



*London Breed, Mayor*

Department of Human Services  
Department of Disability and Aging Services  
Office of Early Care and Education

*Trent Rhorer, Executive Director*

## MEMORANDUM

TO: All Current HSA Contractors

FROM: John Tsutakawa, Director of Contracts

DATE: May 11, 2020

RE: Process for submitting a June Invoice estimate and the June actual

This memo covers the FY 19/20 year-end close out and payments in July. Please note that city departments have slightly different invoicing procedures and this information applies specifically to HSA. Due to the pandemic, Contracts has less staff and may take longer than usual to respond to requests. We thank you in advance for your patience during this time.

1. General information regarding end and beginning of fiscal year invoicing and advances
  - A. In preparation for the new 20-21 Fiscal Year, City departments will not be processing invoices between Sunday, June 21, 2020 and Tuesday, June 30, 2020. To help facilitate the process, we ask that grantees and contractors submit their invoices by Monday, June 15, 2020. The City will make every effort to approve these invoices by Friday, June 19, 2020 and issue payment by Thursday, June 25, 2020. In order to meet this turn-around, invoices should have no discrepancies or disputes. If for any reason the invoices cannot be approved by Sunday, June 21, 2020, undisputed invoices will be paid early July.

In general, the earlier payment requests are submitted, the more likely it is that payment will be processed prior to the blackout window.
  - B. Invoicing continues through Carbon – HSA grantees will continue to invoice through Carbon.
  - C. June actual invoices – June invoices for actual expenses will be paid when submitted in July 2020. Invoices for June 2020 should be submitted by July 15, 2020 to ensure timely processing.
  - D. June estimated invoices - If your agency has received June estimated payments in prior years, HSA will process your May invoice as your June estimated invoice and pay in June. The June estimate will be reconciled in July with the actual invoice due July 15, 2020. Estimated invoices cannot be paid for certain funding sources including specific federal funding sources

that require payment. June estimated invoices should be submitted by CBOs by Monday, June 15, 2020.

This process has been created to assist nonprofit contractors with cash flow issues at the end of each fiscal year and help the City to effectively closeout the fiscal year to meet State and Federal funding cycles. This policy has been effective in providing cash flow to contractors during the month of July and reduces the need for advance payments.

The estimated June payment is based upon the amount of the May invoice or the balance of the annual contract amount whichever is less. This estimated June payment is made at the same time as the May payment.

**FOR COVID, if you are using the Covid spreadsheet as a supporting document, you must submit one for June as well. Invoices without the spreadsheet or pre arrangements with your contract manager will be rejected.**

- E. Advances for FY 20/21 – There are a few agencies that receive advances in the first week of July each year to cover cash flow issues. This is used primarily for contracts handling large pass-through payments such as IHSS wages, childcare payments, and other similar funding. If this applies to your contract, please contact your contract manager as well as the Contracts Director as soon as possible...
- F. FY 20/21 invoices in general – It is anticipated that all contract and grant purchase orders will be in place to make July and subsequent payments starting in August, following the normal billing process.

2. Specific instructions on submitting estimated and actual June invoices

A. Timeline on submitting June invoice estimate

From June 1<sup>st</sup> to June 14<sup>th</sup>, eligible non-profit vendors will be able to submit a June estimated invoice.

In a normal billing cycle, this will produce a larger payment on or before June 30. Receiving the June payment 30 days earlier will provide cash flow to the contractor for the month of July.

As in all general guidelines, there will be exceptions made on a case-by-case basis. This policy for June estimates does not apply to federally funded grants, grants that are fee for service types and for-profit contract agreements.

B. Deadline on submitting June actual invoice

OCM requires the actual June invoice no later than July 15, 2020, regardless of funding source. Any adjustments needed to reconcile the estimated June payment to the actual June expenses will be made at the time of submission of the June actual invoice.

C. Entering invoices on Carbon

- A. Submitting the June estimate invoice on Carbon by June 15, 2020
  - a. Log into the system and open a June invoice.
  - b. Enter estimated expenses into the column labeled "Invoice."
  - c. After you confirm the values, click "Submit" to submit the invoice and receive an email confirmation.
  - d. The invoice will be processed by HSA in the month of June.
- B. Submitting the June actual invoice on carbon by July 15, 2020
  - a. On July 1, 2020, CARBON will unlock all paid June estimates and require vendors to submit actual expenses.
  - b. Enter June actual expenses into the column labeled "Invoice." To help vendors, CARBON will pre-populate the Invoice column with values from the June estimate. Vendors will overwrite these values with June actual values.
  - c. The June invoice will display a read-only column labeled "Estimate" that reflects the amount paid to the vendor based on the June estimate.
  - d. The June invoice will display a column labeled "Est.-Act. Diff" that will calculate the difference between the estimated and actual invoice amounts.
  - e. After you confirm values entered into the "Invoice" column, click "Submit" to submit the invoice and receive an email confirmation.
  - f. The invoice will be processed by HSA. If the actual approved expenses exceed the estimate, HSA will issue an additional payment. If the June estimated expenses exceed June actual expenses, the vendor will be required to reimburse HSA for the difference.

### 3. Business License Tax

- A. Business licenses tax certificates expire on June 30, 2020 but due to the pandemic have been extended to 9/30/20. In order to avoid delays in payment processing, please ensure that your business license tax is current. Please visit the site below to renew your registration on-line: <https://sftreasurer.org/registration#renew>.