The Business of Billing

Presenters
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Overview

• The Beginning: Contract negotiation
• Contract Set-up
• The Billing Process: Who, What, When, Where
• Final Invoice
• Monitoring payments throughout award
Contract

• Are billing terms defined?
  – Cost-reimbursable contract? (Majority)
  – Or, fixed invoice amounts, sent monthly, quarterly…?
  – Or, completion of specific milestones?
  – Paper invoice or Letter of Credit?
Contract

- If milestones completed, how will the Research Office know?
- Invoice back-up documentation requirement? Negotiation point.
- Special invoice format? Negotiation point.
Contract

• Where to send checks?
  Cashier’s Office
  30 Lovett Avenue
  116 Student Services Bldg
  Newark, DE 19716
Contract Set-up

- Rate-based, Fixed, or LOC
- Start and End Date
- Award Amount
- Budget Period
- Invoicing Requirements
- Reporting Requirements
Billing Set-up

- Billing Frequency
- Invoice Type
- ** Contact and Billing Address **
- Information on the Invoice
- Final Invoice Requirements
- Billing Notes
Invoicing Requirements

- Progress Reports
- Backup Documentation
- Original Plus Copies
- Electronic Invoicing
- Sponsor Invoice Form
Invoicing Scenarios

- Rate Based – One Project
- Rate Based – Multiple Projects
- Rate Based – Multiple Projects and Invoices
- Fixed – One Project
- Fixed – Multiple Projects
- Fixed – Multiple Projects and Invoices
- Rate Based and Fixed Combined
Invoice Process

• Month End
• Quarter End
• On Demand – Fixed
• Letter of Credit (LOC)
Invoice Process

• Special Considerations
  – Standard Invoice Form
  – No cost share on invoice
  – Mid-month preparation
  – Billed by contract, not project
  – Expenses incurred and recorded
Payment

- Checks are sent to:
  Cashier’s Office
  30 Lovett Avenue
  116 Student Services Bldg
  Newark, DE 19716
Invoicing Process

• Research has begun! (and so has spending!)

• Most awards are cost-reimbursable, invoices prepared monthly.
  – i.e. Department records expenses in January.
  – RO prepares/sends invoice in February.
Invoicing Process

• “So, for what can we ask reimbursement?”

• Answer: Expenses *incurred and recorded.*
Items to be Invoiced

• Expenses incurred and recorded

• So what if expenses are recorded to the wrong award?
  – Risk: University is requesting and receiving funds from the wrong sponsor.
Common Question

“Why can’t we send an invoice today for $x,xxx.xx??”
Final Invoice

• When due?
  – Refer to contract.
Final Invoice

• 30 Days prior to invoice due date, total recorded expense balance should be confirmed.

Why is this necessary?
Final Invoice

• Expenses finalized before month-end close process.
  – Ensures F&A and any benefit charges are recorded.
“What if my award is overspent? Can we send an invoice for the full amount of the award?”
“What if my award is under-spent? Can we send an invoice for the full amount of the award?”
Collections

“We have a signed contract. So that means we will receive all the money, right?”
Collections

- Monthly review of accounts receivable.
  - Notices sent if not paid within 30 days.
  - Sometimes need PI involvement.
  - Is sponsor waiting on a deliverable?
Payment

• Other payment considerations:
  – Interim reports
  – ‘After-the-fact’ invoicing requirements.
  – If check received in your department, what should you do with it?
Payment

• Checks are sent to:
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  – The Cashier’s Office will research the payment and determine how to record it.
Review

- The Beginning: Contract negotiation
- Contract Set-up
- Final Invoice
- Payment Review
Questions

Thank you for attending.