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Invoice Procedures Manual Training

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Overview of Training

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- ❑ Common Invoicing Errors
- ❑ Obtaining Official Invoicing Templates
- ❑ Invoice Submission
- ❑ Encumbrance
- ❑ Multi-year Encumbrance (MYE)
- ❑ Adjustment Invoices
- ❑ Contract Expense Categories

Overview of Training, cont'd

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- ❑ \$1K, 10%/\$10K Expense Category Change Rule
- ❑ Invoice Variance Request Form
- ❑ Actual Fringe Benefit Rate Exceeds the Budgeted Rate
- ❑ Invoice Requirements
- ❑ Quarterly UOS Invoice Review
- ❑ Frequently Asked Questions

Invoice Due

- Invoices are due to DPH Invoice Analyst by the 15th calendar day of each month for expenses and deliverables from the previous month. Contractors can expect to receive contract payments approximately 15 to 20 working days following receipt of the invoice by DPH.

Common Invoicing Errors

- Incorrectly prepared invoices or other factors may result in delayed processing. Common errors include:
 - ▣ Using an invoice template not provided by the DPH Invoice Analyst. For example, not using the latest invoice template prepared by the DPH Invoice Analyst after contract modification or contract certification
 - ▣ Billing estimated expenditures or deliverables is not acceptable. Monthly expenditures or deliverables reported should reflect actual expenses/units of service delivered
 - ▣ Inaccurate Delivered-to-Date or Expenses-to-Date figures caused by overriding formulas placed in the electronic invoice template

Common Invoicing Errors con'td

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- ❑ Absence of required supporting forms or documentation for cost reimbursement invoice such as Page B, Detail of Personnel Expenditures or staff name
- ❑ Consultant or subcontract agreement has not been received by DPH
- ❑ The name on the consultant/subcontractor's invoice does not match the name in the subcontract agreement and Appendix B budget pages of the contract
- ❑ The term indicated on the consultant/subcontractor's invoice does not match the term in the subcontract agreement and Appendix B budget pages of the contract

Other Reasons Result in Delaying of Invoice Payment

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- **What could be the other reasons why payments are delayed?**
- Besides the common invoicing errors, the reasons below also result in delayed payment processing:
 - Expired and insufficient insurance coverage – according to contract provision Article 5.1.5 –

5.1.5 - Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance. ¶
 - Unsettled Business Tax and other City Taxes – the Financial System automatically blocks the approval of any vouchers until all taxes are paid.
 - Non-compliance to SF Admin Code Chapter 12B - the Financial System automatically blocks the approval of any vouchers until this issue is settled.

Obtaining Official Invoice Templates

- The DPH Invoice Analyst creates the appropriate invoice template (Fee-For-Service or Cost Reimbursement) for each contract appendix. The Contractor is to only use the invoice template provided by the DPH Invoice Analyst. **Contractors are not to modify any part of the invoice template except to enter data.**
- The invoice template will match the approved contract. The Contractor will receive a copy of the current approved contract from the DPH Contracts Unit via e-mail.
- The contractor will receive an electronic copy of the invoice templates that match the approved contract from the Invoice Analyst.

Invoice Submission

- Unless signed up to send invoices electronically, Contractors are to send all original, signed invoices to the address located in the bottom left-hand side of the invoice.
- The contractor who is authorized for electronic invoice can send the invoice to the email address listed below.
 - BHS – cbhsinvoices@sfdph.org
 - HHS, HPS, CHEP – aidsoffice@sfdph.org
- Establish Electronic Invoice: Refer to the instruction and policy for signing up for electronic invoice submission.

Encumbrance

- For the following sections, HIV Health Services, HIV Prevention Services, and Health Education (under CHEP) a contract budget is submitted covering each year of the full contract term at the first year of the contract term. Invoice templates are issued at the beginning of the fiscal year after the purchase order is created. Subsequent contract modifications are only issued if there is a change in the annual funding.

Multi-year Encumbrance (MYE)

- Behavioral Health Service (BHS) contracts
 - ▣ The multi-year encumbrance (MYE) invoice template is based on the prior year's approved contract budget less adjustments (such as one-time funding and reductions). The MYE cannot exceed the prior year's budget. If the MYE is less than the prior year's funding, the invoice budget will be prorated based on the prior year's budgeted units of service or expense line items. The funding term is changed to the current fiscal year and the invoice template is sent to the contractor at the beginning of the fiscal year.
 - ▣ After the contract certification of the new fiscal year, the revised invoice template will be sent to the contractor. This invoice template will replace the MYE invoice template.

Adjustment Invoices

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- **Adjustment Invoices – Fee For Service**
 - After the certification of the contract modification, adjustments will be handled by the Invoice Analyst via a separate, one-page budget adjustment form. This adjustment should show the program deliverables, the value of the units invoiced at the former rate, value of units invoiced at the revised rate, and the difference between the two values. This adjustment form will be submitted to the contractor for signature.
 - This will eliminate the need to revise the previously submitted invoices.
 - Refer to samples in slide 13 through 15.

Sample – April Fee-For-Service Invoice

DEPARTMENT OF PUBLIC HEALTH CONTRACTOR

FEE FOR SERVICE STATEMENT OF DELIVERABLES AND INVOICE

Appendix F
PAGE A

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Contract ID
1000088888

INVOICE NUMBER: 12342001A1APR19

Contractor: ABC Health Center for HIV Health Services

Contract Purchase Order: SFGOV-0000999999

Address: 100 ABC Street, San Francisco, CA 94116

Funding Source: HHS County General Fund

Tel: (415) 123-4567
Fax: (415) 123-4568

HHS

Dept-Authority ID: 162644-10000

Project-Activity: 10026709-0001

Funding Term: 07/01/2018 - 06/30/2019

Invoice Period: April 2019

PHP Division: HIV Health Services

Final Invoice: (Check if Yes)

	Total Contracted Exhibit UDC	Delivered THIS PERIOD Exhibit UDC	Delivered to Date Exhibit UDC	% of TOTAL Exhibit UDC	Remaining Deliverables Exhibit UDC
Unduplicated Clients for Exhibit:					

*Unduplicated Counts for AIDS Use Only.

DELIVERABLES Program Name/Reptg. Unit Modality/Mode # - Svc Func (MHO only)	Total Contracted		Delivered THIS PERIOD		Unit Rate	AMOUNT DUE	Delivered to Date		% of TOTAL		Remaining Deliverables	
	UDS	CLIENTS	UDS	CLIENTS			UDS	CLIENTS	UDS	CLIENTS	UDS	CLIENTS
Food Solicitation, Pounds	479,771		32,957		\$ 0.23	\$ 7,580.11	409,296		85.31%		70,475	
	479,771		32,957				409,296		85.31%		70,475	
Budget Amount					\$ 115,790		Expenses To Date		% of Budget		Remaining Budget	
							\$ 94,138.00		\$ 0.81		\$ 21,652.00	

SUBTOTAL AMOUNT DUE \$ 7,580
Less: Initial Payment Recovery (For DPH Use) Other Adjustments
NET REIMBURSEMENT \$ 7,580

NOTES:

Sample – Fee-For-Service Adjustment Invoice after the contract modification is approved

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DEPARTMENT OF PUBLIC HEALTH CONTRACTOR								
FEE FOR SERVICE ADJUSTED STATEMENT OF DELIVERABLES AND INVOICE								
Contract ID						Appendix F		PAGE A
1000088888								
INVOICE NUMBER:						Adjustment12342001A1APR19		
Contractor: ABC Health Center for HIV Health Services			Contract Purchase Order No:			SFGOV-0000999999		
Address: 100 ABC Street, San Francisco, CA 94116			Funding Source			HHS County General Fund		
Tel: (415) 123-4567			Dept-Authority ID			162644-10000		
Fax: (415) 123-4568			Project-Activity			10026709-0001		
Funding Term: 07/01/2018 - 06/30/2019			Invoice Period :			July 2018 to April 2019		
PHP Division: HIV Health Services			Final Invoice:			(Check if Yes)		
DELIVERABLES	HAVE BEEN INVOICED AS:			SHOULD HAVE BEEN INVOICED AS:			(DIFFERENCE) ADJUSTMENTS	
Program Name/Reptg. Unit Modality/Mode # - Svc Func (MHO only)	UDS	Unit Rate	Amount	UDS	Unit Rate	Amount	UDS	Amount
Food Solicitation, Pounds	409,296	\$ 0.23	\$ 94,138.08	409,296.0000	\$ 0.25	\$ 102,324.00		\$ 8,185.92
TOTAL	409,296.0000		\$ 94,138.08	409,296.0000		\$ 102,324.00		\$ 8,185.92

Sample – May Fee-For-Service Invoice

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HHS

Contractor: ABC Health Center for HIV Health Services Address: 100 ABC Street, San Francisco, CA 94116 Tel: (415) 123-4567 Fax: (415) 123-4568 Funding Term: 07/01/2018 - 06/30/2019 PHP Division: HIV Health Services		INVOICE NUMBER: 12342001A1MAY19 Contract Purchase Ord: SFGOV-0000999999 Funding Source: HHS County General Fund Dept-Authority ID: 162644-10000 Project-Activity: 10026709-0001 Invoice Period: May 2019 Final Invoice: (Check if Yes)
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	Total Contracted Exhibit UDC	Delivered THIS PERIOD Exhibit UDC	Delivered to Date Exhibit UDC	% of TOTAL Exhibit UDC	Remaining Deliverables Exhibit UDC
Unduplicated Clients for Exhibit:					

*Unduplicated Count for AIDS Use Only.

DELIVERABLES Program Name/Reptg. Unit Modality/Mode # - Svc Func (HHS only)	Total Contracted		Delivered THIS PERIOD		Unit Rate	AMOUNT DUE	Delivered to Date		% of TOTAL		Remaining Deliverables	
	UOS	CLIENTS	UOS	CLIENTS			UOS	CLIENTS	UOS	CLIENTS	UOS	CLIENTS
Food Solicitation, Pounds	479,771		20,975.000		\$ 0.25	\$ 5,243.75	430,271.00		89.68%		49,500.00	
	479,771		20,975.000				430,271.00		89.68%		49,500.00	
Budget Amount					\$ 115,790.00		Expenses To Date		% of Budget		Remaining Budget	
							107,567.67		92.90%		8,222.33	

SUBTOTAL AMOUNT DUE \$ 5,243.75 Less: Initial Payment Recovery (For DPH Use) Other Adjustments NET REIMBURSEMENT \$ 5,243.75		NOTES:
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Please note that the Expenses to Date amount is \$107,567.67 which is the sum of \$94,138 from April invoice, \$8,185.92 from the Adjustment Invoice, and \$5,243.75 from the May invoice. **(\$94,138 + \$8,185.92 + \$5,243.75 = \$107,567.67)**

Adjustment Invoices cont't

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- **Adjustment Invoices – Cost Reimbursement**
 - Following certification of contract modifications, the contractor will include adjustment expenditures in the next month's invoice. It is not necessary to resubmit prior months' invoices.
 - Refer to samples in slide 17 and 18.

Sample – October Cost Reimbursement Invoice

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DEPARTMENT OF PUBLIC HEALTH CONTRACTOR COST REIMBURSEMENT INVOICE												
Contract ID 1000022222										Appendix F PAGE A		
Contractor: ABC Mental Health Center Inc.				INVOICE NUMBER: M07 OC 18								
Address: 118 ABC Street, San Francisco, CA 94117				Ct. Blanket No.: BPHM TBD				User Cd				
Tel No.: (415) 444-2222				Ct. PO No.: POHM SFGOV-000011111								
Fax No.: (415) 444-3333				Fund Source: MH State - MHSA (PEI)								
BHS				Invoice Period: October 2018								
Contract Term: 07/01/2018 - 10/31/2018				Final Invoice: (Check if Yes)								
PHP Division: Behavioral Health Services												
Program/Exhibit	TOTAL CONTRACTED		DELIVERED THIS PERIOD		DELIVERED TO DATE		% OF TOTAL		REMAINING DELIVERABLES		% OF TOTAL	
	UOS	UDC	UOS	UDC	UOS	UDC	UOS	UDC	UOS	UDC	UOS	UDC
B-5 Mental Health Collaborative - 251984-17156-10031199-0020												
45/ 10 - 19 OS - MH Promotion	3,061	200	133		1,067	-	35%	0%	1,994	200	65%	100%
Unduplicated Counts for AIDS Use Only.												
Description	BUDGET		EXPENSES THIS PERIOD		EXPENSES TO DATE		% OF BUDGET		REMAINING BALANCE			
Total Salaries	\$	42,090.00	\$	6,197.10	\$	24,788.40		58.89%	\$	17,301.60		
Fringe Benefits	\$	9,681.00	\$	2,103.91	\$	4,340.40		44.83%	\$	5,340.60		
Total Personnel Expenses	\$	51,771.00	\$	8,301.01	\$	29,128.80		56.26%	\$	22,642.20		
Operating Expenses												
Occupancy	\$	4,715.00	\$	661.36	\$	2,674.04		56.71%	\$	2,040.96		
Materials and Supplies	\$	697.00	\$	369.60	\$	697.00		100.00%	\$	-		
General Operating	\$	600.00	\$	400.00	\$	400.00		66.67%	\$	200.00		
Staff Travel	\$	450.00	\$	-	\$	33.15		7.37%	\$	416.85		
Consultant/Subcontractor	\$	102,500.00	\$	8,764.05	\$	58,318.90		56.90%	\$	44,181.10		
Other: Recruitment/ Direct Staff Expenses,	\$	175.00	\$	60.00	\$	172.88		98.79%	\$	2.12		
Client-Related Food	\$	300.00	\$	200.00	\$	200.00		66.67%	\$	100.00		
Client-Related Other Activities	\$	150.00	\$	-	\$	-		0.00%	\$	150.00		
Total Operating Expenses	\$	109,587.00	\$	10,455.01	\$	62,495.97		57.03%	\$	47,091.03		
Capital Expenditures	\$	-	\$	-	\$	-		0.00%	\$	-		
TOTAL DIRECT EXPENSES	\$	161,358.00	\$	18,756.02	\$	91,624.77		56.78%	\$	69,733.23		
Indirect Expenses	\$	19,363.00	\$	1,655.81	\$	10,877.89		56.18%	\$	8,485.11		
TOTAL EXPENSES	\$	180,720.00	\$	20,411.83	\$	102,502.66		56.72%	\$	78,217.34		
Less: Initial Payment Recovery					NOTES:							
Other Adjustments (DPH use only)												
REIMBURSEMENT					\$ 20,411.83							

Sample – November Cost Reimbursement Invoice with adjusted expenditures after the contract modification is approved

**DEPARTMENT OF PUBLIC HEALTH CONTRACTOR
COST REIMBURSEMENT INVOICE**

Appendix F
PAGE A

Contract ID
1000022222

Contractor: ABC Mental Health Center Inc.

Address: 118 ABC Street, San Francisco, CA 94117

Tel No.: (415) 444-2222
Fax No.: (415) 444-3333

Contract Term: 07/01/2018 - 6/30/2019

PHP Division: Behavioral Health Services

BHS

INVOICE NUMBER: M07 NO 18

Ct. Blanket No.: BPHM TBD

Ct. PO No.: POHM SFGOV-000011111

Fund Source: MHSA (PEI)

Invoice Period: **November 2018**

Final Invoice: (Check if Yes)

Program/Exhibit	TOTAL CONTRACTED		DELIVERED THIS PERIOD		DELIVERED TO DATE		% OF TOTAL		REMAINING DELIVERABLES		% OF TOTAL	
	UCS	UDC	UCS	UDC	UCS	UDC	UCS	UDC	UCS	UDC	UCS	UDC
B-5 Mental Health Collaborative - 251984-17156-10031199-0020												
45/ 10 - 19 OS - MH Promotion	6,121	200	244		1,311	-	21%	0%	4,810	200	79%	100%

Unduplicated Counts for AIDS Use Only.

Description	BUDGET	EXPENSES THIS PERIOD	EXPENSES TO DATE	% OF BUDGET	REMAINING BALANCE
Total Salaries	\$ 83,772.00	\$ 6,197.10	\$ 30,985.50	36.99%	\$ 52,786.50
Fringe Benefits	\$ 19,268.00	\$ 1,575.20	\$ 5,915.60	30.70%	\$ 13,352.40
Total Personnel Expenses	\$ 103,040.00	\$ 7,772.30	\$ 36,901.10	35.81%	\$ 66,138.90
Operating Expenses					
Occupancy	\$ 9,430.00	\$ 668.05	\$ 3,342.09	35.44%	\$ 6,087.91
Materials and Supplies	\$ 2,500.00	\$ 725.00	\$ 1,422.00	56.88%	\$ 1,078.00
General Operating	\$ 300.00	\$ (100.00)	\$ 300.00	100.00%	\$ -
Staff Travel	\$ 900.00	\$ 94.16	\$ 127.31	14.15%	\$ 772.69
Consultant/Subcontractor	\$ 105,000.00	\$ 14,025.91	\$ 72,344.81	68.90%	\$ 32,655.19
Other: Recruitment/ Direct Staff Expenses,	\$ 350.00	\$ 46.14	\$ 219.02	62.58%	\$ 130.98
Client-Related Food	\$ 300.00	\$ -	\$ 200.00	66.67%	\$ 100.00
Client-Related Other Activities	\$ 300.00	\$ -	\$ -	0.00%	\$ 300.00
Total Operating Expenses	\$ 119,080.00	\$ 15,459.26	\$ 77,955.23	65.46%	\$ 41,124.77
Capital Expenditures	\$ -	\$ -	\$ -	0.00%	\$ -
TOTAL DIRECT EXPENSES	\$ 222,120.00	\$ 23,231.56	\$ 114,856.33	51.71%	\$ 107,263.67
Indirect Expenses	\$ 26,654.40	\$ 2,699.77	\$ 13,577.66	50.94%	\$ 13,076.74
TOTAL EXPENSES	\$ 248,774.40	\$ 25,931.33	\$ 128,433.99	51.63%	\$ 120,340.41

Less: Initial Payment Recovery		NOTES:
Other Adjustments (DPH use only)		
REIMBURSEMENT	\$ 25,931.33	

Credit Invoice

- A credit invoice needs to be submitted when there is a contract modification involves a change in
 - program
 - funding source
 - method of payment (change from cost reimbursement invoice to fee-for-service invoice or vice versa)
 - All units of services and expenditure amount need to be zero out from the previous invoice template(s) and transfer to the new invoice template(s).
 - Include the explanation in the “Note” box of the invoice
 - Example: Transfer 5,000 units and \$10,000 from Invoice M01 to Invoice M02

Sample – November Fee-For-Service Invoice (FFS)

FEE FOR SERVICE STATEMENT OF DELIVERABLES AND INVOICE															
DEPARTMENT OF PUBLIC HEALTH CONTRACTOR															
FEE FOR SERVICE STATEMENT OF DELIVERABLES AND INVOICE															
										Appendix F PAGE A					
						Contract ID 1000011111									
						INVOICE NUMBER:		M15 NO 18							
Contractor: AAA Mental Health Center Inc.						Ct.Blanket No.: BPHM		n/a							
Address: 1234 ABC St., San Francisco, CA 94103								User Cd							
						Ct. PO No.: POHM		SFGOV-1000021111							
Tel No.: (415) 444-2222						BHS		Fund Source:							
Fax No.: (415) 444-3333								MH Feb/ State Adult/ Cnty General Fund							
Funding Term: 07/01/2018 - 06/30/2019						Invoice Period :		November 2018							
PHP Division: Behavioral Health Services						Final Invoice:		(Check if Yes)							
						Total Contracted Exhibit UDC		Delivered THIS PERIOD Exhibit UDC		Delivered to Date Exhibit UDC		% of TOTAL Exhibit UDC		Remaining Deliverables Exhibit UDC	
Unduplicated Clients for Exhibit:															
<small>*Unduplicated Counts for AIDS Use Only.</small>															
DELIVERABLES		Total Contracted		Delivered THIS PERIOD		Unit Rate	AMOUNT DUE	Delivered to Date		% of TOTAL		Remaining Deliverables			
Program Name/Reptg. Unit Modality/Mode # - Svc Func (MHO only)	UOS	CLIENTS	UOS	CLIENTS	UOS			CLIENTS	UOS	CLIENTS	UOS	CLIENTS	UOS	CLIENTS	
B-2 Crisis Clinic PC# - 1234 - (HMHCC730515) 251984-10000-SFGOV-10001792-0001															
15/ 01 - 09 OP - Case Mgt Brokerage	600.000		113.000		\$ 2.28	\$ 257.64	200.000		33.33%		400.000				
15/ 10 - 57, 59 OP - MH Services	1,380.000		663.000		\$ 2.97	\$ 1,969.11	956.000		69.28%		424.000				
15/ 60 - 69 OP - Medication Support	118,080.000		99,252.000		\$ 6.94	\$ 688,808.88	148,554.000		125.81%		-30,474.000				
15/ 70 - 79 OP - Crisis Intervention	121,003.000		18,188.000		\$ 5.82	\$ 105,854.16	30,605.000		25.29%		90,398.000				
45/ 20 - 29 OS - Cmnty Client Svcs	30.000		30.599		\$ 117.29	\$ 3,588.96	55.765		185.88%		-25.765				
TOTAL		241,093		118,246.599				180,370.765		74.81%		60,722.235			
		Budget Amount				\$ 1,571,165.00		Expenses To Date		% of Budget		Remaining Budget			
								\$ 1,218,921.86		77.58%		\$ 352,243.14			
						SUBTOTAL AMOUNT DUE		\$ 800,478.75		NOTES:					
						Less: Initial Payment Recovery									
						(For DPH Use) Other Adjustments									
						NET REIMBURSEMENT		\$ 800,478.75							

Sample – December Credit Invoice for Change Method of Payment (FFS to CR)

SERVICE STATEMENT OF DELIVERABLES AND INVOICE (With Credit \$ transfer out to Cost Reimburseme

DEPARTMENT OF PUBLIC HEALTH CONTRACTOR FEE FOR SERVICE STATEMENT OF DELIVERABLES AND INVOICE

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PAGE A

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Contract ID
1000011111

INVOICE NUMBER: M15 DE 18

Contractor: AAA Mental Health Center Inc.

Ct.Blanket No.: BPHM n/a

Address: 1234 ABC St., San Francisco, CA 94103

User Cd
Ct. PO No.: POHM SFGOV-1000021111

Tel No.: (415) 444-2222
Fax No.: (415) 444-3333

BHS

Fund Source: MH Feb/ State Adult/ Cnty General Fund

Funding Term: 07/01/2018 - 06/30/2019

Invoice Period : December 2018

Final Invoice: (Check if Yes)

PHP Division: Behavioral Health Services

	Total Contracted Exhibit UDC	Delivered THIS PERIOD Exhibit UDC	Delivered to Date Exhibit UDC	% of TOTAL Exhibit UDC	Remaining Deliverables Exhibit UDC
Unduplicated Clients for Exhibit:					

*Unduplicated Count for AIDS Use Only.

DELIVERABLES Program Name/Reptg. Unit Modality/Mode # - Svc Func (MH only)	Total Contracted		Delivered THIS PERIOD		Unit Rate	AMOUNT DUE	Delivered to Date		% of TOTAL		Remaining Deliverables	
	UDS	CLIENTS	UDS	CLIENTS			UDS	CLIENTS	UDS	CLIENTS	UDS	CLIENTS
B-2 Crisis Clinic PC# - 1234 - (HMHMCC730515) 251984-10000-SFGOV-10001792-0001												
15/ 01 - 09 OP - Case Mgt Brokerage	600,000		-200,000		\$ 2.28	\$ (456.00)	0.000		0.00%		600,000	
15/ 10 - 57, 59 OP - MH Services	1,380,000		-956,000		\$ 2.97	\$ (2,839.32)	0.000		0.00%		1,380,000	
15/ 60 - 69 OP - Medication Support	118,080,000		-148,554,000		\$ 6.94	\$ (1,030,964.76)	0.000		0.00%		118,080,000	
15/ 70 - 79 OP - Crisis Intervention	121,003,000		-30,605,000		\$ 5.82	\$ (178,121.10)	0.000		0.00%		121,003,000	
45/ 20 - 29 OS - Cmnty Client Svcs	30,000		-55,765		\$ 117.29	\$ (6,540.68)	0.000		0.00%		30,000	
TOTAL	241,093		-180,370.765				0.000		0.00%		241,093,000	

Budget Amount	Expenses To Date	% of Budget	Remaining Budget
\$ 1,571,165.00	\$ (0.00)	0.00%	\$ 1,571,165.00

SUBTOTAL AMOUNT DUE	\$ (1,218,921.86)	NOTES:
Less: Initial Payment Recovery		
(For DPH Use) Other Adjustments		
NET REIMBURSEMENT	\$ (1,218,921.86)	Total of 180,370.765 UDS and \$1,218,921.86 transferred from M15 to M20 Dec 2018

Sample – December Invoice after the Change of Payment Method to Cost Reimbursement (CR)

COST REIMBURSEMENT INVOICE SAMPLE (With Credit \$ transfer in)

DEPARTMENT OF PUBLIC HEALTH CONTRACTOR
COST REIMBURSEMENT CREDIT INVOICE

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PAGE A

Contract ID
1000011111

INVOICE NUMBER: M20 DE 18

Contractor: AAA Mental Health Center Inc.

Ct.Blanket No.: BPH n/a

Address: 1234 ABC Street, San Francisco, CA 94103

Ct. PO No.: POHM SFGOV-1000021111

Tel No.: (415) 444-2222

Fund Source: MH Adult Fed/ State/ Cnty General Fund

Fax No.: (415) 444-3333

BHS

Invoice Period: July 2018-December 2018

Funding Term: 07/01/2018 - 06/30/2019

Final Invoice: (Check if Yes)

PHP Division: Behavioral Health Services

Program/Exhibit	TOTAL CONTRACTED		DELIVERED THIS PERIOD		DELIVERED TO DATE		% OF TOTAL		REMAINING DELIVERABLES		% OF TOTAL	
	UOS	UDC	UOS	UDC	UOS	UDC	UOS	UDC	UOS	UDC	UOS	UDC
B-2 Crisis Clinic PC# - 1234 - (HMHMCC730515) 251984-10000-SFGOV-10001792-0001												
15/ 01-09 OP-Case Mgt Brokerage	600	25	195		195	-	33%	0%	405	25	68%	100%
15/ 10-57, 59 OP-MH Svcs	1,380	25	660		660	-	48%	0%	720	25	52%	100%
15/ 60-69 OP-Medication Support	118,080	750	132		132	-	0%	0%	117,948	750	100%	100%
15/ 70-79 OP-Crisis Intervention	121,003	875	25,475		25,475	-	21%	0%	95,528	875	79%	100%
45/ 10-19 OS-MH Promotion	30	30	30		30	-	100%	0%	-	30	0%	100%

Unduplicated Counts for AIDS Use Only.

Description	BUDGET	EXPENSES THIS PERIOD	EXPENSES TO DATE	% OF BUDGET	REMAINING BALANCE
Total Salaries	\$ 880,683.00	\$ 772,007.53	\$ 772,007.53	87.66%	\$ 108,675.47
Fringe Benefits	\$ 237,747.00	\$ 155,183.88	\$ 155,183.88	65.27%	\$ 82,563.12
Total Personnel Expenses	\$ 1,118,430.00	\$ 927,191.41	\$ 927,191.41	82.90%	\$ 191,238.59
Operating Expenses:					
Occupancy	\$ 184,590.00	\$ 164,225.26	\$ 164,225.26	88.97%	\$ 20,364.74
Material and Supplies	\$ 7,550.00	\$ 5,110.31	\$ 5,110.31	67.69%	\$ 2,439.69
General Operating	\$ 45,060.00	\$ 36,314.33	\$ 36,314.33	80.59%	\$ 8,745.67
Staff Travel	\$ 3,500.00	\$ 2,628.00	\$ 2,628.00	75.09%	\$ 872.00
Consultant/ Subcontractor	\$ -	\$ -	\$ -	0.00%	\$ -
Other: Client Supplies/ Services	\$ 7,100.00	\$ 6,340.00	\$ 6,340.00	89.30%	\$ 760.00
		\$ -	\$ -	0.00%	\$ -
Total Operating Expenses	\$ 247,800.00	\$ 214,617.90	\$ 214,617.90	86.61%	\$ 33,182.10
Capital Expenditures	\$ -	\$ -	\$ -	0.00%	\$ -
TOTAL DIRECT EXPENSES	\$ 1,366,230.00	\$ 1,141,809.31	\$ 1,141,809.31	83.57%	\$ 224,420.69
Indirect Expenses	\$ 204,935.00	\$ 171,265.38	\$ 171,265.38	83.57%	\$ 33,669.62
TOTAL EXPENSES	\$ 1,571,165.00	\$ 1,313,074.69	\$ 1,313,074.69	83.57%	\$ 258,090.31

Less: Initial Payment Recovery	
Other Adjustments (DPH use only)	\$ (1,218,921.86)
REIMBURSEMENT	\$ 94,152.83

NOTES:
Total of 180,370.765 UOS and \$1,218,921.86 trasferred from M15 to M20 Dec 2018; included December expenditures

Expenses that are not reimbursable

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- ❑ Except for applicable California sales and use taxes charged by the contractor to City, other taxes are not reimbursable.
- ❑ Late/penalty fees, non-sufficient service fee/overdraft fees, cash advance fee, foreign exchange fees, and credit card fees are not reimbursable.
- ❑ Generally, bank fees are not reimbursable but small bank fees such as charges for bank account maintenance and check cashing that are ordinary and necessary costs for running a business may be reimbursable.

Contract Expense Category

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- Salaries
- Fringe Benefits
- Occupancy
- Material & Supplies (less than \$5,000 per unit)
- General Operating
- Staff Travel
- Consultant/Subcontractor
- Other
- Capital Expenditures (\$5,000 per unit and above)
- Indirect Expenses

\$1K, \$10K/10% of the Expense Category Changes

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- Allowable Expense Category Changes of \$1k, 10% or \$10k (allowable for invoice payment)
- Applies to Cost Reimbursement Invoice only.
- Actual invoice expenses may exceed the expense category budget up to 10% or \$10,000, whichever is less.
 - If the overspending does not exceed \$1,000, it is also allowable for invoice payment.
- Overspending in an existing expense category(ies) must be offset by underspending in another expense category(ies), so that the individual invoice budget is not exceeded.
- This rule does not apply to all expense categories and is only implemented if the funding source allows.

\$1K, \$10K/10% of the Expense Category Changes

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- Applicable to \$1K, \$10K/10% of the Expense Category Changes
 - ▣ Salaries (raise, or FTE increase of existing positions)
 - ▣ Fringe Benefits (see slide 34)
 - ▣ Occupancy
 - ▣ Materials & Supplies
 - ▣ General Operating
 - ▣ Staff Travel
 - ▣ Other

Expense Category Changes – Examples

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- The following are three examples of how to apply this rule
- Example #1: Total Budget of General Operating expense category = \$150,000
10% of General Operating expense category = \$15,000
Maximum Dollar Value for Any Increase = \$10,000
- The actual general operating expenses may only go up to \$160,000 (original budget of \$150,000 plus **\$10,000**) without a contract modification, (because the maximum dollar value of \$10k is lower than the value of 10%, or \$15,000), provided that the total expenses do not exceed its total invoice budget. In other words, an increase in one expense category must be offset by reduced spending in another expense category(ies).

Expense Category Changes – Examples

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- Example #2: Total Budget of General Operating expense category = \$30,000
10% of General Operating expense category = \$3,000
Maximum Dollar Value for Any Increase = \$10,000
- The actual general operating expenses may go up to \$33,000 (original budget of \$30,000 plus **\$3,000**) without a contract modification, (because the value of the 10% increase is lower than the maximum of \$10k), provided that the total expenses do not exceed its total invoice budget. In other words, an increase in one expense category must be offset by reduced spending in another expense category(ies).

Expense Category Changes – Examples

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- Example #3: Total Budget of General Operating expense category = \$5,000
10% of General Operating expense category = \$500
Maximum Dollar Value for Any Increase = \$10,000
Actual expenses exceeded by \$600, so total expenses = \$5,600
- \$600 is 12% of the expense category total. While 12% exceeds the lesser of 10% or \$10,000 of the expense category budget, it does not exceed the \$1,000 threshold, so the invoice will be paid. The total expenses do not exceed its total invoice budget. In other words, an increase in one expense category must be offset by reduced spending in another expense category(ies).

Changes not applicable to \$1K, 10%/\$10K Expense Category Rule

- The \$1K, 10%/\$10k rule does not apply when the following changes are made to the expense categories or expense category line-items listed below. Changes listed below will require the submission of a contract modification:**

Invoice Expense Category	Scenario	Requirement for Payment Approval/ Processing
Salaries	New position(s) not previously contained in the budget (an increase in FTE of an existing position is not considered a new position)	Revision to Program Budget (RPB).
Fringe Benefit	Rate increase; also refer to slide 34	Revision to Program Budget (RPB), Fringe Benefit Rate Increase Request Form.
Indirect	Rate increase	Revision to Program Budget (RPB), Indirect Rate Increase Request Form.
Consultant/Subcontractor	Any increase in the individual subcontractor/consultant line item of the Appendix B	Revision to Program Budget (RPB), Updated Subcontract Agreement.
Capital Expense	Any increase	Revision to Program Budget (RPB).

Revision to Program Budget (RPB)

- A Revision to Program Budget (RPB) is a change to the contract that is within (i.e. does not exceed) the total Compensation/Not To Exceed (NTE) amount and the existing term contained in the contract agreement boilerplate. Contractor should submit the *Contract Change Request Form* to CDTA for a Revision to Program Budget (RPB). For fringe benefit rate or indirect cost rate increase, refer to the applicable policies. For consultant/subcontractor increase, the contractor needs to submit CDTA an updated subcontract agreement.
- **Note: The DPH Budget Unit's Invoice Analyst will prepare a revised invoice template based on the contract modification document submitted. This will then be provided to the contractor to replace the existing templates.**

Invoice Variance Request Form

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- ❑ **When to use the Invoice Variance Request Form?**
- ❑ If the overspending in an existing expense category exceeds (1) \$1,000 and exceeds the 10% of the expense category budget, **or** (2) \$10,000, the contractor may request approval of the invoice by submitting the ***Invoice Variance Request Form***
- ❑ Applies to Cost Reimbursement invoices only.
- ❑ Applies to the last month of the fiscal year or funding term (e.g. June invoice).
- ❑ Is used only to authorize the payment of an invoice variance resulting from overspending in the last month of the fiscal year or funding term. In order to reflect the changes in ongoing years, a Revision to Program Budget (RPB) must be processed.
- ❑ Submit the Invoice Variance Request Form and an accompanying justification together with the final invoice.
- ❑ Overspending in an existing expense category(ies) must be offset by underspending in a different expense category(ies), so that the individual invoice budget is not exceeded.
- ❑ This rule does not apply to all expense categories and is only implemented if the funding source allows.
- ❑ Changes or moves between line items during the year must be made via the normal contract modification process.

Invoice Variance Request Form

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<u>Invoice Expense Category</u>	<u>Invoice Variance Form used when one of the criteria below is met</u>
Fringe Benefits (also see slide 34) Occupancy Materials & Supplies General Operating Staff Travel Other, and Salaries (raise, or FTE increase of <u>existing positions</u>) new positions are not applicable	1) The increase exceeds \$10,000 of the expense category or 2) The increase exceeds 10% of the expense category and the increase amount is over \$1,000

Actual Fringe Benefit Rate Exceeds the Budgeted Rate

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- The fringe benefit expenses may exceed the fringe benefit budget rate up to
 - \$1,000
 - If over \$1,000, then an Invoice Variance Request Form with justification should be submitted together with the final invoice.
- Please note that the approved Invoice Variance Request is applicable **ONLY** to the last month of that fiscal year or funding term.
- In order to reflect these changes in ongoing years, a Revision to Program Budget (RPB) must be processed, and the Fringe Benefit Rate Increase Request may need to be submitted.
- Changes for the fringe benefit budget during the year must be made via the normal contract modification process.
- The total expenses cannot exceed the total budget of the invoice. Overspending of one expense category(ies) must be offset by underspending in a different expense category(ies).

Summary - When to apply to \$1K, \$10K/10% of the Expense Category Changes, Invoice Variance Request, and Revision to Program Budget (RPB)

Invoice Expense Category	Exceed up to \$1K	Exceed up to 10K or 10%	If exceed \$1K, \$10% or \$10K, use Invoice Variance Request	Revision to Program Budget (RPB)
Salaries (existing position)	√	√	√	
Salaries (new position)				√
Fringe Benefits	√		√	
Fringe Benefits (rate increase)				√
Occupancy	√	√	√	
Material & Supplies	√	√	√	
General Operating	√	√	√	
Staff Travel	√	√	√	
Consultant/Subcontractor				√
Other	√	√	√	
Capital Expenditures				√
Indirect Expenses				√

Detailed Personnel Expenditures

Appendix F, Page B

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- The Contractor must complete the Detailed Personnel Expenditures form (Appendix F, Page B) providing their **position titles** as they appear in the certified contract AND the **staff names** along with monthly expenses. This form should be part of the monthly invoice submission. If there is more than one employee in a position, the contractor must provide detailed monthly expenditures for each employee.

Consultant and Subcontractor

- Any contract that contains subcontractor/consultant expenses **must** submit a copy of all subcontractor contracts to their CDTA Program Manager prior to submission of the first invoice. Invoice payments will be withheld until a copy of the subcontractor/consultant contract is on file with CDTA Program Manager.
- Contractors that are providing reimbursement to subcontractors and/or consultants **must** attach a copy of the subcontractor/consultant's invoice as supporting documentation each time the contractor's monthly invoice includes these expenses.
- The policy is currently under discussion and may be revised in the future.

Capital Expenditures

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- Capital Expenditures
- Proof of purchase is required for all expenses incurred within the Capital Expenditure category. Capital expenditures are items that are \$5,000 per unit and above including units of equipment that are \$5,000 and above.
- DPH requires proof of purchase for capital expenses, (i.e. receipt). This proof of purchase should be submitted with the invoice that includes the expense.
- Contractor is required to submit an a **Capital Expense Worksheet** including the purchase amount, purchase date, location, and useful life. All capital expenditures must be supported by adequate property records and physical inventories must be taken at least once every two years to ensure that assets exist and are usable.
- Capital expenditures are only allowable with pre-approval by the Department.
- Capital expenditures are **NOT** Medi-Cal reimbursable, therefore the cost should not be funded by Medi-Cal and its corresponding matching fund, or built into the unit rate that contains Medi-Cal as a funding source. In other words, only non-matched General Fund monies may be used. Most grants (and often work order) funding do not reimburse capital expenses.
- When the item is already funded through the capital expense category, depreciation expense is not allowed. In other words, no duplicate billing is allowed.

Invoice Requirements

- The contractor is required to maintain back-up records (such as receipts, payroll register, and timesheets) that support the invoice billing. This documentation for any expense line-item (supporting an expense category total), by unique invoice must be available upon request.
- Payment may be delayed or withheld if the proper documentation is not submitted with the contractor's invoice upon request.

Quarterly UOS Invoice Review

	<u>Fee-For-Service Invoice</u>	<u>Cost Reimbursement Invoice</u>
15% below quarterly benchmark %	Invoice payment will be processed; Invoice Analyst will inform SOC and cc CDTA for plan resolution, if required.	<u>Invoice payment will be withheld;</u> Invoice Analyst will inform SOC and cc CDTA for plan resolution and payment authorization. CDTA will coordinate and follow up.
15% above quarterly benchmark %	Invoice payment will be processed; Invoice Analyst will inform SOC and cc CDTA for plan resolution, if required.	Invoice payment will be processed; Invoice Analyst will inform SOC and cc CDTA for plan resolution, if required. CDTA will coordinate and follow up.

UOS Quarterly Benchmarks

15% below Quarterly Benchmark

	Quarterly Benchmark %	15% below Benchmark (YTD%)	Will Flag Invoice for Follow-up if UOS/Deliverables are:
1st qtr	25%	21%	Under 21% of deliverables
2nd qtr	50%	43%	Under 43% of deliverables
3rd qtr	75%	64%	Under 64% of deliverables
4th qtr	100%	85%	Under 85% of deliverables

*For Cost Reimbursement invoices, if units of service/deliverables are below 15% of contracted amount, payment authorization is required.

15% over Quarterly Benchmark

	Quarterly Benchmark %	15% over Benchmark (YTD %)	Will Flag Invoice for Follow-up if UOS/Deliverables are:
1st qtr	25%	29%	Over 29% of deliverables
2nd qtr	50%	58%	Over 58% of deliverables
3rd qtr	75%	86%	Over 86% of deliverables
4th qtr	100%	100%	Over 100% of deliverables

Frequently Asked Questions

- **Can the contractor submit an invoice before the contract modification is approved?**
- The contractor should continue to submit the invoices using the **current invoice template**. After the contract modification is approved, the contractor should use the revised template forwarded by the DPH Invoice Analyst. Subsequent to the approved contract modification, if the old invoice template is still utilized, payment will not be processed.

Frequently Asked Questions

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- **When a contractor has not yet received the revised invoice templates, whom the contractor should contact?**
- The contractor should contact the Invoice Analyst.

Frequently Asked Questions

- **For multi-year contracts when may a contractor submit its invoices for the new fiscal year?**
- The DPH Invoice Analyst will send the initial invoice templates each year based on the previous fiscal year's funding less one-time funding and reductions (or based on prior year submissions if a budget was previously submitted for more than one year). After the final contract is approved for the current year, the DPH Invoice Analyst will send a revised invoice template to reflect the current year's budget (Appendix B) in the certified contract.

Frequently Asked Questions

- **Does the contractor need to resubmit revised monthly invoices after a contract modification?**
- No. The contractor does not need to resubmit the revised invoices. The invoices will be adjusted as follows:
- Fee-For-Service Invoice after contract modification:
- The DPH Invoice Analyst will prepare a separate, one-page budget adjustment form reflecting program deliverables, the value of units invoiced at the former rate, the value of invoiced units at the revised rates, and the difference between the two values. After preparing, the DPH Invoice Analyst will provide the Invoice Adjustment form to the affected contractor for signature. There is no need to revise the previously submitted invoices.
- Cost Reimbursement Invoice after contract modification:
- The Contractor should include adjustments in the next month's invoice using the new invoice template provided by the Invoice Analyst. There is no need to revise the previously submitted invoices.
- Credit Invoice
- All units of services and expenditure amount need to be zero out from the previous invoice and transfer to the new invoice template(s).

Frequently Asked Questions

- **What process is used when a contractor is not paid for an invoice or an invoice appears to have been lost?**
- Contractors should contact the DPH Invoice Analyst if submitted invoices have not been paid within 20 working days of submission. If the invoice appears to have been lost, the contractor will be required to resubmit the invoice.

Frequently Asked Questions

- **Can the contractor submit invoices out of monthly sequence?**
- No. DPH Fiscal will not pay any invoice that is out of monthly sequence. For example, a *May* invoice cannot be paid without first processing the *April* invoice, etc. Invoices for months with no expenditures should show a total reimbursement amount of “\$0.00.”

Frequently Asked Questions

- **Can the contractor modify the invoice template?**
- No. The contractor should not modify the invoice template. The DPH Invoice Analyst will send the official invoice template to the contractor. If the invoices the contractor submits are in any way different from the invoices in the certified contract, the invoice will not be processed.
- If you find any errors on the invoice, please contact the Invoice Analyst.

Frequently Asked Questions

- **Will contractors be reimbursed for line item overages in actual cost reimbursable invoices as long as the total expenses are within budget?**
- Refer to Allowable Expense Category Changes of \$1K, 10% or \$10k and the Invoice Variance Request form.

Invoice Expense Category	Exceed up to \$1K	Exceed up to 10% or \$10K	Exceed \$1K, \$10% or \$10K, use Invoice Variance Request	Revision to Program Budget (RPB)
Salaries (existing position)	√	√	√	
Salaries (new position)				√
Fringe Benefits	√		√	
Fringe Benefits (rate increase)				√
Occupancy	√	√	√	
Material & Supplies	√	√	√	
General Operating	√	√	√	
Staff Travel	√	√	√	
Consultant/Subcontractor				√
Other	√	√	√	
Capital Expenditures				√
Indirect Expenses				√

Remember:



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- ❑ Contractors should submit all invoices on or before the 15th calendar day of the following month. The final invoice should be submitted on or before the 45th calendar day after the end of funding term.
- ❑ Invoices must be submitted in sequential order. For example, a May invoice cannot be paid without first paying an April invoice.
- ❑ The contractor should use the official invoice template sent by the DPH Invoice Analyst and should not modify the invoice template.
- ❑ The name and funding term on the consultant/subcontractor's invoice should match the name and funding term in the subcontract agreement and Appendix B budget pages of the contract.
- ❑ The actual expense on the consultant/subcontractor's invoice should be within the budget of the subcontract agreement and Appendix B budget pages of the contract.

Invoice Contact Information

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Fiscal Contracts Payable Contact Information

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