

Payment Justification Guidance for Department of Health and Human Services (HHS) Recipients

Purpose and Applicability

HHS requires discretionary grant or cooperative agreement recipients to submit a justification with each payment request. HHS reviews payment justifications to help ensure Federal funds are used for the purposes of their awards and in accordance with the terms and conditions of award and all applicable laws, regulations, and policy requirements.

This guidance establishes the minimum information a recipient must include in a payment justification for an HHS discretionary grant or cooperative agreement. HHS Divisions may establish additional program-specific requirements, as appropriate.

This guidance addresses the content of a payment justification, not the mechanics of submitting payment requests in the Payment Management System (PMS). For instructions on how to submit payment requests and enter justifications in PMS, see [the PMS User Guide](#). See also the *Payment Justification Clarification – Grantee User Guide* by following these directions:

1. Log into [PMS](#)
2. Select the **Menu** icon in the upper left corner of the screen
3. Select **Payment**
4. Select **Payment Justification User Guide**

Standard for a Sufficient Payment Justification

A payment justification must provide enough information for HHS to understand what the recipient is requesting payment for and how the cost or activity relates to the award.

All payment requests must be for allowable costs and activities consistent with the terms and conditions of the award and applicable laws, regulations, and policies.

Information a Payment Justification Must Include

At a minimum, a payment justification must:

- identify and describe the cost or activity consistent with applicable award requirements;
- explain how the cost or activity supports the objectives and goals of the award;

- include the timeframe when costs were incurred, as appropriate;
- use plain language;
- **exclude** confidential, sensitive, or personally identifiable information;
- follow any additional payment justification requirements issued by your HHS Division, as applicable.

Where a payment request contains multiple subaccounts, the justification associated with each subaccount must describe the costs or activities attributable to that subaccount. If a subaccount includes multiple types of costs, the justification should clearly summarize each type.

A justification must provide sufficient information to meet these requirements within the character limit available in PMS.

EXAMPLES:

- **Insufficient:** “Payment for staff salaries for July through September.”
 - This justification identifies the cost and timeframe but does not explain how the personnel costs support the award.
- **Sufficient:** “Payment for salary and fringe benefits for project staff from July through September to conduct the community outreach activities supported by this award.”
 - This justification identifies the cost, timeframe, award activity, and connection to the award.

Additional examples of sufficient justifications:

- “Payment for equipment purchased in August, identified in the approved budget, that will be used to conduct laboratory testing under the award.”
- “Payment for indirect facilities and administrative costs, calculated using the approved negotiated indirect cost rate agreement, that support essential operations for activities under this award during the current budget period.”

Protecting Sensitive Information

Do not include confidential, sensitive, or personally identifiable information (PII) in a payment justification.

Such information may include direct identifiers, such as Social Security, passport, or driver’s license numbers; sensitive personal information, such as medical information, biometric data, or

financial records about an identifiable person; and combinations of indirect identifiers that could identify an individual.

If HHS identifies prohibited sensitive information in a justification, HHS will require the recipient to remove the information and provide a revised justification.

HHS Review of Justifications

HHS reviews the payment justification and other available information to determine whether there is sufficient basis to approve the payment request.

Based on the available information, HHS will:

- **approve the request** when the available information provides a sufficient basis to determine that the payment appropriately relates to the award and meets applicable requirements;
- **request for additional information** when additional information is needed to make a determination; or
- **reject the request** when the available information establishes that the payment cannot be approved, including when requested costs are unallowable or inconsistent with award restrictions.

Recipients should provide complete and timely responses to requests for additional information. Incomplete information may delay HHS's review.

Approval of a payment request does not constitute a final HHS determination of cost allowability. HHS may subsequently review costs through monitoring, audit, closeout, or other oversight activities and make additional determinations, as appropriate. Recipients remain responsible for meeting applicable award, reporting, recordkeeping, closeout, and audit requirements.

Additional Assistance

For technical assistance with PMS, including login, navigation, or system errors, contact the PMS Help Desk at PMSSupport@psc.hhs.gov or 1-877-614-5533. Also see the [PMS User Guide](#).

For questions about your payment justification, payment request, or award requirements, contact the Grants Management Specialist or awarding office listed on your Notice of Award.