



MEMO

To: Center Director
From: Elizabeth Ward Saxl, ED and Julie Agri, Finance Coordinator
Cc: Sarah Firth, Quality and Compliance Coordinator
Date: May 23, 2019
Subject: Monthly Invoicing

Primarily as a result of the Office of the Inspector General's (OIG) audit of DHHS's VOCA awards last fall, DHHS is making a number of changes to the way it draws down federal funds as well as how those are paid out to providers receiving VOCA. OIG expressed concerns about the way distinct federal funding sources appeared to be "co-mingled" within our contracts as well as about the way that they were drawing down and distributing the funds on an estimated and prospective basis. There are two major implications for your contracts as of this date:

- 1. Monthly Invoicing.** As of this month, DHHS must pay their subcontractors for actual expenditures by funding source, not *projected amounts* as they have in the past. This is a major shift in the way we are paid by DHHS and means that MECASA must submit a monthly invoice by the 30th of the month for the previous month's total actual expenditures. As you know, for this month, we need your invoices returned to us by the 25th. In the future, please submit your reports to Julie by the 20th of the month following the month you are reporting on. However, be forewarned that it is extremely likely that next fiscal year, this deadline may shift back as early as the 10th. DHHS is currently using a kind of hybrid model for their payments, which results in a monthly true-up. They plan to move to a strict reimbursement basis in next contract. In order for them to review and approve our reports, make draw down requests, have the drawdown hit, and pay us, our reporting to them will likely be due on the 15th. Keep in mind that you don't have to report by that date, but if you report later, your reimbursement will not be part of the next payment.

Additionally, for those of you who receive TANF for more than one program purpose (CAC, school-based and/or hotline), your monthly invoice will need to reflect separate columns for each TANF category.

2. **Timing of Payments.** Currently the Department makes payments not only on an estimated basis but also for the current month of service during that that month. So, using the example of an October-September contract, in October, you would receive both whatever was owed to you from the previous contract but also a payment for the current month of service (October). Moving forward, they will be working purely on a reimbursement basis. You will only receive what is owed to you for October once DHHS has received the final actual expenditures for that month, has drawn down funds, and we have been paid (likely sometime in mid-November). This will mean that you will be fronting, in the preceding example, October's expenditures and any expenditures in November which occur between the beginning of the month and the time of the first payment. November's expenditures will be reimbursed in mid/late-December and so forth.

Please contact Julie or myself with any questions you might have. Thanks.