.

### Indirect

AKSSF allows for the recovery of indirect costs for non-federal entities with a federally negotiated indirect cost rate agreement (NICRA) if the rate is included in the statement of work budget. The federally approved rate letter must be provided for all approved provisional and final NICRAs applicable to the project period throughout the life of the project. NICRAs that are not approved for the period in question are not allowable. Federal entities must provide a memo on agency letterhead (or comparable documentation) that provides their indirect rates throughout the life of the project.

AKSSF does not allow administrative or overhead expenses to be charged as direct expenses. Examples of typical administrative expenses include the following:

- Rent
- Utilities
- Building maintenance or cleaning
- Insurance
- Telephone service
- Postage
- Office supplies (e.g., folders, ink cartridges)
- Office furniture and equipment (e.g., chairs, desks, printers)
- Administrative staff
- Audit expenses (unless pre-approved in the original statement of work)
- Legal expenses
- Equipment depreciation
- Other services or items shared between multiple projects or not directly related to the execution of the project

If the subrecipient has applied for, but not yet received, a NICRA at the time the subaward agreement is finalized, indirect will not be paid until the NICRA is received and AKSSF has been provided a copy of the federal rate letter. If the approved NICRA rate differs from the proposed rate included in the statement of work, the lower rate will be used. If the rate is not approved by the end of the project period, indirect costs will not be reimbursed. Budgeted indirect costs may

not be moved to other line items.

Match

Documentation of match must have the same level of detail as reimbursable expenses and be readily identifiable as match. Match requirements must be met by the time that each invoice is paid (i.e., reimbursement of project expenditures will not occur until the required match percentage (33% or 35% depending on the appropriation) has been met). Excess match expenditures (specific to the project) will carry forward and be available to match future expenses on the same project. Please see AKSSF's *Non-Federal Match Guidance* document for details on match requirements.