**Purpose:**

To identify the procedures to ensure the timely and accurate billing for contracts and grants in accordance with sponsored award terms and conditions, and to clearly define the responsibilities of Sponsored Projects Accounting and Compliance (SPAC) and the department financial and administrative staff within this process.

**Scope:**

Contracts and grants received from external entities where payments are due to UMB based on actual costs incurred, a payment schedule, or volume or milestones met as outlined in the award documents. Note: Cost Sharing expense reporting may be required with billing to sponsors. Most sponsors expect cost sharing expenses to be incurred at rate that was negotiated in the award. Delays in recording cost sharing can result in delays in invoice collections.

**Procedures:**

• All procedures are performed by Sponsored Projects Accounting and Compliance (SPAC) except in certain instances where noted.

• To ensure the accuracy of SPAC billing, a monthly review of activity by the department using the UMB financial system is expected.

Billing for Federal Letter of Credit (LOC) Grants

1. Run billing process periodically, but not less than monthly, to update the UMB financial system accounts receivable and generate a report to determine the proper amount to request from the sponsoring agency.
2. All requests made via the web require the confirmation printout from the web and any supporting documentation for the requested amount. This packet is signed by the Manager of Quality Assurance (or designee).
3. Due to the method for requesting payment and the considerable number of LOC projects involved per request, invoices are not printed.

Billing for Cost Billing Basis Contracts or Grants

1. Run billing process for a given month/quarter to generate an invoice for each appropriate contract or grant.
2. Verify all invoice amounts against the UMB financial system.

3. Once the verification is complete, each invoice is signed by the corresponding Billing Manager (or designee) and sent to the granting entity for reimbursement.

Volume and Milestone Billing Basis Contracts or Grants

1. Departments are required to input Volume or Milestone events into the UMB Financial System using the UPK [“Creating Volume Based Billing Events”.](https://cf.umaryland.edu/upk/quantum/PlayerPackage/data/toc.html)
2. If the department is remitting the invoice, they must attach a copy to the event and SPAC will prepare an invoice package.
3. If SPAC is remitting the invoice, they will process the invoice.
4. The invoice or invoice package will be reviewed and signed by the corresponding Billing Manager (or designee) and sent to the granting entity for reimbursement.
5. If a volume-based bill requires an adjustment after it has been created by the department and finalized by SPAC, the department will be required to submit changes for the following issues:
6. Changes to existing Volume invoices after they have been submitted and approved by SPAC.
   1. **Credit and Rebill**:
      1. Department Responsibilities: If original invoice and rebilled invoice are the same amount. For example, the invoice needs to be re-sent with different demographic information (address, date, etc.) but there is no change in the amount of the invoice. *Note: this is defined as a “Credit and Rebill”*
         1. Ensure this invoice is related to the correct event and not a conversion invoices (CNV). Note is an eUMB PeopleSoft conversion invoice.
         2. Check to see if payment was applied to invoice.
   2. If no payment has been applied create an OSN conversation with the following information:
      * + - Award #
          - Credit and rebill “to.”
          - Reason (change in date or address)
          - Original Invoice # and associated event
          - New Event #
          - Amount of new event
          - Which Event # /Invoice # needs to be adjusted
          - Provide appropriate backup.
7. If payment has been applied
   1. If payment has been applied
      * + - You can follow the same steps above for no payment has been applied.
          - Provide in your OSN conversation which award that this payment should be applied.
          - If this information is not provided, your request will not be processed.
   2. If the invoice you are reissuing from the Excluded -Conversion invoices (CNV).

* Follow the same steps above for no payment has been applied.
  + - * + Provide in your OSN conversation that this is an eUMB PeopleSoft conversion invoice.

# Create Billing Event for Correct address or date.

# Make sure it is for the same amount as the original event.

# Refer to Creating [Volume-Based Billing Events](https://cf.umaryland.edu/upk/quantum/PlayerPackage/data/toc.html)

* + - 1. Attach requirements for Volume Based Billing
    1. SPAC Responsibilities
       - 1. Create a credit memo.
         2. Create a new invoice for revised address, date.
         3. Send new invoice if required.
         4. Notify sponsor of credit memo if required.
  1. **Negative Invoice -** Invoice amount needs to be re-sent with an adjusted amount or partial invoice amount needs to be credited.
     1. Department Responsibilities

1. Ensure this invoice is related to the correct event.
2. Check to see if payment was applied to any amount of the invoice.
3. If there has been a payment, but the credit is for a portion that is remaining, proceed with the credit.
4. Create an OSN conversation with the following information:

Award #

* + 1. Credit “to” or Credit and Rebill “to.”
    2. Reason for the action
    3. Original Invoice # and associated event
    4. New Event #
    5. Amount of new event
    6. Which Event # /Invoice # needs to be adjusted
    7. Provide appropriate backup.

# SPAC Responsibilities

1. Create Negative Invoice for partial amount.
2. Notify Collections/Accounts Receivable Unit (CAR) to offset negative invoice to correct adjusted invoice.
3. Create new invoice if this is a Rebill “to.”
4. Refer to Creating [Volume-Based Billing Events](https://cf.umaryland.edu/upk/quantum/PlayerPackage/data/toc.html)
5. Same backup requirements for Volume Based Billing

Schedule or Schedule/Cost Basis Contracts or Grants

1. Input the schedule negotiated in the award into the UMB Financial System when a scheduled award is setup.
2. Once that date is met, the invoice will automatically be included in the normal invoice run for that day.
3. The billing team responsible for the award will review the schedule invoice to determine if it is sent to the sponsor.
4. If SPAC is remitting the invoice, the invoice will be reviewed and signed by the Manager of the corresponding Billing Manager (or designee) and sent to the granting entity for reimbursement.

Final Invoices for Cost Basis Contracts or Grants

1. Within thirty (30) calendar days after the end of the project period, a Final

Report of Expenditures (ROE) based on the UMB financial system is sent to.

the Department Administrator or other designated individual (to be referred

to as “department” from this point forward).

1. The department will review the report for completeness and accuracy,

process any adjustments, have the Principal Investigator (PI) sign the

corrected report and return it to SPAC within 14 days.

1. If the signed report and any necessary documents are not returned within

fourteen (14) calendar days, a second request is sent to the department.

and the PI.

1. If the signed report and any necessary documents are not returned within

seven (7) more calendar days, a third request is sent to the department, PI,

Manager of SPAC and Dean’s Office.

1. If the report is not returned within seven (7) calendar days with appropriate

documentation and PI’s signature, the final invoice will be sent out based.

on the most recent UMB financial system report (not to exceed the budget)

without department/PI approval.

1. The final invoice is generated, signed by the Manager of SPAC (or designee)

and sent to the granting agency for reimbursement.

1. If the final invoice is due sooner than sixty (60) days, the above procedures.

will be revised as follows:

1. Due in 30 Days
   1. SPAC sends ROE within 15 days to Administrator and PI.
   2. Department must return report with adjustments and PI signature within 10 days.
   3. If not returned in the 10 days, the final invoice is generated without the PI signature.
   4. Signed by Manager (or designee) and sent to the granting agency for reimbursement.
2. Due in 45 Days
   1. SPAC sends ROE within 30 days to Administrator and PI.
   2. Department must return with adjustments and PI signature within 7 days.
   3. If the signed report and any necessary adjustments are not returned within (7) days, a second request is sent to the department PI, Manager of SPAC, and the Deans Office.
   4. If the signed report and any necessary documents are not returned within five (5) more calendar days, the final invoice is generated without the PI signature.
   5. Signed by Manager (or designee) and sent to the granting agency for reimbursement.
3. If the invoice is due greater than 60 days, confer with your SPAC Manager to determine the appropriate schedule.
4. Exclusions: This schedule does not cover Federal Financial Reports (FFRs) which are due 10 days prior to the due date to the agency.

**Responsibilities:**

Sponsored Projects Accounting and Compliance (SPAC):

1. Submits all billings and credits to granting agencies as necessary on a timely basis, based on terms and conditions of sponsored award agreement.

2. Submits final billings to the department for review.

3. Works with department to ensure that final billings are accurate and match the

balances appearing on the UMB financial system.

Departments:

1. Performs monthly reviews of all project IDs to ensure the accuracy and validity of the balances in the UMB financial system.

2. Assigns a Senior Administrator and/or designee to perform a sample quality review to ensure that monthly reviews are being performed.

3. Submits all correcting journal entries in a timely fashion according to Administration and Finance Cost Transfer policy #3311.

4. Responds to SPAC in a timely fashion as stipulated in the above procedures.

5. Revises Effort Report(s), if necessary, in accordance with Administration and Finance

policy #2111 – Effort Reporting.

**Definitions of Terms**

**Credit and Rebill** - A method of crediting an invoice in full for reasons of adjusting the Accounts Receivable due date, the address of the sponsor, or other reason that does not change the amount of the original invoice.

**Credit Memo** - A method of crediting an invoice in full. This may be due to the invoice being created in error, created in error on the wrong project, or when you are crediting and rebilling as stated above.

**Negative Invoice** - A method of partially crediting an invoice. The original invoice may have been issued for the incorrect amount. This requires the SPAC team creating the negative invoice to notify the CAR team to offset the invoice.

**Related Procedures:**

SPAC –Procedure on SPAC Collections of Sponsored Receivables

SPAC - Procedure on SPAC Federal Financial Reporting (FFR)

SPAC- Procedure on SPAC Sponsored Award Closeout

**Related Policies:**

UMB Policy on SPAC Collections of Sponsored Receivables

UMB Policy on SPAC Federal Financial Reporting (FFR)

UMB Policy on SPAC Sponsored Award Closeout

**Keywords:**

Billing, invoice, grant, contract, sponsor