

OWD Invoice, Budget, and Budget Revision Guide – FY16

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INVOICE GUIDELINES

1. Submitting an Invoice

- a. The majority of OWD contracts are cost reimbursement.
- b. Invoices are due either **monthly or quarterly**, following the same pattern throughout the year.
- c. Submit invoices by the **10th business day** of the month following the billing period. If you need an extension, contact OWD *prior* to the invoice deadline.

Quarterly Invoicing Schedule	
Quarter	Due Date
Q1: July 1 - Sept 30	Thursday, October 15th
Q2: Oct 1 - Dec 31	Friday, January 15th
Q3: Jan 1 - Mar 31	Thursday, April 14th
Q4: Apr 1 - June 30	Friday, July 15th

- d. **The first invoice**: invoices require an executed contract and contract number for the current fiscal year. Therefore, the first invoice will likely cover a longer billing period.
- e. Mail or hand-deliver the **original and one (1) copy** of the invoice to:

EDIC / OWD, Attn: Lee Fields
43 Hawkins Street
Boston, MA 02114
- f. **WIOA & AEI**: Program reports are required to process each invoice. **CDBG**: invoices submitted in September, December, March and July must all have quarterly reports submitted in order to be processed.

2. The Final Invoice

- a. The final invoice of the fiscal year must be submitted **no later than 30 days beyond the expiration date of the contract year**. We strongly encourage you to submit the final invoice **as soon as possible** after the end of the fiscal year to allow for any last minute adjustments.
- b. As indicated in all contracts, under Article IV, “EDIC may unilaterally de-obligate any unexpended funds and terminate any further liability” to your agency for any invoices submitted after the final invoice deadline. OWD will strictly uphold this contract regulation.
- c. **WIOA, AEI, DESE/ACP and CDBG**: A final report is required to process the final invoice.

3. Processing an Invoice

- a. The processing time for an accurate and complete invoice takes about 30 business days from the date received.
- b. OWD will hold, up to two weeks, invoices that have calculation errors or that are missing documentation. If corrections are not submitted within the two-week period, the invoice will be logged out of the system and returned.
- c. Once reviewed by the OWD program staff, the invoice goes to our Fiscal Department for approval. If there is a discrepancy with the invoice, it will be returned to the OWD program staff who will follow up with the invoice preparer. Depending on the funding source the invoice may be reviewed by another city department before issuing a reimbursement check.

Note: Agencies are strongly discouraged from contacting the OWD Fiscal Department directly. Any questions regarding invoices should be directed to OWD program staff.

INVOICE REVIEWS

As part of the process to track and assess agencies' administrative performance, OWD program staff will complete reviews for all invoices, indicating if the invoice needs any revisions. OWD takes program reviews into consideration when evaluating agencies' overall performance for future funding.

OWD relies on agencies submitting invoices in a timely manner to efficiently track overall expenses for all programs and reduce the likelihood of lag money left on this grant. Failure to respond/correct mistakes in a timely manner may lead to the program being subjected to further corrective action.

Reviews will note the following:

- Late submission of invoices without prior approval for an extension from OWD staff
- Invoices missing original signatures or adequate back-up documentation
- Invoices with invalid expenses or mathematical inaccuracies

INVOICE PREPARATION

A complete invoice includes an original and one (1) copy of the following:

1. A cover page with an original signature
2. Cost Reimbursement page
3. Cost Detail page

If invoicing for operational costs:

4. Operational cost calculation page
5. Back-up documentation, including receipts, bills, cancelled checks

AEI and CDBG only:

6. Signed indirect cost letter request, if applicable
7. Signed salary back-up documentation form
8. Signed time sheets for each staff person included in the invoice
9. Payroll journals for each staff person included in the invoice

INVOICE COVER PAGE - Page 1

Contract Number: It is different every year and can be found on the first page of the executed contract.

Contract Period: It can be found on the first page of the executed contract. i.e. 7/1/15 to 6/30/16

Contractor Name, FIN/Social Security No., Program Name, Address (city, state, zip)

Total Contract Amount: The total contracted amount for the entire fiscal year or the contracted period.

Current Invoice Period: The period covered by the invoice (which cannot extend beyond the contract end date).

Current Invoice Amount: The total amount of money requested for reimbursement.

Funding Source: Check "Cost Reimbursement" and the grant name. When submitting the final invoice, also check "Final Payment" (this lets EDIC know that any balance left on your grant will not be spent out).

OWD Program Contact: The name of your OWD program staff.

Signatures/Certification: OWD requires the original signature of an authorized agency representative. In the space provided, include the date, name, and telephone number of the individual who prepared the invoice.

WIOA Contracts Only: Enter the prior cumulative expenditures and expenditures for the invoice period for Out-of-School Youth (75% target) and Work-Based Learning activities (20% target). Work-Based Learning activities can include youth wages and staffing costs for the development and management of work experiences, defined as:

Paid and unpaid work experiences that have as a component academic and occupational education, including:

- summer employment opportunities and employment throughout the year;
- pre-apprenticeship programs;
- internships and job shadowing;
- on-the-job training opportunities

AEI Contracts Only: Please include the following information, in place of the above:

Contract number: #41646

FIN: Leave blank

Program Name: Your organization name

Contractor name and address: EDIC 43 Hawkins St, Boston, MA 02114

Total Contract Amount: \$506,250

COST REIMBURSEMENT SUMMARY PAGE – Page 2

Column (a) Total Dollar Budget: The total contract amount. The budget is broken down for each cost category by salary, fringe, and operating cost. This column must match the contract budget or an approved budget revision.

Column (b) Total Prior Cumulative Costs and Date: The contractor's total cumulative costs up to the current billing period. This column reflects all previous invoices submitted to EDIC/OWD, not including the current invoice period.

Column (c) Cash Disbursement Accruals & Adjustments: The current invoice charges, matching the cost detail page.

Column (d) Total Cumulative Costs to Date: The sum of the prior cumulative cost (column b), plus the current invoice charges (column c).

Column (e) Total Balance to Date: The contractor's total budget for the program (column a), minus the total cumulative costs to date (column d).

COST DETAIL PAGE – Page 3

Personnel: Specific costs for individuals in the approved grant budget.

- Some staff may be listed as salaried with pay periods while other staff are listed as hourly with number of hours. This should match how your payroll registers record their payment.
- Staff pay rates cannot be higher than the payroll journal rates or rates listed in the contract budget. (OWD cannot reimburse a higher rate than what was actually paid to staff or what was approved in the budget.)

For example: The contract budget indicates a salary rate of \$1200. If the payroll journal shows a rate of \$1400, the grant can be charged no more than \$1200 (the rate in the budget). However, if the payroll journal shows \$1100, the grant can be charged no more than \$1100 (the rate actually paid to the staff).

Fringe Benefits: The fringe rate approved in the contract multiplied by the total salary amount. If there are different fringe rates for PT staff and FT staff, this must be calculated separately.

Operational Costs: The cost for each operational category in the invoice period.

OPERATIONAL COSTS – Page 4

When multiple invoices, receipts, etc., are used to back up operational costs, use an Itemized Expense List. For each operational cost category, include:

- the date of purchase,
- expense amount,
- amount charged to grant, and
- the name of the vendor or check number.

The totals for each category should match the totals on your invoice cost detail page.

DOCUMENTATION: Personnel

1. Resume of any new* employees hired/billed, if applicable.
2. AEI and CDBG only:
 - a. Submit payroll journals and signed time sheets for each staff person included in the invoice. Dates must be legible.
 - b. Include a Salary Back-up Documentation form with an original signature

*This only applies if the new employee is being paid the same amount as the former employee; otherwise a formal budget revision will be needed in addition to the resume.

DOCUMENTATION: Travel, Supplies, Other

For expenses in travel, supplies, and other, please:

1. Submit legible copies of receipts and/or invoices.
2. Indicate which items on the receipt are allocated to the grant.
3. Write the amount if only a portion of the item is charged to the grant.
4. **Do not include any tax or late fees;** OWD does not reimburse these costs.
5. Ensure that the purchase date falls within the contract period.

DOCUMENTATION: Contractual

For contractual expense reimbursements, please:

1. Submit a copy of a signed invoice with dates, contact information, and a description of services performed.
2. Submit proof of payment (a check request is not sufficient).

FINAL INVOICE POLICY: 10% LEEWAY

If there are sufficient funds in a line item to absorb the over-expenditure, OWD allows contractors to overspend each line item by **10%**. The total contract budget amount cannot be overspent.

OVER-EXPENDITURE ALLOWANCES

1. Over-expenditures on the final invoice can only occur in existing budget line items.
2. Submit a letter explaining the 10% over-expenditures in your final invoice.
3. Sub-line items such as staff under 'Personnel' and items in the 'Other' category listed in the Budget Narrative can be overspent on the final invoice by more than 10% only if the total line item is not overspent by more than 10%.
4. Salary over-expenditures on the final invoice can only occur by increasing the number of pay periods or hours, not to exceed the total number of pay periods (52 weekly pay periods, 26 bi-weekly pay periods, or 2080 hours) in the contract period. The budgeted salary amount and percentage charged to the grant **cannot be changed**.

BUDGET REVISION SCENARIOS

Below are some examples of common programmatic changes that result in budget revision requests:

1. ***Staff turnover resulting in some unpaid pay periods in the budget***

For example: An agency's original budget includes a Youth Worker paid bi-weekly for 26 pay periods in the year. If the Youth Worker left in September and the new Youth Worker was not hired until November, there will be pay periods that were not paid and unspent funds will be left on the budget.

A budget revision could then request a variety of changes:

- Include the staff member that took over responsibilities of the youth worker while the position was vacant.
- Increase the percentage of a staff already on the budget because their responsibilities on the grant increased.
- Reduce the pay periods for that position from 26 to 22 and move the remaining funds to another category.

2. ***Staff salary decreases from original budget***

For example: An agency's budget includes a new Program Director paid a bi-weekly salary of \$1,500 over 26 pay periods at 50%. However, the Program Director was hired at a lower bi-weekly salary of \$1,200. This will result in unspent funds under that personnel line item.

A budget revision could then request a variety of changes:

- To increase the percentage charged to the grant for the Program Director from 50% to 62.5%.
- To move the funds left from the personnel line item to another category.

3. Reduced expenditures in non-personnel costs (Supplies, Travel, Contractual or Other)

For example: In its original budget, an agency indicated \$3,360 for Contractual expenses to be used for two Contracted Specialists to provide 12 monthly two-hour art workshops at \$35.00/hour. However, the agency hired only one Specialist and there will be unspent funds left under the Contractual line item.

A budget revision could then request a variety of changes:

- To request reimbursement for Supplies that will be used by the volunteers providing the art workshops.
- To request reimbursement for any other Operational Costs related to the program.
- To include an additional staff under the personnel line item that carries out program responsibilities.
- To increase the percentage, hours or pay periods of staff already in the budget.

BRA / EDIC / OWD BUDGET REVISION POLICY

1. Please contact OWD program staff to guide you through the process. The OWD program staff will review the revision to ensure that it meets the Budget Revision policy guidelines.
2. Submit budget revisions directly to the OWD program staff no later than 15 days after the effective date of change. Budget revisions after the end date of the contract will not be accepted. For contracts ending on June 30th, budget revisions must be submitted ***no later than June 1st***.
3. OWD allows ***two (2) formal budget revisions*** per contract per year. Please note that the final invoice serves as an ***informal*** budget revision if over-expenditures occur. This is a total of three (3) budget revisions per year, per contract.
4. Include a cover letter explaining the necessity for the requested changes and the ***effective date*** of the budget revision.
5. Plan and budget for salary increases in the original contract budget. Anticipated increases may include COLAs, merit raises, and incentive payments.
6. Retro-active salary increases will not be allowed.
7. Budget revisions must be accompanied by a clear, detailed and comprehensive budget narrative which matches line item by line item the proposed changes and the Cost Detail page of the revised budget.
8. All changes affecting the equipment purchased sub-line item must have prior approval. (Not all funding sources allow the purchase of equipment).
9. Formal budget revisions should include all necessary pages: cover letter, program budget page, program cost detail page, budget narrative, as well as any additional job descriptions and resumes.
10. Submit budget revisions with an ***original signature and date of submission*** on the program budget page.
11. You will receive a signed copy of your budget revision once it has been approved by our fiscal department. All subsequent invoices must reflect the new budget amounts indicated in the approved budget revision.

BUDGET REVISION PREPARATION

Submit Budget Revisions directly to your OWD program staff.

A complete budget revision includes:

1. **Cover letter** – explain the reason for the budget amendment request (clearly indicating effective date of all budget changes and dates when staff left or were hired)
2. **Contractor’s Program Budget Page** – indicate the Current Budget Amount, Revised Budget Amount, Increase/Decrease Amount, and Monthly Expenditure Plan (signed and dated)
3. **Cost Detail Page** – ensure the total adds up to the total grant award without rounding numbers
4. **Budget Narrative** – describe all line items in the revised budget (including those line items that did not change from the original budget)
5. Additional job descriptions or resumes, if applicable

COVER LETTER – Page 1

On agency letterhead, prepare a cover letter that explains what **programmatic changes** are taking place that result in your request for changes to the budget. Indicate the dates when the changes took place. A detailed cover letter will facilitate the review and approval of your revised budget.

PROGRAM BUDGET PAGE- Page 2

This page is exactly the same page as the first page in your contract budget. However, in a budget revision you will also complete the columns that indicate ‘**Revised Budget Amount**’ and ‘**Increase/Decrease Amount**’.

A revised Contract Budget Page will then indicate:

- **Current Budget Amount** – the amounts in the executed contract budget or in the most recently approved budget revision
- **Revised Budget Amount** – the new totals for each category
- **Increase/Decrease Amount** – the difference in the total for each category between the original budget and the revised budget

COST DETAIL PAGE- Page 3

On the cost detail page, list all the expenses that have already been reimbursed so far in the fiscal year and add the new expenses that you are requesting to spend out your budget. The **GRAND TOTAL** at the bottom of the page should match your grant award.

BUDGET NARRATIVE – Page 4

A budget narrative must include all reimbursed and planned expenditures for each of the budget items. It is perhaps the single most important element of your budget.

1. Personnel - For every position listed under this section, include a brief description of the role in the proposed program, salaried or hourly rate, number of pay periods, and the percentage charged to the grant. The type of pay period listed must match your agency's payroll system and can vary from position to position. Please attach a job description and resume for each position.

2. Fringe Benefits - List all components of the fringe benefits rate, breaking it down by components, percentage rates and amounts. Example components are FICA, Medicare, Unemployment, Health Insurance, Retirement, etc .

3. Travel - Examples of local travel justifications include the number/types of MBTA passes, number of trips/cost per trip and trip destinations. The IRS approved business mileage rate for Calendar Year 2015 is 57.5 cents per mile. For other travel, particularly if outside the program service area, clearly describe the need and cost detail.

4. Supplies - Supplies are those items considered tangible, expendable, and personal property. Examples include general office supplies, postage costs, meeting costs/supplies, copies, printing costs and materials. Purchased materials and supplies shall be charged at their actual prices, net of applicable credits.

- Program Supplies: What will be purchased, total estimated cost, unit price, quantity, connection to the program?
- General Supplies: What will be purchased, total estimated cost, unit price and quantity?
- Printing: What will be printed? How many and for what cost?
- Postage: What and how many will be mailed at what cost?
- Office Supplies: What items and why? Total estimated cost, unit cost, quantity, connection to the program?

A NOTE ON EQUIPMENT: The Federal definition of equipment is tangible, non-expendable, personal property having a useful life of over one year and an acquisition cost of \$5,000 or more per unit. AS DEFINED, EQUIPMENT IS NOT ALLOWED UNDER THIS GRANT (unless specified otherwise). If you propose purchasing ANY item of equipment under \$5,000, include it in this category and clearly explain how it will be necessary for the proposed program. It must be used for project related functions, and must not otherwise be available to the applicant. A plan for the use or disposal of the equipment after the project ends must also be included in the justification.

5. Contractual – Contractual costs include all non-employees for services or products, and consultants who provide advice and expertise in a specific program area. Justification includes the total cost, the name of the individuals/organizations, the services or goods being provided, the rate or per diem, etc., and the relation to the program. If your proposal includes a subcontractor providing a substantial amount of the program services, then detailed supporting information (indirect cost letters, fringe benefits rate breakdown, etc.) and justification must be provided.

6. Other - Any expenses not covered in any of the previous budget categories are included here. Examples include occupancy costs, the lease or rental of equipment, maintenance costs, security costs, telephone costs, dues, subscriptions, utilities, insurance costs not included in the fringe benefits, and where applicable, indirect costs.

Justification examples include:

- Rent: How was the rent cost determined? i.e. square footage, proportionate to the amount of space occupied by program
- Utilities: How were the utility costs estimated? i.e. proportionate to the amount of space used by the program
- Security: What type of security is being purchased, for how long, for what program activities?
- Maintenance: How was the maintenance cost determined? i.e. proportionate to the amount of space used by the program, etc.?
- Insurance: What kind of insurance, at what cost, for what period, covering what activities?