



Nathan Deal
Governor

GEORGIA ENVIRONMENTAL FINANCE AUTHORITY

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Executive Director

GEORGIA WEATHERIZATION PROGRAM NOTICE GA15-02 EFFECTIVE DATE: May 1, 2015

SUBJECT: INVOICE SUBMITTAL PROCESS USING THE HANCOCK ENERGY SOFTWARE (HES)

PURPOSE: To issue guidance for the Georgia Weatherization Network on reporting requirements to GEFA. It establishes the official documentation and processes regarding accurate and timely reporting procedures.

This guidance updates, consolidates and expands upon guidance previously issued. This document is designed to supplement the Hancock users' manual, particularly in regards to GEFA's monthly reporting requirements and processes, and supersedes Georgia Weatherization Program Notice GA12-04. Georgia Weatherization Program Notice GA12-04A is still in effect. The new standardized format provides documentation correlating expenditures, accounting entries, payments and support documents to provide a complete representation of the project. The format will facilitate preparation of the Final Report of Expenditures, enable a smoother transition during staff turnover, and reduce the confusion caused by the various accounting programs printouts and their associated coding.

This document is a "living document", and as such, it will continue to evolve and will be updated periodically as we gain new insight concerning invoice review requirements and Hancock reporting. It is the responsibility of each sub-grantee to ensure that this guidance is forwarded to all personnel involved with Hancock invoicing and reporting and general reporting oversight.

GUIDANCE

The Hancock Reporting Database is the sub-grantee's reporting vehicle and payment mechanism. It is therefore incumbent upon the sub-grantee to maintain the accuracy and integrity of the data base and to perform regular reconciliation of financials and invoice submittals.

Complete and accurate data for all weatherized dwelling units must be entered into the Hancock Reporting System. Before a unit can be presented to GEFA for payment, the sub-grantee must enter data that certifies:

- That the unit is eligible to receive assistance
- That the applicable budget period and contract number is correctly selected
- That all work performed on the unit has been completed; and,
- That a post-work inspection has been conducted.

For specific instructions in using the Hancock Energy System, refer to the HES WAP Online User Manual.

Invoice and Production Status Report

The monthly Invoice and Production Status Report (**IPSR**) is the sub-grantee's activity and expenditure report to GEFA and is the basis for determining the amount of reimbursement paid to the sub-grantee.

The monthly **IPSR** consist of three major parts, all of which are generated by the Hancock system when the work order is completed and the units applied to an invoice and submitted to GEFA. These documents are reviewed by the GEFA contract manager:

- Part I lists the units being presented and installed weatherization measures;
- Part II is the Cumulative Request for Payment/Statistical Report (Invoice);
- Part III indicates cumulative program activity – Statistical Data Report

The Hancock WAP Online User Manual describes the process that must be followed to submit a Monthly Invoice and Production Status Report, Electronic Invoice (Request for Payment & Statistical Report).

Invoice Request Requirements

All sub-grantees must submit via Hancock, no later than the tenth of each month, an **IPSR** along with the following mandatory expenditure and support documentation.

- Financial statements per funding source, showing cumulative expenditures per budget cost categories, plus accounts payable and accruals for the budget period, as of the last business day of the month.
- A general ledger detail (showing detail of what was recorded as expenditures) for each WAP fund source including program income accounts that were used to complete the units, and incur any program support costs. Revenue and expense statements are allowable, but should detail cost incurred for the entire contract period.
- Billing Summaries that correlate sub-grantee expenditures, accounting entries, payments with supporting documentation to provide a complete representation of the project. (i.e., acts as a roadmap for the invoice support documentation). This summary should be detailed in the "Weatherization Billing Invoice Template" provided in Microsoft Excel format. With the revision to the detail submissions, the following information is now required and supersedes prior invoice submittal guidance:

- **Jobs Summary -** Please enter your jobs summary per fund source as reported on your Hancock invoice. This information will be critical because without it, invoices may not be able to be submitted because the template is designed to calculate average cost per unit as a function of units completed. Invoices exceeding the average cost per unit by funding source should generate an error message. It will require an adjustment to the charges accordingly until the average cost per unit is at or below the average cost per unit per funding source. **Invoices submitted with an error message will not**

be reimbursed. Please correct before submitting your invoice.

- **Labor and Material - Subcontractor Detail Report**
Subcontractor invoices received from vendors should clearly identify the project, time period work performed, materials installed, and references to services provided. Federal requirements are applicable to all subcontractors. Sub-grantees must retain documentation of compliance for potential future review and/or request. Subcontractor costs will be detailed in the "Subcontractor" Tab of the template. For each invoice, please itemize the portion used by each fund source that summarizes the total on **ONE** row of the template. There should be one row per invoice. Materials and labor charges should be reported under the "**EXPENSES**" subheading. If there are health and safety measures charged on an invoice, include those amounts under the "**HEALTH AND SAFETY**" subheading, per fund source. No longer is there a requirement to detail invoices between materials and labor.

- **Health and Safety - Health and Safety**
Health and safety amounts are summarized on Tab 1 of the Excel template. The option to itemize those costs in either Tab 2 or Tab 3 of the Excel template will depend on if you are charging health and safety as a part of labor and materials or program support, Please enter your health and safety amounts, per fund source, for either method you select. If they are included as a part of subcontractor invoice, please include on the same row as other expenses are reported by invoice.

The Administrative Detail Report identifies the cost incurred to administer the program. These could include, but are not limited to, indirect costs, administrative staff, accounting staff, office space, telephone, postage, printing, payroll processing, and/or lease of office machine.

- **Inventory/ Material/Purchases - Inventory/Material Purchases**
Inventory and material purchases made, i.e. Ace Hardware, Home Depot, Lowes, etc., should be totaled and entered by fund source on the "Summary Tab" of the Excel template. Inventory reports (general ledger based or agency created) and/or purchase receipts should be included to document these charges.

- **Program Support – Program Support Detail Report**
The “Program Support Detail Report” itemizes the cost incurred for Program Operations that are generally defined as the direct costs necessary to effect the weatherization of an eligible dwelling unit but not included in the material costs.

Health and safety items charged to program support may also be itemized under the “Health and Safety” subheading.

All program support charges are factored as a part of the average cost per unit.
- **Administrative – Administrative Cost**
Administrative cost incurred to administer the program should be entered on the “Summary Tab” in total by fund source. These amounts could include, but are not limited to, indirect costs, administrative staff, accounting staff, office space, telephone, postage, printing, payroll processing, and/or lease of office machine.

Direct cost – report administrative charges that are not based on an indirect cost rate.

Indirect cost – report administrative charges associated with an indirect cost rate computation.
- **T & TA – Training & Technical Assistance (if applicable)**
Training and technical assistance cost associated with approved inter/intra-state travel for training and technical assistance should be entered on the “Summary Tab” in total by fund source. Documentation for these charges should be submitted as support with the submitted invoice.
- **Liability Insurance – Liability Insurance (if applicable)**
Amounts charged directly to the liability insurance line item of your budget details cost incurred by the sub-grantee for liability, POI and workers compensation insurance for weatherization projects for personal injury and for property damage. These amounts should be entered in total by fund source. Invoices or agreements should be included to substantiate these amounts.
- **Exhibit ‘D’-- Energy Counseling Checklist (Georgia Power units)**
- **Exhibit ‘E’-- Georgia Power Company WAP reporting form (if applicable)**

Indirect Cost

Sub-grantees planning to invoice for indirect costs must submit the Approval Letter of Indirect Costs Rate for the fiscal year involved to GEFA's Accounting Dept. prior to billing for indirect costs.

- Indirect (and overhead) costs **must not** be combined with direct costs on invoices.
- Federal reimbursement is always rounded down to the nearest penny.
- For projects where the materials and / or labor costs appear higher than typical, the sub-grantee needs to provide an explanation for the elevated costs.

Contractor Invoices

- Subcontractor billing that clearly identifies the project, time period work performed, materials installed, and references to services provided.
- Scanned documents should be compiled in an orderly fashion that corresponds with the order of the itemized charges per the "Summary Tab" of the Excel template.

Reimbursements

The reimbursement process is based on allowable expenditures made by the sub-grantee. When the monthly Invoice and Production Status Report is received by GEFA, it will be reviewed for completeness, accuracy, desk audited against the terms of the contract, and adjusted, if necessary, based on the field or fiscal monitoring visit findings of GEFA representatives.

Any payment request received by GEFA that is not completed and submitted in accordance with the instructions in the payment request section, will result in notification to the sub-grantee in the form of an un-submittal of the Hancock invoice/report. Depending on the error(s), delays in making corrections could cause a HOLD on the payment. Sub-grantees that need assistance in correcting errors should contact their program representative.

Ultimately, it is GEFA's **goal** to reimburse each agency within 14 days of invoice submission and what we will strive to achieve. In order for GEFA to track the receipt of your invoice and the number of days required to process reimbursement requests, we ask that agencies email a copy of the monthly Excel template so we can acknowledge receipt of your submissions. Your emailed template should be sent to wapinvoices@gefa.ga.gov. This invoice distribution will be provided to program staff as well as accounting staff at GEFA to help monitor the status of your initial pay request. Invoices will be routed to the **first available invoice reviewer** and each agency will receive an email response from that individual once the review process has begun.

Payment Adjustments

GEFA reserves the right to make payment adjustments in accordance with Paragraph 2.3 of the weatherization contract.

Withholding Payment

GEFA reserves the right to withhold payments in accordance with the weatherization contract.

Disallowed Program Income Expenditures

Program Income expended in any manner which is inconsistent with Georgia Weatherization Program Notice GA15-02 shall be disallowed. GEFA reserves the right to deduct any disallowed program income expended from any payments due and owing under the terms of the contract between GEFA and the sub-grantee.

Non-Reimbursement

1. GEFA will not reimburse for any claimed expenditures which it finds to be based on a misrepresentation of material fact including, without limitation, work not performed or materials not supplied or incorporated in the work. Such misrepresentation shall also constitute a 'Material Breach' as provided for in the contract between GEFA and the sub-grantee.
2. GEFA will not reimburse for any claimed expenditures, notwithstanding such expenditures that may be otherwise allowable and expended on an eligible dwelling unit, for work performed in less than a workmanlike manner or defective and not remedied, for materials installed which are not in conformity with the materials specifications set forth in 10 CFR 440, Appendix A, or otherwise defective or substandard and not replaced or repaired within a reasonable period of time after receiving a written notice from GEFA.

Post Payment Invoice Adjustments

All requests for post-payment invoice adjustments must be submitted in writing to GEFA with a full explanation as to the reason for the adjustment. Once approved, GEFA will execute the adjustments using the Hancock amendment feature.

Monthly Systems Reconciliation

A monthly reconciliation between the Hancock Reporting system, sub-grantee financial reports and GEFA financial systems will be conducted on the 25th of each month.

Sign for acknowledgement of receipt & understanding
GEORGIA WEATHERIZATION PROGRAM NOTICE GA15-02

_____ (*Weatherization Agency Name*), certify that we have read and understand the Guidance contained in this notice. Signatures indicate receipt of this guidance and certify our agency will immediately begin adhering to the attached guidance. (*copy and attach additional pages as necessary*)

_____	Executive Director	_____	Date
_____	Weatherization Director	_____	Date
_____	Intake Specialist	_____	Date
_____	Intake Specialist	_____	Date
_____	Admin Assist.	_____	Date
_____	Assessor/Final Inspector	_____	Date
_____	Assessor/Final Inspector	_____	Date
_____	Assessor/Final Inspector	_____	Date
_____	Assessor/Final Inspector	_____	Date
_____	Finance/Accounting	_____	Date
_____	<i>Title</i>	_____	Date

This page must be returned to GEFA Attn: Debbie Smiley by May 15, 2015.