OGC Billing Team Talks

Introduction to Billing PeopleSoft Grants 9.2
AGENDA

- Introduction to Billing via Contract Types
- Project Costing and Billing
- Awards Billed by OGC
- Letter of Credit Billed by OGC
- Clinical Trial Billing
- Billing Hot Topics and Billing Examples
- Billing inquiring
- Questions
Contract Types

- Contract types are used in run controls for many billing processes and are used as a management tool for checking correct setup data.

- Contract types
  - CR – Cost reimbursable awards
  - LC – Letter of Credit awards
  - IB – Installment Based awards
  - FR – Fixed Rate agreements
Contract Types

- Navigation: Customer Contracts → Create and Amend → General Information
**Contract Product Types**

- Product Types – define how Revenue is calculated. *(NEW)*
  - **Grant_Reimburse** – Revenue is based on expenses charged to the project. (same as 8.4)
  - **Grant_Fixed** – Revenue is based on invoice or payments received and not based on expenses charges to project. *(NEW)*
    - For awards that are paid per something (patient, test, etc....) or paid when certain milestones are met.
# Contract Product Types

## Assign Billing Plan

**Contract:** CJSVB1, CJSVB1  
**Sold To Customer:** Colorado State University

### Contract Lines to be Assigned / Unassigned

<table>
<thead>
<tr>
<th>Line</th>
<th>Product</th>
<th>Line Description</th>
<th>Billing Amount</th>
<th>Price Type</th>
<th>Plan</th>
<th>Plan Description</th>
<th>Billing Method</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GRANT_REIMBURSE</td>
<td>Grants Reimbursable</td>
<td>Rate</td>
<td></td>
<td>B103</td>
<td>Grant Cost Reimbursable</td>
<td>As Incurred</td>
<td>Ready</td>
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</table>

**Bill Plan to Assign / Unassign**

- **Billing Plan:** NEXT
- **Billing Method:**
- **Description:**

**Assign** assigned lines/sequences to billing plan  

**Unassign** unassign selected lines/sequences from billing plan
Contract Billing Methods

- Billing methods – define if bills are created based on expenses or some other value

- All projects have billing in system – even if actual invoice is not sent out

- Types include –
  - As Incurred – Billing is based on expenses incurred during the billing period
Contract Billing Methods

Types Cont…

◦ **Value Based** – Billing is based on a predefined billing schedule that is time based – e.g. sponsor pays each month, quarter or year for a predefined amount, regardless of expenses.

◦ **Milestone** – based on meeting a milestone –
  - Patients enrolled
  - Tests performed
  - Goal achieved/product delivered
  (not based on expenses)
## Contract Bill Types

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>201</td>
<td>UCD Fed LOC Pooled</td>
</tr>
<tr>
<td>202</td>
<td>UCD Fed LOC Detailed Subaccount</td>
</tr>
<tr>
<td>2AX</td>
<td>UCD Annual Billing</td>
</tr>
<tr>
<td>2SX</td>
<td>UCD Semi Annual Billing</td>
</tr>
<tr>
<td>2QX</td>
<td>UCD Quarterly Billing</td>
</tr>
<tr>
<td>2MX</td>
<td>UCD Monthly Billing</td>
</tr>
<tr>
<td>2CT</td>
<td>UCD Rate Based Billing (FIXED RATE OR PRICE) *These are in most instances department billed</td>
</tr>
<tr>
<td>2IN</td>
<td>UCD Installment Billed</td>
</tr>
<tr>
<td>2DB</td>
<td>UCD Legacy Department Billed (Converted Projects only not use in new setups)</td>
</tr>
<tr>
<td>2GR</td>
<td>UCD Grants Billing (Conversion cleanup only not used in new setups)</td>
</tr>
<tr>
<td>2PI</td>
<td>UCD Program Income (Not used in new setups, program income is not billed in system)</td>
</tr>
</tbody>
</table>
Project Costing and Billing

- Implementation of the grants module has changed the invoicing process significantly during the life of the award.

- 9.2 Grants Module includes Project Costing Ledger, this is a Ledger that is Separate from the GL
  - Now links transactions together through all modules i.e. Billing and AR.
Project Costing and Billing Cont.

Transaction Life Cycle – Cost Reimbursable Projects

◦ Expenses are Booked
  • GLE (General Ledger Expense)
  • SFA (Sponsor F&A Expense)

◦ Expenses are Priced via a project costing job
  • BIL (Expense is within limit to be billed)
  • OLT (Expense is over the limit and not eligible to be billed.)

◦ Revenue is recognized for BIL expenses.
◦ Revenue is NOT recognized for the OLT expenses.
Transaction Life Cycle – Cost Reimbursable Projects

- Expenses are Billed via billing jobs
  - Billed Expenses are changed to BLD
  - Invoice ID’s are created

- Payments are Received and applied to invoices
  - Payments applied to invoice ID’s in step above.
Awards Billed by OGC

- **Cost reimbursable (All)**
  - Billed based on expenses and schedule set by sponsor.

- **All Fixed price contract except Clinical Trial**
  - OGC will invoice all fixed price when the sponsor required invoices.
  - The revenue will be recognized when events are created under the bill plan.
  - When the department invoice FP contract the revenue is recognized when payment is received from the sponsor.

- **Value base contract (Installment)**
  - Sponsor is paying specific amounts regardless of expenses, revenue will still be based on expenses.
  - Many of these are autopay and no invoice is required to be mailed in order to receive payment.
Letter of Credit Federal Draws

- Draws made from 3 Federal Sponsor Groups
  - Health and Human Services (Includes NIH)
  - National Science Foundation
  - Department of Education

- All are currently drawn monthly
  - OGC goal is to get HHS Subaccount draw back to weekly, all other will remain monthly.
  - Significant cleanup has been done to allow us to use delivered LOC process
Letter of Credit Federal Draws Cont.

- HHS Draws
  - Two separate draws
    - Pooled LOC (phasing out, no new awards from NIH under this method)
    - Subaccount LOC draw (all new HHS awards as assigned a subaccount and when the draw is made we specify what subaccount we are drawing for.)
LOC treated as Cost Reimbursable
- BIL rows will be drawn in available from HHS
- OLT rows will not be drawn

LOC Projects Budgets and Billing Limits
- Budgets are booked at Project level
- Billing and Revenue limits are booked at contract line level.
- Multiple projects will share a limit in the case of program project grants.
- Limit is utilized first in first out. So we will draw in the case of one budget being overspent if the sum off all projects is under the Total Limit.
  - In this case you may see revenue and payments over the budget for an individual project. When expenses are moved that revenue and payment will follow.
Clinical Trial Billing

- Departments will still complete all invoicing for clinical trials.
- All clinical trials are Fixed rate
  - Invoices are based on milestones and actions rather than expenses.
  - Revenue is based on invoicing and not based on expenses.
- Currently invoices are created in 9.2 by OGC based on the payment received.
- In the future we will load invoices generated through On Core when they are invoiced.
Billing Hot Topics

- Final Invoices
- Expenses over Budget
- Billing Inquiry
Final Invoice

- The sponsor requires final invoice to be submitted 30, 45, and 60 days after the budget end date.
  - Contracts team should always negotiate for 60 unless sponsor will not allow this.

- All the **allowable** expenses need to be posted prior to the final invoice due date in order to have the fringe benefit calculated on PETs. Fringe benefit allocation only runs at month end close.
Final Invoice Cont...

- All the **Unallowable** expenses need to be removed one month prior to final invoice due date for the same reasons.

- **No Manual invoices.** All the invoices have to be generated from the system. This means all expenses must be in the system.
  - Exceptions can be made if time allows and OGC approves this unique request.
  - If we make an exception to this and timely cleanup is not completed to match invoice to GL additional exceptions will not be made.
  - No more last minute invoices allowed when all the transactions are not posted to the GL on time it is VERY important all transactions are complete within 60 days of project end date, unless you have a sooner final deadline.
Over budget expenses and billing

- The total expenses booked to the project has to be less or equal to the budget amount for the billing process to be run without manual intervention.

- Over the budget expenses will go to OLT (over the limit). OGC cannot control the exact transactions that go to OLT, thus the invoice amount by category will not be correct for that month.

- F&A can show on bill but direct cost when OLT, or Benefit show on bill and Salary to OLT

- Examples
<table>
<thead>
<tr>
<th>Sponsor</th>
<th>Project</th>
<th>Item ID</th>
<th>Sequence</th>
<th>Entry Type</th>
<th>Status</th>
<th>Acctg Date</th>
<th>Invoice Date</th>
<th>Period From</th>
<th>Period To</th>
<th>Invoice Amt</th>
<th>Payment Amt</th>
<th>Payment ID</th>
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**Total** $20,616.00 (19,900.55) $0.00 $0.00 $0.00 $715.45
BILLING_INQUIRY_BY_PROJECT Cont.

- Item ID: Is the invoice number
  - GC000001 for CR contracts
  - FR000001 for Fixed price contract
  - IN000001 for Installment base contract

- Sequence: order in which posting occur on the item.

- Entry Type:
  - IN: Invoice
  - PY: Payment
  - MT: Maintenance
  - CR: Credit
  - DR: Debit
BILLING_INQUIRY_BY_PROJECT Cont.

- **Status**: Item is either Closed or Open.
- **Accounting date**: The date the item is created.
- **Invoice date**: The date listed on the invoice.
- **Period from and period to**: The time covered by the invoice.
- **Maintenance**: Amount being offset by another item.
BILLING_INQUIRY_BY_PROJECT Cont.

- **On Account**: Payment received but not yet applied to an invoice.

- **Item Balance**: Remaining balance left on the item.

- **BILLING_INQUIRY_BY_PROJECT Navigation**
  - **Main Menu > Reporting Tools > Query > Query Viewer > Search for Query Name BILLING_INQUIRY_BY_PROJECT**
QUESTIONS