

## Fiscal Overview

### Fiscal Rules - FY 2012

***Boston Public Health Commission***  
***Infectious Disease Bureau - Community Based Prevention***  
***FY 2012 Fiscal Rules***

General Expectations:

The BPHC Infectious Disease Bureau, Education & Outreach Office (Grantee) expects that all contracted providers expend 100% of their award in accordance to all BPHC policies. The Grantee will only reimburse providers for deliverables that have been mutually agreed upon (see Scope of Service and Budget), upon receipt of appropriate invoices and supporting documentation. Funded agencies who wish to revise the Scope of Service or allowable costs, must submit a proposal to revise the scope/budget prior to any change. The BPHC will notify the agency whether the change is approved. In addition, it may be required that a program/agency audit be submitted. Failure to meet these expectations may result in suspension or termination of your provider contract.

A. Invoicing

1. Agencies must use the standard invoice (available on CD in an Excel spreadsheet) or an invoice format with the same information (i.e. agency name and address, budget, invoice amount, cumulative, balance and unique invoice number). Payments are cost reimbursement and are based on the approved budget. Invoices must be typed or printed by computer; hand written invoices are not acceptable. Only line item budgeted expenses are reimbursed.
2. Invoices are submitted monthly, within 15 days of the month's end. Invoices must represent actual monthly expenses. The final invoice is to be submitted by July 15, 2012.
3. Invoices must include agency name and billing address. Invoices must also include the Purchase Order (PO) number provided by BPHC.

4. Signed contracts should be sent by the agency to BPHC. BPHC will generate a PO within 30 days of receipt of the signed contract at BPHC.
5. Invoices without the required information or documentation are not processed. Instead, the agency is informed of the deficiency to be corrected, and the invoice is held for **five business days**. At the end of the five business days and no response, the invoice is deleted from system and the agency will need to resubmit a new copy.
6. An invoice must be submitted to the grantee for each month in the contract period. If no contracted activities occur in a given month, there would be no reimbursable costs, and an invoice with a \$0 **month total** should be submitted.
7. An invoice requesting payment for **stipend** reimbursement should have peer leader name, dates, place and hours rendered and a copy of the check.
8. Any revised or supplemental invoices are to be clearly labeled as such by including the word "**Revised**" or "**Supplemental**" in the "**Billing Period**" notation. Retroactive billing may only occur when the expense is not billed to another funding source. Documentation of bills to other funding sources may be required. In addition, these should also have unique invoice number.
9. Monthly invoices are paid within 30 days of receipt of the invoice. Any pending checks are held if complete quarterly program progress reports are not received when due and/or if fiscal documentation is incomplete, and agencies are informed in writing. It is required to submit all proper documentation and backup with the invoice.

Invoices are sent to:

Account Payable  
Boston Public Health Commission  
1010 Massachusetts Avenue, 6th Floor  
Boston, MA 02118

Cost Reimbursement:

1. Appropriate supporting documents for monthly cost reimbursement invoices include:
  - Purchase requisitions/orders
  - Canceled checks
  - Copies of original vendor invoices

2. The budget on the invoice must be the approved contract budget. The name of each staff member must be noted next to each position on the budget. Actual monthly payroll expenses paid (**not accrued**) are billed on the invoice. The year-to-date amounts in the "Cumulative" billing column must be correct. Also, the salaries and FTE's, which are billed, must correspond to the approved contract budget. Please provide proof of payment or offer letter. If any of these problems occur on an invoice, it will not be processed. A budget revision request and/or revised invoice may be submitted.
3. The fringe rate must be the agency's internal audited fringe rate, with a maximum of 41%. Verification of this rate is subject to audit (Fringe is defined as: government mandated and employer selected employee benefits including: social security; unemployment, workers, and disability compensation, retirement programs, and health insurance).
4. Agency overhead cost will be considered for funding under the expense line item labeled Indirect at a maximum of 12% of the total direct program costs. Indirect costs are all expenses not directly associated with a specific program, which are necessary for the management of the whole agency. It may include management, clerical and support personnel, office materials, leasing of office equipment, advertising, postage, printing, insurance and other related expenses.
5. Travel outside of the City of Boston is not an allowed cost for reimbursement.
6. Vehicle mileage is reimbursed according to the IRS rate, currently at a maximum of \$.50/mile and is restricted to travel within the City of Boston. The destinations traveled must be accompanied with copies of parking/toll receipts.
7. Training registration forms or brochures stating the event and cost must be submitted along with proof of payment and the name of the employee who is funded on the budget.
8. Meals consumption should be related to program activities and should specify the function or purpose on the receipt and include a copy of the sign-in sheet.
9. Supplies, Equipment, etc. should be accompanied with a copy of the original vendor invoice. Also, specify if you are requesting a portion of a bill.
10. Funds provided under this contract are not to be used to pay City citations, tickets, taxes or fines. The BPHC will not reimburse these items.

## B. Fiscal Compliance

1. Contract expenses, as shown on invoices, are reviewed each quarter of the fiscal year. Agencies are expected to spend at least 24% of the program's annualized budget each quarter (based on the program's actual expenditures). The agency is informed after the first quarter, in writing, of any under billing. Any contract under billed through the second quarter may be reduced. If the under billing is due to a late start, the contract is reduced by the amount of the unexpended funds to date. If the under billing is chronic, the contract is reduced by both the under-expended funds and the projected under-spending to year-end. These unexpended funds may then be reallocated to other provider contracts that provide similar prevention services.
2. Contract spending may differ from each personnel or expense line item by no more than 10%; (i.e. if you are budgeted for a \$1,000 office supply line, you may spend up to \$1,100 in office supplies) as long as the total amount billed does not exceed the contract's maximum obligation. Overspending will not be reimbursed.
3. Funds awarded in one fiscal year may not be used in a subsequent fiscal year.

## C. Audits

Agencies are required to have annual audits and financial statements prepared by independent auditors. When completed, this audit must be sent to:

Gerry Byrne, Controller  
Boston Public Health Commission  
Administration and Finance  
1010 Massachusetts Avenue, 6<sup>th</sup> Floor  
Boston, MA 02118

## D. Payments

Agency invoices will be paid by one of two methods. The first method (**highly recommended by BPHC**) is ACH – Direct Deposit. Agencies will have the opportunity to enroll in direct deposit during the provider training meeting or anytime throughout the year, if they have not previously completed the form. Agencies may request this form from their Program Coordinator. Forms should be sent to:

Account Payable  
Boston Public Health Commission  
Account Payable Department  
1010 Massachusetts Avenue, 6<sup>th</sup> Floor  
Boston, MA 02118

The second form of payment is a check. Checks will be mailed to the payment address listed on the invoice.