INVOICE DOCUMENTATION CHECKLIST

The purpose of this document is to provide examples of acceptable supporting documentation. This checklist is not an all-inclusive as fiscal staff may request additional information. It is required to adequately document each expense with sufficient detail to determine if the expense is allowable, reasonable and necessary.

**Personal Services (salaries and wages)**

Must be based on records that accurately reflect the work performed. Records must be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; be incorporated into the agency’s records; reasonably reflect the total activity for which the employee is compensated; encompass all activities compensated; comply with the established accounting policies and practices of the entity; and support the distribution of the employee’s salary or wages among specific activities or cost objective if the employee works on more than project.

- Time Sheets (see example on page 4)
- Detailed pay stubs (see example on page 5)
- Entity’s documented personnel and accounting policies

**Personal Services (fringe benefits)**

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 (vacation, family related, sick or military), employee insurance, pensions, and unemployment benefit plans.

- Allocation plan for determining the fringe rate charged
- Entity’s documented fringe policy
**Supplies and Operating**

Itemized invoices and/or receipts for each expense

If expense is allocated to more than one project, entity’s documented allocation methodology

Funded entity hosted meeting or conference expenses
  - Agenda
  - Purpose of meeting or conference
  - Meeting minutes or notes
  - Attendees and affiliated organizations
  - Date of meeting
  - Invoices and/or detailed receipts for meeting materials, speaker fees, allowable food and venue expenses

Entity’s documented purchasing policy

*Food and beverage expenses for staff meetings or individual project staff are unallowable.*

Funded entity provided training or classes (DPP classes, First Aid Courses)
  - Purpose for training opportunity
  - Attendees and affiliated organizations
  - Date(s) of service
  - Attendee signed or initialed sign-in sheets with date of service
  - Detailed agreement with venue location
  - Detailed facilitator or speaker invoices

Entity’s documented purchasing policy

Funded entity attended training or conference
  - Purpose for training opportunity
  - Date(s) of service
  - Receipt for payment of training or conference
  - Agenda

Entity’s documented purchasing policy
**Travel**

Detailed travel expense form to include:
- Google (or other) maps
- Explanation / purpose of travel
- Date of travel
- Address of starting and ending points
- Detailed receipts for travel related expenses (e.g. gas, hotel, rental car)
- Mileage log (fleet vehicle)
- Meeting or conference agenda

Entity’s documented travel policy

**Other Costs**

Itemized invoices and/or receipts

If expense is allocated to more than one project, entity’s documented allocation methodology

Entity’s documented policy

**Contractual Payments**

Detailed sub-contractor invoices

Detailed receipts for expenses

MOU or executed agreement between entities to include:
- Dates of engagement
- Subrecipient or contractor determination
- Scope of work, budget and or deliverables

Entity’s documented policy for subrecipient/subcontract monitoring
Indirect
If your entity has a negotiated indirect rate through a federal cognizant agency the approved indirect cost rate must be on file with CDPHE Internal Audit Unit.

If you do not receive funds directly from a federal agency, CDPHE Internal Audit Unit will negotiate a rate with your entity. CDPHE only negotiates and approves submitted written indirect cost agreements with organizations that receive funds as a subrecipient from CDPHE.

If you elect to use the de minimis indirect cost rate, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time.

If using the de minimis rate, 10% of modified total direct costs, documentation may be requested to support rate claimed. The de minimis indirect cost rate is only available to organizations that have never had a negotiated indirect cost rate.

*CDPHE requires all indirect rates to comply with generally accepted accounting principles and be fully supported by actual cost data.
**Personal Services (salaries and fringe) Expenses**

Must be based on records that accurately reflect the work performed. Records must be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; be incorporated into the agency’s records; reasonably reflect the total activity for which the employee is compensated; encompass all activities compensated; comply with the established accounting policies and practices of the entity; and support the distribution of the employee’s salary or wages among specific activities or cost objective if the employee works on more than project.

Figure A lists 100% of the employee’s actual time spent working and adequately documents how the percentages were calculated. In this example an employee enters their time in the lower table, listing the hours worked on each grant. A description of the work completed can be entered in the “work” column. The total of hours worked each day is calculated in the last column labeled “total”. The last row totals each of the Grant columns and lists total hours worked during the pay period where the total row and total column meet.

This time and effort report allows the supervisor and employee to sign the time and effort report. Although not mandatory, a certification statement on the time sheet certifying employee hours is best practice.

**Figure A**

![Employee Time Period Report](image-url)

<table>
<thead>
<tr>
<th>Grant 1</th>
<th>Grant 2</th>
<th>Grant 3</th>
<th>Grant 4</th>
<th>Grant 5</th>
<th>Grant 6</th>
<th>Grant 7</th>
<th>Grant 8</th>
<th>Grant 9</th>
<th>Grant 10</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>54</td>
<td>15</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>100</td>
</tr>
<tr>
<td>15.44%</td>
<td>30.81%</td>
<td>6.67%</td>
<td>4.07%</td>
<td>6.07%</td>
<td>15.44%</td>
<td>15.44%</td>
<td>15.44%</td>
<td>15.44%</td>
<td>15.44%</td>
<td></td>
</tr>
</tbody>
</table>

I certify the hours shown above are correct and the activities fairly reflect my work effort.

Employee Signature: [signature] Date: [date]

Supervisor Signature: [signature] Date: [date]
Personal Services (salaries and fringe) Expenses

The amount of time documented on the timesheet in Figure A should correspond to the Paystub shown in Figure B below.

Fringe benefit expenses are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits are employer paid portions only and may include, but are not limited to, the costs of leave (vacation, family related, sick or military), employee insurance, pensions, and unemployment benefit plans. The bottom of the paystub in Figure B lists the employer paid contributions.

Figure B

---

**Paystub**

<table>
<thead>
<tr>
<th>ABC Corp</th>
<th>Check/Advice No</th>
<th>0412345</th>
</tr>
</thead>
<tbody>
<tr>
<td>1234 Broadway</td>
<td>Check/Advice Date</td>
<td>09/20/2015</td>
</tr>
<tr>
<td>Ste 557</td>
<td>Period Beginning</td>
<td>09/01/2015</td>
</tr>
<tr>
<td>Denver CO USA</td>
<td>Period Ending</td>
<td>09/15/2015</td>
</tr>
<tr>
<td></td>
<td>Pay Frequency</td>
<td>Bi Weekly</td>
</tr>
</tbody>
</table>

**PAY STUB**

<table>
<thead>
<tr>
<th>John Smith</th>
<th>Emp ID: 78945644</th>
</tr>
</thead>
<tbody>
<tr>
<td>789 Logan Way</td>
<td></td>
</tr>
<tr>
<td>Littleton CO 99999</td>
<td></td>
</tr>
</tbody>
</table>

**CURRENT CROSSES**

<table>
<thead>
<tr>
<th>TIL</th>
<th>6,519.00</th>
<th>FWT</th>
<th>5,805.32</th>
<th>ST</th>
<th>5,805.82</th>
<th>SD1</th>
<th>6,519.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUT</td>
<td>6,519.00</td>
<td>SUT</td>
<td>0.00</td>
<td>XCS</td>
<td>3.35</td>
<td>LC1</td>
<td>6,519.00</td>
</tr>
<tr>
<td>FCA</td>
<td>0.00</td>
<td>MED</td>
<td>6,310.67</td>
<td>XCS</td>
<td>3.35</td>
<td>LC1</td>
<td>6,519.00</td>
</tr>
<tr>
<td>LC2</td>
<td>0.00</td>
<td>LC3</td>
<td>0.00</td>
<td>LC4</td>
<td>0.00</td>
<td>LC5</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**YTD CROSSES**

<table>
<thead>
<tr>
<th>TIL</th>
<th>58,118.15</th>
<th>FWT</th>
<th>52,203.72</th>
<th>ST</th>
<th>52,203.72</th>
<th>FCA</th>
<th>0.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUT</td>
<td>0.00</td>
<td>SUT</td>
<td>11,800.00</td>
<td>ST</td>
<td>25T</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>MED</td>
<td>56,743.16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**EARNINGS**

<table>
<thead>
<tr>
<th>Hours</th>
<th>Gross Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>40.00</td>
<td>6,519.00</td>
</tr>
</tbody>
</table>

**DEDUCTIONS**

**PRE-TAX DEDUCTIONS**

<table>
<thead>
<tr>
<th>PERA DC EMP</th>
<th>504.85</th>
<th>4,539.44</th>
<th>FLEX HEALTH</th>
<th>208.33</th>
<th>1,774.90</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Pre-Tax Deductions</td>
<td>$713.18</td>
<td>$5,314.33</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TAXES WITHHOLDING**

<table>
<thead>
<tr>
<th>FEDERAL TAX</th>
<th>686.50</th>
<th>6,171.19</th>
<th>STATE TAX</th>
<th>236.00</th>
<th>2,118.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEDICARE</td>
<td>91.51</td>
<td>822.78</td>
<td>LOCAL TAX #1</td>
<td>5.00</td>
<td>45.00</td>
</tr>
<tr>
<td>Total Taxes Withheld</td>
<td>$1,019.01</td>
<td>$9,156.97</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**OTHER DEDUCTIONS/AFTER-TAX DEDUCTIONS**

<table>
<thead>
<tr>
<th>LIFE-EMPLOYEE</th>
<th>40.00</th>
<th>360.00</th>
<th>LIFE-SPOUSE</th>
<th>36.00</th>
<th>324.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIFE-DEPENDENT</td>
<td>1.00</td>
<td>6.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Other Deductions</td>
<td>$77.00</td>
<td>$690.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| (A) Gross Earnings | 6,519.00 | (B) Total Deductions | $1,809.19 | (C) Net Pay | (A) - (B) | $4,709.81 |

**Employer Contributions**

<table>
<thead>
<tr>
<th>PERA DC CONT</th>
<th>640.53</th>
<th>5,759.42</th>
<th>PERA AED</th>
<th>265.05</th>
<th>2,383.21</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEDICARE CONT</td>
<td>91.51</td>
<td>822.78</td>
<td>PERA SAED</td>
<td>252.43</td>
<td>2,269.74</td>
</tr>
<tr>
<td>STATE LIFE</td>
<td>8.80</td>
<td>68.40</td>
<td>SHORT TERM DISAB</td>
<td>12.39</td>
<td>121.32</td>
</tr>
<tr>
<td>Total Employer Contributions</td>
<td>$1,279.71</td>
<td>$11,424.87</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Supplies and Operating Expenses**

An itemized receipt for a purchase needs to be included in the supporting documentation.

This is acceptable documentation because it contains the following:

- date
- price per item
- description of items purchased
- total of purchase
- shipping and billing information

![Amazon.com Order Receipt](https://example.com/order_receipt.png)
Supplies and Operating Expenses

This is unacceptable documentation because it lacks the following detail:

a. date
b. price per item
c. description of items purchased
d. name of entity purchased from
e. name of person purchasing items
**Allocating Expenses**

Per the OMB Super Circular 2 CFR 200, Section 200.405, if a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit.

Direct costs are those costs that can be easily identified to a specific cost objective or award.

- Direct costs may be allocated based on a line by line allocation or a bottom line allocation. Line by line relies on actual rate of usage of each cost for example rent expense based on square footage used by each program and phone by number of phones each program uses.

- At a rate by which all costs are distributed proportionately. May be by FTE or square footage, in example below the expense has been allocated based on a predefined rate if using the first option or they could charge the program receiving each headphone directly.

The circular further states that if a cost benefits two or more projects or activities in proportions that cannot be determined, the costs may be allocated with any reasonable documented basis.
**Supplies and Operating Expenses**

Examples of costs an entity may allocate include, but are not limited to:

In the example below, the entity runs 5 programs and has determined the square footage each program occupies and has used the percentage of square feet to calculate the amount of rent expense each program will incur.

Rent $4,920.83

<table>
<thead>
<tr>
<th>Program</th>
<th>Square Footage</th>
<th>%</th>
<th>Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>350</td>
<td>35%</td>
<td>$1,722.29</td>
</tr>
<tr>
<td>B</td>
<td>200</td>
<td>20%</td>
<td>$984.17</td>
</tr>
<tr>
<td>C</td>
<td>150</td>
<td>15%</td>
<td>$738.12</td>
</tr>
<tr>
<td>D</td>
<td>125</td>
<td>13%</td>
<td>$615.10</td>
</tr>
<tr>
<td>E</td>
<td>175</td>
<td>18%</td>
<td>$861.15</td>
</tr>
<tr>
<td>Total</td>
<td>1000</td>
<td>100%</td>
<td>$4,920.83</td>
</tr>
</tbody>
</table>

In this example below, the entity has 8 programs and allocated the phone expense by the FTE for each of the programs. The percentage of FTE has been used to calculate the phone expense each program will incur.

**Phone**

<table>
<thead>
<tr>
<th>Program</th>
<th>FTE</th>
<th>%</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>7</td>
<td>18%</td>
<td>$96.44</td>
</tr>
<tr>
<td>B</td>
<td>4</td>
<td>11%</td>
<td>$55.11</td>
</tr>
<tr>
<td>C</td>
<td>2</td>
<td>5%</td>
<td>$27.56</td>
</tr>
<tr>
<td>D</td>
<td>1</td>
<td>3%</td>
<td>$13.78</td>
</tr>
<tr>
<td>E</td>
<td>5</td>
<td>13%</td>
<td>$68.89</td>
</tr>
<tr>
<td>F</td>
<td>13</td>
<td>34%</td>
<td>$179.11</td>
</tr>
<tr>
<td>G</td>
<td>2</td>
<td>5%</td>
<td>$27.56</td>
</tr>
<tr>
<td>H</td>
<td>4</td>
<td>11%</td>
<td>$55.11</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
<td>100%</td>
<td>523.55</td>
</tr>
</tbody>
</table>
**Travel Expenses**

The travel reimbursement form should have a place for employee signature, supervisor signature (or approving official), list type of expense, and be maintained in accordance with entity policy. Travel expenses should correspond with the time and effort documentation.
Travel Expense (Continued)

The travel reimbursement form shall list the purpose of the trip and the starting and ending mileage.

Additional documentation to support travel expenses may include:

- Maps (to support mileage claimed)
- Hotel Receipts
- Rental car receipts
- Fleet vehicle logs
Other Costs and Contractual Expenses

OMB Super Circular 2 CFR 200, Section 200.331 requires all pass through entities to monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward, and that subaward performance goals are achieved.

Noteworthy:
- Oversight includes (from the business dictionary) “contract implementation, measurement of work completed, and computation of payments. It also includes monitoring contract relationship, addressing related problems, incorporating necessary changes or modifications in the contract, ensuring both parties meet or exceed each other’s expectations, and actively interacting with the contractor to achieve the contract’s objective(s). Also called contract administration.”
- Subrecipient personnel shall identify whose responsibility it is to monitor progress of contractors hired. Subrecipient’s personnel shall inspect contractor’s deliverables before official acceptance of the good/service to ensure fulfillment of contract requirements. Progress reports should be required of the contractor who reports on the agreed-upon milestones.
- Subrecipient should review and confirm all invoicing by the contractor before payment is made.
- Costs included in the invoice MUST be reasonable, allowable, and in compliance with the contracts terms.

For additional guidance, see Uniform Guidance Subpart E - Cost Principles § 200.400 to 475.

Definitions

Pass-Through Entity (PTE). A Recipient that provides a Subaward to one or more Subrecipients to carry out part of a federal program. Where the State is the Recipient of a Federal Award that will be subsequently awarded to one or more Subrecipients, the PTE for purposes of the OMB Uniform Guidance shall be the specific State Agency program that administers and monitors the Subawards. (See 2 CFR §200.74)

Award: An award of funds by a State Agency or a federal awarding agency or by a recipient of an award of State or federal funds Subawards.

Recipient. A non-Federal entity that receives a Federal Award directly from a federal awarding agency to carry out an activity under a federal program. The term does not include a Subrecipient. (See 2 CFR §200.86).

Subaward. An Award of federal funds provided by a PTE to a Subrecipient for the Subrecipient to carry out part of a Federal Award received by the PTE. A Subaward does not include payments to a Contractor or payments to an individual that is a beneficiary of a federal program. (See 2 CFR §200.92).
Subrecipient. A non-federal entity that receives a Subaward from a Recipient to carry out part of a federal program, not including an individual beneficiary of such program. A Subrecipient may also be a Recipient of other Federal Awards directly from a federal awarding agency. (See 2 CFR §200.93).

- Federal Awarding Agency
- Grants Money

- State Pass Through Entity
  - Receives money from Federal Agency
  - Also know as Non-Federal Entity, Grantee, Recipient

- Subrecipient (Local Government, Nonprofit, Private Entity)
  - Receives money from the State
  - Also know as Non-Federal Entity, Subgrantee