

## **Instructions for Invoice Variance Request Form**

### ***For Cost Reimbursement Invoice Only***

**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*** and a ***justification*** statement. The result of any changes cannot exceed the total budget of the invoice.

***Please note: The Invoice Variance Request Form may only be filed once per fiscal year and only at the time the final invoice is submitted. The form 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. Changes or moves between line items during the year must be made via the normal contract modification process.***

**1. Total Invoice Budget (Section A)**

List the budget line items within the appropriate expense category as they appear in the Appendix B. Insert rows as necessary.

**2. Total Actual Expenditures (Section B)**

List the total actual expenditures in the appropriate expense line item.

**3. Variance (A minus B)**

A formula is provided that subtracts the Total Actual Expenditures (column B) from the Total Invoice Budget (column A) to show the amount of the change.

**4. DPH Office Use Only**

This section is for the use of DPH staff to record approval/denial of the request and the signatures and dates for the SOC Program Manager and Budget Analyst.

**The 10%/\$10,000 Expense Category Change Rule does not apply when the following changes are made to the expense categories or line-items listed below. The changes listed below require the submission of a Revision to Program Budget (RPB).**

- a) New position(s) not previously contained in the budget \*\*
- b) New line-item(s) not previously contained in the budget
- c) Capital Expense increase
- d) Subcontractor/Consultant increase
- e) Fringe Benefit rate increase (refer to the Fringe Benefit Policy and Invoice Variance Request)
- f) Indirect Cost rate increase (refer to the Indirect Cost Policy)

\*\* An increase in FTE of the existing position is not considered as a new position

## Invoice Variance Policy for Cost Reimbursement Invoice

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). See # 6 below
Fringe Benefit	Rate increase; also refer to # 7 below	Revision to Program Budget (RPB), Fringe Benefit Rate Increase Request Form. Also see # 6 and # 7 below
Indirect	Rate increase	Revision to Program Budget (RPB), Indirect Rate Increase Request Form. See # 6 below
Consultant/Subcontractor	Any increase in the individual subcontractor/consultant line item of the Appendix B	Revision to Program Budget (RPB), Updated Subcontract Agreement. See # 6 below
Capital Expense	Any increase	Revision to Program Budget (RPB). See # 6 below
Occupancy, Materials & Supplies, General Operating, Staff Travel, Other, and Salaries (raise, or FTE increase of existing positions)	The increase <b>does NOT exceed \$1K</b> of the expense category	No action required; invoice will be processed. See #2 below
	(1)The increase <b>exceeds \$1K</b> of the expense category, and (2)the increase <b>does NOT exceed</b> the lesser of \$10K or the 10% of the expense category budget	No action required; invoice will be processed. See #2 below
	<b>Applicable during the year</b> (1)The increase <b>exceeds \$1K</b> of expense category, and (2) the increase <b>exceeds \$10K</b> or the 10% of the expense category budget	Revision to Program Budget (RPB). See 6 below
	<b>Applicable to last month of the fiscal year or funding term</b> (1)The increase <b>exceeds \$1K</b> of expense category, and (2) the increase <b>exceeds \$10K</b> or the 10% of the expense category budget	<b>Invoice Variance Request Form with justification. See #2 and #3 below</b>

**Note:**

1. The invoice, like the budget, is broken down into expense categories, e.g. Salaries, Fringe Benefits, Operating, etc as listed in column A above. Within each expense category there are specific expense line-items. A Revision to Program Budget (RPB) is required for any new line-item not previously contained in the budget.
2. 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).
3. The Invoice Variance Request Form may only be filed once per fiscal year and only at the time the final invoice is submitted. The form 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.
4. Changes or moves between line items during the year must be made via the normal contract modification process.
5. This policy may be superceded by specific grant provisions or other funding requirements.
6. A Revision to Program Budget (RPB) is a change to the contract that is within (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.
7. The fringe benefit expenses may exceed the fringe benefit budget rate up to
  - a. \$1,000
  - b. If the increase is over \$1,000, then an Invoice Variance Request Form (see #2 and #3) with justification should be submitted together with the final invoice.