



BILLING BASICS

FEBRUARY 17, 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

➤ Contractual Items

- Audits
- Cost Reimbursement
- Same fiscal year
- Dates

➤ STAR logistics

- Invoice generation
- Back billing requests
- Redundancy/Lottery

- OSAP items
 - Allowable/Unallowable
 - OSAP Budget limits
- How to document costs
 - Calculations
 - Took Place
 - Necessary/Reasonable
- Additional Comments
 - Bundling
 - SPF versus Strategies



CONTRACTUAL ITEMS

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AUDITS

- Optum Health to Falling Colors
 - Currently, no one is doing site visits
- Submission of Annual Audit requirement with Final Reports
 - To BHSD.FinanceTeam@state.nm.us
 - Can be calendar year instead of July- June
- BUT it is likely that OSAP will need to conduct site visits as well
- Good financial record-keeping is ALWAYS smart

COST REIMBURSEMENT

- State Law (Sec 13-1-158 NMSA 1978 – Payment for purchases)
- Structure subcontracts to accommodate
 - Including Evaluator subcontracts
 - Should not be 1/12 draw
 - Ideally invoices every month (30 days)
- Very limited exceptions
 - Magazine Subscriptions
 - Advertisements/media buys
 - Airline Tickets (OSAP to approve any request for Out of State travel)
 - Conference fees

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 pay that bill and enter those June costs into STAR by the final billing deadline for that fiscal year
 - Usually July 15th, but earlier is greatly appreciated
- Typically, money does not rollover from one fiscal year to another
- Carry Forwards: remove some of your allocation from this State Fiscal Year (SFY) and adds them to your next fiscal year contract
 - Often must be spent by the end of the Federal Fiscal Year (determined by grant)

DATES

- All billing must be entered and on an invoice within 30 days
 - Use the date you pay a subcontractor (after they invoice)
 - Use the date you cut paychecks
- Example: You have an event July 30th
 - Receive invoice for speaker and PAY it on August 15th
 - You enter in STAR as an August expense on August 15th
- Enter the actual date or date range for things you are billing for.
 - Not that everything occurred on the first or last day of the month
 - Not that everything happened between the 1st and last day

STAR LOGISTICS

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NMSTAR LOGISTICS

- Invoices generate at midnight on the 15th and the last day of the month
 - Program Managers can begin to review on the 1st and 16th
- You can enter costs during or after the month
- If corrections are needed on your invoice
 - You will have 30 days to enter changes
 - If you do not choose “corrections completed” from the dropdown options
 - STAR will automatically deny your invoice

BACK BILLING REQUESTS

- If you miss the 30 day window
 - You must fill out a “Request to Open Billing Window”
 - At bhsdstar.org, under Manuals-Guides, Commonly Used Forms
 - Send to your program manger who will route it internally
 - Deputy Director of Finance often approves, but has the ability to deny
- Falling Colors will email you when they have moved the billing window back
- You will have until the end of the month to enter your costs
 - Before the window is gone

REDUNDANCY

- Every time you enter items in STAR, it takes your name
 - You are affirming that those costs are accurate
 - AND that you have documentation for the costs
 - Using someone else's account in STAR is fraudulent for this reason
- Having at least two people registered in STAR and able to enter billing ensures you will not miss the billing window
- Extremely useful to have one person (often programmatic) enter the billing into STAR
- And a second person, and ideally senior/financial review it
 - Can get a STAR account with Read-only access

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
 - How to understand your notes and documentation

OSAP ITEMS

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ALLOWABLE AND UNALLOWABLE COSTS

- Let your finance staff know that we allow some things most grants do not
 - The use of small incentives for data collection – allowable
 - Food integral to the success of a meeting – allowable
- Unallowable – doesn't matter the amount
 - Computers, software, most computer-related equipment
 - Law enforcement time
 - Furniture
 - Promotional items

OSAP BUDGET LIMITS

- OSAP uses definitions from its budget to define three groups
 - Operating (not to exceed 8%)
 - Maintenance (not to exceed 1%)
 - Indirect* (not to exceed 3%)
- Total 12% of your total contract amount...or less
- *Indirect for OSAP does not mean employee benefits
 - E.g. Job posting and recruitment, Audit

OPERATING COSTS (NOT TO EXCEED 8%)

- Printing and Photographic Services
 - Not to include routine office or other forms covered by “office supplies”
- Postage
- Bond Premiums
 - Includes bonds on employees
- Utilities
- Rent of Land and Buildings
- Rent of Equipment
 - Not travel-related
- Telecommunications
 - Telephones, TTY, sign language interpreters, internet communications, cell phones, etc.
- Subscriptions and Dues
 - Prevention Certification
- Other Expenses (Specify)

MAINTENANCE (NOT TO EXCEED 1%)

- Furniture, Fixtures, and Equipment
 - Includes contract for equipment including computers, computer software updates, fax machines, etc.
- Buildings and Structures
 - Includes minimal general repairs that contribute to the prevention program implementation
- Property Insurance
 - Premiums on owned or rented buildings
- Maintenance Supplies
 - Includes janitorial, sanitation, laundry, and sewing supplies
- Maintenance Services
 - Janitorial and custodial services
- Other Maintenance (Specify)

INDIRECT (NOT TO EXCEED 3%)

- Personnel
 - Recruitment and job posting
- Fiscal Audit Expenses
 - **ALL providers need to get an audit**
 - Audit needs to be submitted with the final report
- Miscellaneous Other Expenses (Specify)
- Providers are sometimes tempted to allocate staff time or benefits as an indirect costs. In almost all instances, this is a mistake—program staff time should be allocated to specific activities or strategies in the scope of work

HOW TO DOCUMENT COSTS

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HOW TO DOCUMENT COSTS

- You need to document three things
 - How you calculated the total cost
 - That the things you are charging for:
 - exist
 - took place
 - were purchased
 - or are done
 - That the costs attributed to what you billed are necessary and reasonable

EXAMPLES OF PROOF THAT ACTIVITY 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.

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

ADDITIONAL COMMENTS

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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
- I need to see the breakdown
 - 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
 - Staff Meeting
 - Collaborating with Community Partners
 - Planning
 - Reporting Activities
- Looks like you are doing more work on the SPF process than on strategies
- We want to see how much each strategy is costing



QUESTIONS

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