Invoice Backup Documentation
Grantee Process
FY2027

This guide provides instructions for preparing and submitting invoice backup documentation in accordance with the terms of grant agreements. It outlines the requirements for proof of payment for expenses represented on the invoices submitted to the Vermont Department of Health (VDH), Division of Substance Use Programs (DSU).

If you have further questions, you can direct your questions to your grant manager or attend the meeting "VDH/DSU Vendor Technical Support Drop-in Meeting." This meeting is a place to ask questions relating to allowable expenditure or other technical questions. If you do not have an invitation to this meeting your grant manager can add you to the series.

Purpose of an Invoice Backup Documentation Review

The purpose of an invoice backup documentation review is to ensure that funding is spent on the activities and goods required by the grant agreement and allowed by the funding source. Further purposes are listed below.

- To confirm that the accounting in your organization's backup documentation matches invoice line items and substantiates all invoice dollar amounts.
- To verify that grantee expenditures occurred within the invoice billing period or a previous period that is within the grant term.
- To confirm that there are no duplicate expenses.

Invoice Backup Documentation Frequency

Backup documentation is required to be submitted at a frequency determined by your risk level. Risk level is determined by factors including, but not limited to, audit findings, grant amount, and the complexity of the work. Contact your grant manager for more information.

You can locate the frequency of your backup documentation submission by referring to your grant or asking your Grant Manager. Be sure to familiarize yourself with the risk level of each of your grants if you have more than one because risk level is assigned to each individual grant The relationship between risk level and grant monitoring is outlined below:

Low Risk, per Risk Assessment Tool completion

- Minimum of one (1) site visit every three years
- Quarterly Desk review/Agreement Compliance Calls
- Review back-up documentation for one (1) invoice during the grant period

Medium Risk, per Risk Assessment Tool completion

- Minimum of one (1) formal site visit
- Quarterly Desk review/Agreement Compliance Calls
- Quarterly review of invoice back up documentation

High Risk, per Risk Assessment Tool completion

- Minimum of two (2) formal site visits
- Quarterly Desk review/Agreement Compliance Calls
- Quarterly review of invoice back up documentation

If you have been approved to submit monthly invoices, and you are High/Medium risk you are required to submit backup documentation for your September, December, March, and June invoices, unless otherwise determined.

Low risk grantees are only required to submit backup documentation for one invoice and the particular month will be indicated in your grant agreement.

Formatting Invoice Backup Documentation

The following information outlines the required format for backup documentation. You will upload backup documentation into a survey form located online here. A copy of the survey is the Appendix for your reference. Documentation should be complete and error free. Your grant manager will notify you if additional documentation is needed.

The survey is separated by invoice category. Submit relevant backup documentation under the appropriate invoice category.

- Name your backup documentation file using the following convention: [Cost/Line Item name] _[Month/Quarter/Period]_[Last five digits of grant number]
- **PDFs:** Please make sure all pages face the same direction, especially with large PDF documents. This eases our efforts and reduces review time.
- **Excel/Spreadsheets:** When sharing spreadsheets, please submit them in their original format. Do not convert these to PDF. This saves time and reduces errors.
- Do not submit identifying client information. Insofar as you submit client data, please ensure that it is de-identified.
- Include employee names when submitting information to substantiate salary and fringe. Do not include employee social security number or other PII in your submission.

Failing to Submit Invoice Backup Documentation

Backup documentation is due when the invoice for your grant is due. You can submit the backup documentation on the website Beginning July 1, 2026, invoices will be held if complete backup documentation is not submitted per the provisions in attachment B of your grant.

If you are a new grantee, be sure to work closely with your grant manager to make sure you are prepared to submit backup documentation.

Invoice backup documentation will be included in the grant closeout process. The grantee will be alerted if there is missing reporting, invoicing, and backup documentation and these items must be submitted within 60 days of the close of the grant. If a grantee does not submit backup documentation within 60 days of the grant closing it will impact their ability to receive a grant in the future.

Failing to submit backup documentation in a timely way will impact a grantee's risk level in future agreements.

Tips

- You can submit bank statements as proof of expense if there are no other means of verification, and if the statement has enough details for verification
- Copy paper receipts immediately to avoid fading and wear
- Backup documentation receipts and invoices must total an amount equal to or greater than the expense on the invoice. If the documentation provided exceeds the expense on the invoice provide an explanation in the comment section of the backup submission survey.
- Bookkeeping ledgers and other accounting tools are not proof of the cost incurred
- Client service data submitted to substantiate treatment costs should include the cost and type of service.

We hope this serves as a starting point and acknowledge that you may have additional questions not addressed in this guidance. Please reach out to your grant manager with any questions. We appreciate your collaboration.

Appendix

1. Contact Info *

Grantee/ Provider Name *

Grant # *

First Name

Last Name

Phone Number

(555) 555-5555

Email Address

2. Please upload a copy of the invoice you are submitting backup documentation for. Please note this does serve as a submission of your invoice to DSU. *

Browse...

3. I attest that I have submitted the attached invoice to DSU via theInvoice Submission Tool *

- Yes No
-

4. Please select the categories you are uploading backup documentation for: *

- [ ] Salaries
- [ ] Fringe Benefits
- [ ] Advertising/Marketing
- [ ] Equipment (Items more than $5000)
- [ ] Materials/Supplies (Individual items $4999 or less)
- [ ] Meals
- [ ] Medication
- [ ] Sub-Awards (<$50000)
- [ ] Sub-Awards (>$50000)
- [ ] Telephone (if a direct service cost)
- [ ] Training/Education
- [ ] Travel
- [ ] Services
- [ ] Utilities
- [ ] Rental Costs
- [ ] Capital Expenditures
- [ ] Charges for Patient Care (Inpatient/Outpatient Charges)
- [ ] Tuition Remission
- [ ] Scholarships & Fellowships
- [ ] Participant Support Costs
- [ ] Other Direct Service Costs

5. Please upload your document(s) related to Salaries (10 files maximum) *

Browse...

6. Please describe the uploaded document or provide any relevant notes*

7. Please upload your document(s) related to Fringe Benefits (10 files maximum) *

Browse...

8. Please describe the uploaded document or provide any relevant notes*

9. Please upload your document(s) related to Advertising/Marketing (10 files maximum) *

Browse...

10. Please describe the uploaded document or provide any relevant notes*

11. Please upload your document(s) related to Equipment (10 files maximum) *

Browse...

12. Please describe the uploaded document or provide any relevant notes*

13. Please upload your document related to Material/Supplies (10 files maximum) *

Browse...

14. Please describe the uploaded document or provide any relevant notes*

15. Please upload your document(s) related to Meals (10 files maximum) *

Browse...

16. Please describe the uploaded document or provide any relevant notes*

17. Please upload your document related to Medication (10 files maximum)*

Browse...

18. Please describe the uploaded document or provide any relevant notes*

19. Please upload your document(s) related to Sub-Awards (<$50000) (10 files maximum) *

Browse...

20. Please describe the uploaded document or provide any relevant notes*

21. Please upload your document(s) related to Sub-Awards (>$50000) (10 files maximum) *

Browse...

22. Please describe the uploaded document or provide any relevant notes*

23. Please upload your document(s) related to Telephone (10 files maximum) *

Browse...

24. Please describe the uploaded document or provide any relevant notes*

25. Please upload your document(s) related to Training/Education (10 files maximum) *

Browse...

26. Please describe the uploaded document or provide any relevant notes*

27. Please upload your document(s) related to Travel (10 files maximum) *

Browse...

28. Please describe the uploaded document or provide any relevant notes*

29. Please upload your document(s) related to Services (10 files maximum) *

Browse...

30. Please describe the uploaded document or provide any relevant notes*

31. Please upload your document(s) related to Utilities (10 files maximum) *

Browse...

32. Please describe the uploaded document or provide any relevant notes*

33. Please upload your document(s) related to Rental Costs (10 files maximum) *

Browse...

34. Please describe the uploaded document or provide any relevant notes*

35. Please upload your document(s) related to Capital Expenditures (10 files maximum) *

Browse...

36. Please describe the uploaded document or provide any relevant notes*

37. Please upload your document(s) related to Charges for Patient Care (10 files maximum) *

Browse...

38. Please describe the uploaded document or provide any relevant notes*

39. Please upload your document(s) related to Tuition Remission (10 files maximum) *

Browse...

40. Please describe the uploaded document or provide any relevant notes*

41. Please upload your document(s) related to Scholarships and Fellowships (10 files maximum) *

Browse...

42. Please describe the uploaded document or provide any relevant notes*

43. Please upload your document(s) related to Participant Support Costs (10 files maximum) *

Browse...

44. Please describe the uploaded document or provide any relevant notes*

45. Please upload your document(s) related to Other Direct Service Costs (10 files maximum) *

Browse...