



# BILLING BASICS

## OFFICE OF SUBSTANCE ABUSE PREVENTION

MAY 4-5, 2021

*INVESTING FOR TOMORROW, DELIVERING TODAY.*

# MISSION

*To transform lives. Working with our partners, we design and deliver innovative, high quality health and human services that improve the security and promote independence for New Mexicans in their communities.*

## GOALS



### We help NEW MEXICANS

1. Improve the value and range of services we provide to ensure that every qualified New Mexican receives timely and accurate benefits.



### We make access EASIER

3. Successfully implement technology to give customers and staff the best and most convenient access to services and information.



### We communicate EFFECTIVELY

2. Create effective, transparent communication to enhance the public trust.



### We support EACH OTHER

4. Promote an environment of mutual respect, trust and open communication to grow and reach our professional goals.

# AGENDA

- Fraud, Waste, Abuse
- How to Determine Cost
- General Billing Principles
- Redundancy
- Contractual Items
  - Cost Reimbursement
  - Dates
  - Same Fiscal Year
  - Allowable and Unallowable Costs

- Bundling
- SPF vs Strategies



- How to Document Costs
  - How you calculated
  - That thing took place
  - Costs are necessary and reasonable
- STAR Access
  - Lottery Contingency

# FRAUD, WASTE, OR ABUSE

- Federal grants (which includes most OSAP activity) and cooperative agreements are public tax dollars
  - Must demonstrate we are Good Stewards
- Risk Assessment: “The Office of Financial Advisory Services (OFAS), SAMHSA may perform an administrative review of your organization’s financial management system.”

## FRAUD, WASTE, ABUSE (CONT.)

- Following the guidelines presented for documentation will keep you safe
- All providers need to get an audit
  - Submitted annually with their final report
- Notify OSAP of staff changes as quickly as possible
- Ensure each person who uses STAR has their own account

# HOW TO DETERMINE COSTS

- All of your billing is based on your Scope of Work (SOW)
- You need to be able to assign costs to various activities in the SOW to bill
- How you bill will be somewhat determined by your organization's own fiscal policies
- But there are some general principles

# GENERAL PRINCIPLES FOR BILLING

- Must be related to your specific SOW
  - Determine how what you are billing for relates to what part of your SOW
    - Ex: Narcan trainings are not primary prevention
- Identify the costs of all the time, supplies, and other costs that go into the activity
  - Including employee benefits and evaluator invoices
- Document how you determined the costs
  - Where you found all the pieces; how you made the calculations
  - How you decided which CSAP 6
- Enter those costs into STAR within 30 days

# REDUNDANCY

- **Every time you use STAR, you affirm costs are accurate and that you have documentation for the costs**
- One person should put everything into STAR
- A second, and ideally senior, person should review it
- Contractual requirement Objective 4: Capacity, Activity 8
  - “Designate at least two people...”



# CONTRACTUAL ITEMS

- Cost Reimbursement
  - State Law (Sec 13-1-158 NMSA 1978– Payments for purchases)
  - Structure subcontracts to accommodate
  - Very limited exceptions
    - Magazine Subscriptions
    - Advertisements/media buys
    - Airline Tickets
    - Conference Fees

# DATES

- All billing must be entered and on an invoice within 30 days
  - If you are not very fiscally-minded, it is easiest to
- Enter the actual date or date range for things you are billing for. Not that everything occurred on the first of the month
  - One of the few ways to distinguish pending items/activity in STAR

## EXAMPLE: USING ACTUAL DAY SOMETHING WAS PAID

- Use the date you pay a subcontractor
- You have a **July** 30<sup>th</sup> event with a paid speaker
  - Receive invoice for speaker and PAY it on **August** 15<sup>th</sup>
  - You entered it into STAR by **September** 30<sup>th</sup> and enter the date for the speaker cost as August 15<sup>th</sup>

## SAME FISCAL YEAR

- Costs must be billed in the same State fiscal year (July 1- June 30) that the underlying activity occurred
  - Example: At the end of June, you get a bill for any activity that you need to pay with OSAP grant funds
- You need to get that entered into STAR by the final billing deadline for that fiscal year
  - Ideally July 7<sup>th</sup>
  - Last chance: July 31<sup>st</sup>
- Outside of Carry Forward amounts (mostly for discretionary grants), funds **MUST** be spent during fiscal year/unspent expires/disappears

# ALLOWABLE AND UNALLOWABLE COSTS

- Let your finance staff know, we allow some things most grants do not
  - The use of small non-cash incentives for data collection
  - Food integral to the success of a meeting—less than \$3 per person per day
  - Boosts for Facebook, Apps like Canva, Leasing of computers, MS Office Suite, subscriptions, DropBox, Base Camp
- Unallowable
  - Computers, software, most computer-related equipment
  - Payment for law enforcement, payment to individuals to participate
  - Promotional items
  - Furniture
  - Sterile needles or syringes, fentanyl test strips
  - Salary exceeding \$95.81/ hour

# BUNDLING

- In an effort to be efficient and concise
- Many providers are lumping together all costs incurred during that month for each strategy or activity
- We need to see the breakdown
  - Individual Salaries
  - Each event (with the date)
    - Include costs related to that event
  - General Supplies
- Use “add a service”
- Even if there isn’t a good label to put on the cost, it will still show up as different line entries

# SPF VERSUS STRATEGIES

- STAR categories can seem confusing
  - Easier to bill to Capacity—BUT PLEASE DON'T!
- Once you're in implementation, the majority of your invoice should be billed to strategies
- Looks like you are doing more work on the SPF process than on strategies
- We want to see how much each strategy is costing
- It's okay if strategies take more/less time and money, be accurate

## EXAMPLE 1

- You are buying supplies that will be used across all strategies and activities
- Total supplies--\$240
- Number of strategies—6
- Cost per strategy--\$40
- Enter 16.66% for each strategy



# HOW TO DOCUMENT COSTS

- You need to document three things
  1. How you calculated the total cost for each activity
    - staff time, supplies, speakers, media, clean up, incentives, etc.
  2. That the things you are charging for exist, took place, were purchases, or are done
  3. That the costs attributed to what you billed are necessary and reasonable

## EXAMPLES OF PROOF THAT ACTIVITY BILLED TOOK PLACE

- For meetings—sign in sheets, minutes, notes, agendas
- For calls—notes from calls, summary of calls, etc.
- For emails—copies of emails
- For items purchased or for services like evaluators—invoices, copies of contracts
- For travel—receipts, vehicle logs, travel permission, etc.
- For training—certificates of completion, emails, etc.

## EXAMPLES THAT COSTS ARE NECESSARY AND REASONABLE

- For staff time/benefits allocates— pay stubs—one copy for pay period is sufficient
- Receipts whenever possible
- Written documentation/worksheet may be appropriate if multiples things go into billed cost
- Ex: In budget, cannot have flat amount for contractor, must provide breakdown containing the hourly rate and number of budgeted hours

# STAR ACCESS

- Please work with your financial folks in determining costs
  - It is a good idea for **at least** one financial type person to have access to STAR
  - There should not be a conflict between your organization's finances and your billing and documentation for OSAP
    - Even though our billing is not based on traditional budget categories

# LOTTERY CONTINGENCY

- Write up how your organization determines costs as an internal policy/procedure
- Some staff turnover is inevitable
  - Win the lottery
  - Marry rich
  - Retire young
- You want the next person to be able to know how to bill, and how to document, because...



# QUESTIONS

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