DEC Invoice Policy Updates — Quick Guide

What changed and what grantees need to do

The June 2026 Invoice Policy Guide clarifies expectations for actual costs, budget alignment, documentation, prior approval, and invoice review. *Use this as a quick reference; your executed grant agreement and funding-specific requirements still apply.*

1 Invoice actual costs in the correct month

- Report expenses when incurred—not when paid.
- Do not bill 1/12 of a budget or another estimate.
- Fringe reimbursement is based on actual employer-paid costs.

2 Keep budgets transparent and aligned

- Use specific line items; avoid bundled or rolled-up unrelated costs.
- Invoice the approved expense type and funding category.
- Shared costs must use a reasonable, documented allocation method.

3 Get required approvals before proceeding

- Some costs require prior authorization even when budgeted.
- Personnel/FTE/salary/fringe changes may require advance DEC approval.
- Prior-month or future expenses require Program Officer approval before invoicing.

4 Expect structured invoice review

- DEC reviews budget alignment, documentation, program delivery, and required approvals.
- Missing information may cause a hold or rejection.
- Use CMS for invoice submission, explanations, and related communication.

Budget variance thresholds at a glance

Variance	What to do
≤ $1,000 AND ≤ 10%	No additional approval; normal documentation still applies.
> $1,000 AND ≤ 10%	Provide written justification in CMS.
> 10% OR > $10,000 (whichever threshold is lower)	Obtain prior approval; a formal budget revision may be required before additional invoicing.

Written justification ≠ prior approval

- Use CMS to explain unusual, non-recurring, or higher-than-expected costs.
- Justification does not replace an approval that was required in advance.

Invoice hold vs. rejection

- Hold: processing pauses while documentation, reports, compliance, or variances are resolved.
- Rejected: invoice is returned for correction and must be resubmitted.

Add written justification in CMS when:

- Variance is > $1,000 from expected monthly/budgeted spending or >10% of the line-item budget.
- A non-recurring expense is > $1,000 or a recurring monthly expense is >20% of the annual line-item budget.
- The expenditure requires prior authorization.

Avoid common invoice delays

- Submit required program reports/performance data and complete supporting documentation.
- Resolve budget variances and include required prior approvals/justifications.
- Keep vendor and grantee compliance items current.

Bottom line: Invoice actual costs, explain unusual variances, obtain required approvals at the appropriate time, and keep supporting documentation organized.