

PEI BILLING

PEI processes monthly billing for Client Services Contracts to reimburse contractors.

What is the billing process for DFPS PEI client services contracts?

Contract billing consists of a variety of activities that take place throughout the year. Each month, contract bills are reviewed against the contract budget to ensure expenses are appropriate and allowable. Monthly billing also helps PEI and its contractors to effectively track monthly expenditures and projected costs, which in turn may identify the need for adjustments to budget line items and/or budget categories.

Cost Reimbursement Contracts

Most of PEI's contracts are cost reimbursement contracts. Under these contracts, DFPS will reimburse contractors for their allowable and actual incurred costs; DFPS is not obligated to pay unauthorized costs. Federally funded contracts follow the Uniform Grant Guidelines (UGG) and State funded contracts follow the Uniform Grant Management Standards (UGMS).

At the beginning of each fiscal year, PEI contracts and oversight staff review and approve each contractor's proposed budget. The contractor's budget is distributed across approved line items organized under the following allowed budget categories: SALARIES, FRINGE BENEFITS, TRAVEL, SUPPLIES, CAPITAL EQUIPMENT, OTHER EXPENSES, and SUBCONTRACTOR COSTS. In addition, contractors may charge either a Federally Negotiated Indirect Cost Rate or a 10% *de minimis* rate; contractors may also choose not to charge indirect costs to their contract.

PEI contractors will submit a monthly billing invoice for reimbursable expenses for the month in which those expenses post to the contractor's general ledger. Using this methodology reduces the need to submit supplemental invoices and also allows fiscal monitoring staff to reconcile the costs from the relevant month's general ledger to the corresponding monthly billing invoice.

When they identify a need for large budget adjustments, contractors will explain the reason for the adjustment and request approval for the budget transfer from their PEI contract manager before submitting their billing. This will help avoid delays in their invoice processing. If the contractor requires a minor budget adjustment, they may submit the transfer when they submit their billing.

Fee-for-Service Contracts

Some of PEI's contracts are fee-for-service contracts. Under these contracts, DFPS will reimburse contractors for based on an agreed upon fee per unit of service. Accordingly, the monthly billed amount is determined by the number of services delivered that month.

Questions?

PEI contractors are asked to contact their designated contract manager and contract technician with any questions about the billing process. The PEI billing process allows DFPS and the contractor to maximize their contract budget and be good stewards of public funds.