

Department of Health and Social Services
Office of the Secretary - Administration, and
Division of Substance Abuse and Mental Health

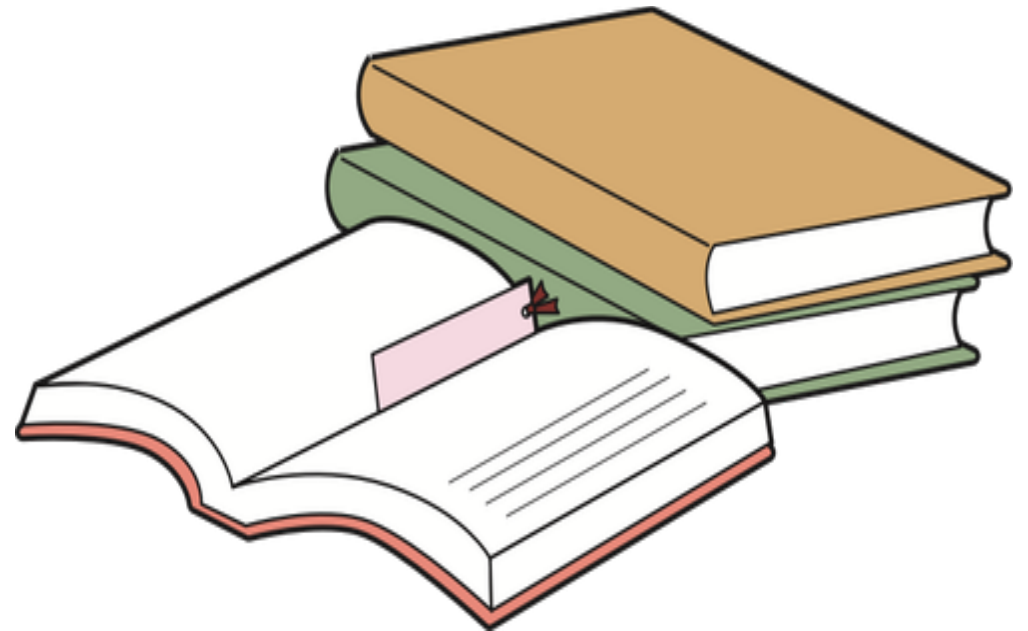
Business Management Improvement Project

Training: Invoice Monitoring for Cost Reimbursement Contracts

Invoice Monitoring for Cost Reimbursement Contracts

As part of the Business Process Improvement Project, this training will provide stakeholders with an understanding of "Invoice Monitoring of Cost Reimbursement Contracts" procedures. Following this presentation, you will have a more thorough understanding of:

- The various levels of invoice monitoring
- The process for invoice monitoring
- The potential outcomes of invoice monitoring



Changes in FY24 (July 1, 2023)

Beginning with FY24 invoices:

Starting with FY24 invoices, Cost Reimbursement (CR) invoices will be uploaded via FTP to DocuWare and then processed for payment. These invoices require no supporting documentation so providers will only submit the invoice cover sheet and invoice spreadsheet. In order to ensure proper invoicing and payments, the invoice monitoring process has been created. Supporting documentation will be required during the invoice monitoring process.



Levels of Invoice Monitoring

There are several levels of monitoring that will occur to ensure proper invoicing, payments and contract compliance:

- (1) Review of Invoice Submission**
- (2) Cost Reimbursement Fiscal Monitoring (Invoice Monitoring)**
- (3) Contract Monitoring**

The **Review of Invoice Submission** is the monthly process occurs when an invoice is submitted. During this review DSAMH will ensure the invoice cover letter is accurate, complete, and timely and review the budget spreadsheet prior to approving invoice for payment.

The **Contract Monitoring** is an annual process ensures contract compliance.

Cost Reimbursement Invoice Monitoring

Invoice Monitoring is done in 6-month intervals to review supporting documentation and receipts to ensure invoicing has been accurate. **Exception:** When a contract includes federal grant funding, the monitoring review must be held within 90 days of the close of the federal grant.

- Replaces the process of including supporting documentation and receipts
- Occurs remotely
- Includes invoices based on submission date

OSEC will all a random sample of 20%, a minimum of 2 invoices, per contract for the previous 6-month period.

Review Date	Sample Dates
January 2024	July and December 2023
July 2024	January 2024 and June 2024

CR Invoice Monitoring - The Process

30 Calendar Days prior:

OSEC Admin will inform providers of their invoice monitoring date approximately 30 days in advance of the monitoring session.

5 Business Days prior:

Providers will get an email five (5) business days prior to the monitoring that includes:

- Date of review/deadline for submission
- The list of invoices to be reviewed
- What needs to be sent and how to share the documentation

How to Prepare and What to Expect

Providers will assemble the required documentation and ensure they are readily available for the OSEC Admin Team by the monitoring session date.

- Required documentation will include, but not be limited to: Invoices, Backup documentation, Receipts for line-item budgeted expenses, Monthly personnel expenses to ensure cost-allocation is correct and appropriately invoiced to DHSS.

OSEC Admin will review/confirm the following is accurate and appropriate: Invoice date, Invoice amount, Contract #, receipts are collected and accounted for, invoices are submitted timely.

Following the review, providers will receive a notice of the outcome of the monitoring session. This notice will be sent to the distribution email list previously supplied for DocuWare with feedback that includes: Date of review, summary of invoices reviewed, findings (if any), and/or corrective action required.

The Outcomes

Administrative errors vs Operational errors:

- Administrative errors are minor discrepancies. Examples of these errors include incorrect forms, missing information on invoice documentation, miscalculations, late submission of invoices. Response: re-education, offer additional supportive assistance with invoice submission process, send correct copy of invoice to fiscal review team. If there are repeat administrative findings, the provider will be asked to submit a corrective action plan within 30 days of the notice of findings.
- Operational errors are major discrepancies. Missing receipts, including unallowable expenses, billing for staff inappropriately. The response to operational errors would be for providers to send correct copy of invoice along with corrective action plan within 30 days of the notice of findings.

Thank you

Thank you for attending!

For any questions, please contact a member of our team:

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