Delegate Agency Contract Enhancements
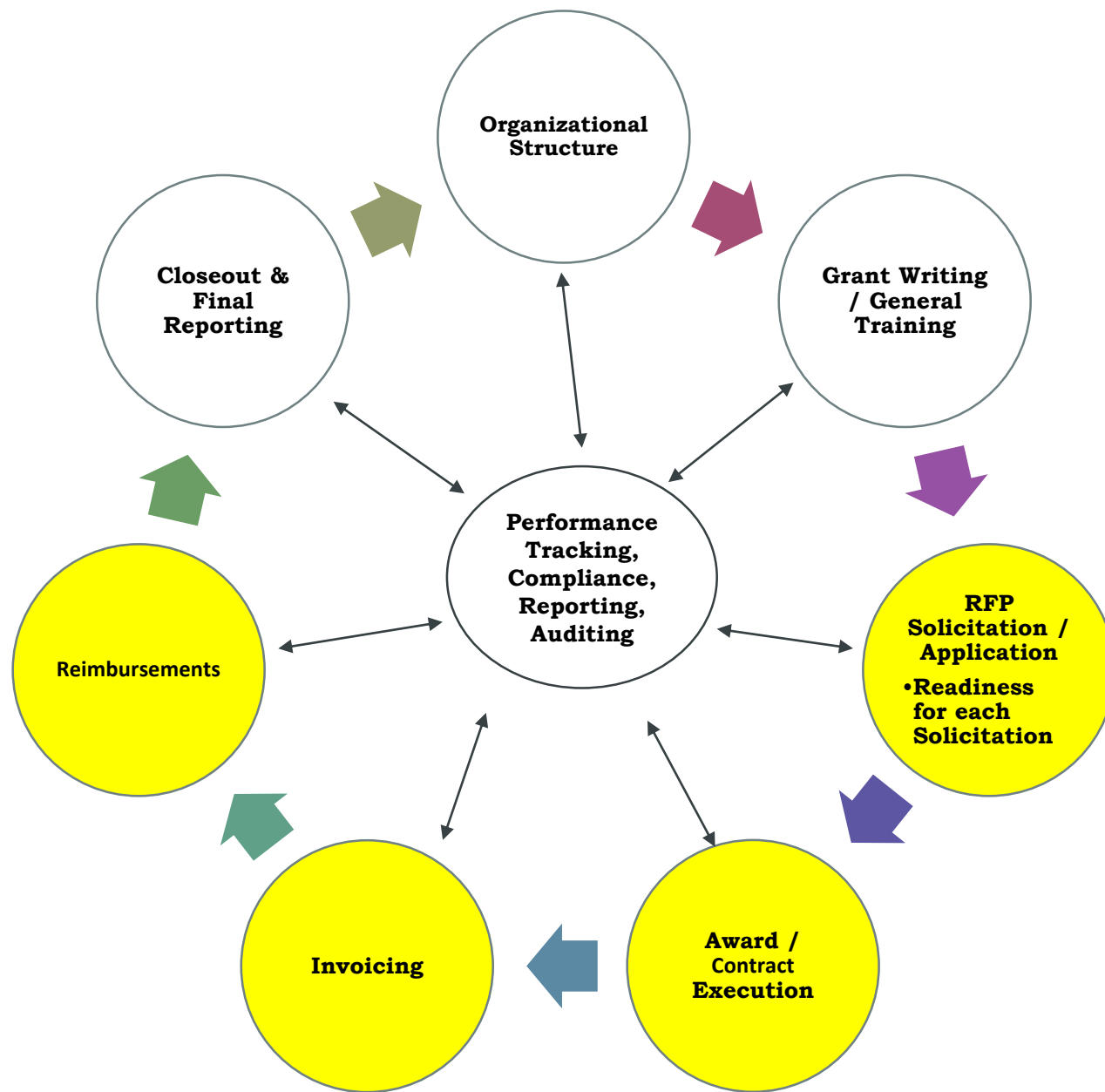
Increasing Productivity, Diversity and Inclusion

May 2022

GRANT LIFECYCLE*

Organizational Structure

Grant Writing / General Training

RFP Solicitation / Application
•Readiness for each Solicitation

Award / Contract Execution

Invoicing

Reimbursements

Closeout & Final Reporting

Performance Tracking, Compliance, Reporting, Auditing

Contract Process Enhancements

The City is implementing various improvements to the Delegate Agency Contracting process. The following changes are aimed at streamlining processes and eliminating duplicative efforts, ultimately leading to improved contracting turnaround times.

2021 Improvements

- Elimination of Manual Signatures on Contracts and Budget Forms; Leverage Electronic signatures
- Elimination of Signature Authorization Form
- Eliminate Invoice Tax Certification Form
- Elimination of Bank Depository and EFT Form

2022 Improvements

- New Site Collection Form (Phase 1)
- New Application, Electronic Budget, Invoice, and Scope Forms in iSupplier; Elimination of Excel and PDF forms (Phase 2)
- Workflow notifications and Approvals
- Improved Data Collection and Reporting
- New Insurance Certification Process
- Advance Funding and Risk Assessment

Anticipated Timeline for 2022*

- <u>1st Quarter</u> (**January 1, 2022 – March 31, 2022**):
  - Requirements, Validation, and Preliminary Design

- <u>2nd Quarter</u> (**April 1, 2022 – June 30, 2022**):
  - Enhanced Design (**April 2022– June 2022**)
  - Testing (**May 1, 2022 – June 30, 2022**)

- <u>3rd Quarter:</u> Pilot Implementation Phase (**July 1, 2022 – September 30, 2022**)

- <u>4th Quarter:</u> Full implementation Phase (**October 1, 2022 - December 31, 2022**)

* Please note that this is a streamlined schedule and adjustments, or phases may be identified at a later time. Communication will be provided via the working committee representatives; please send names of key members for the working committee.
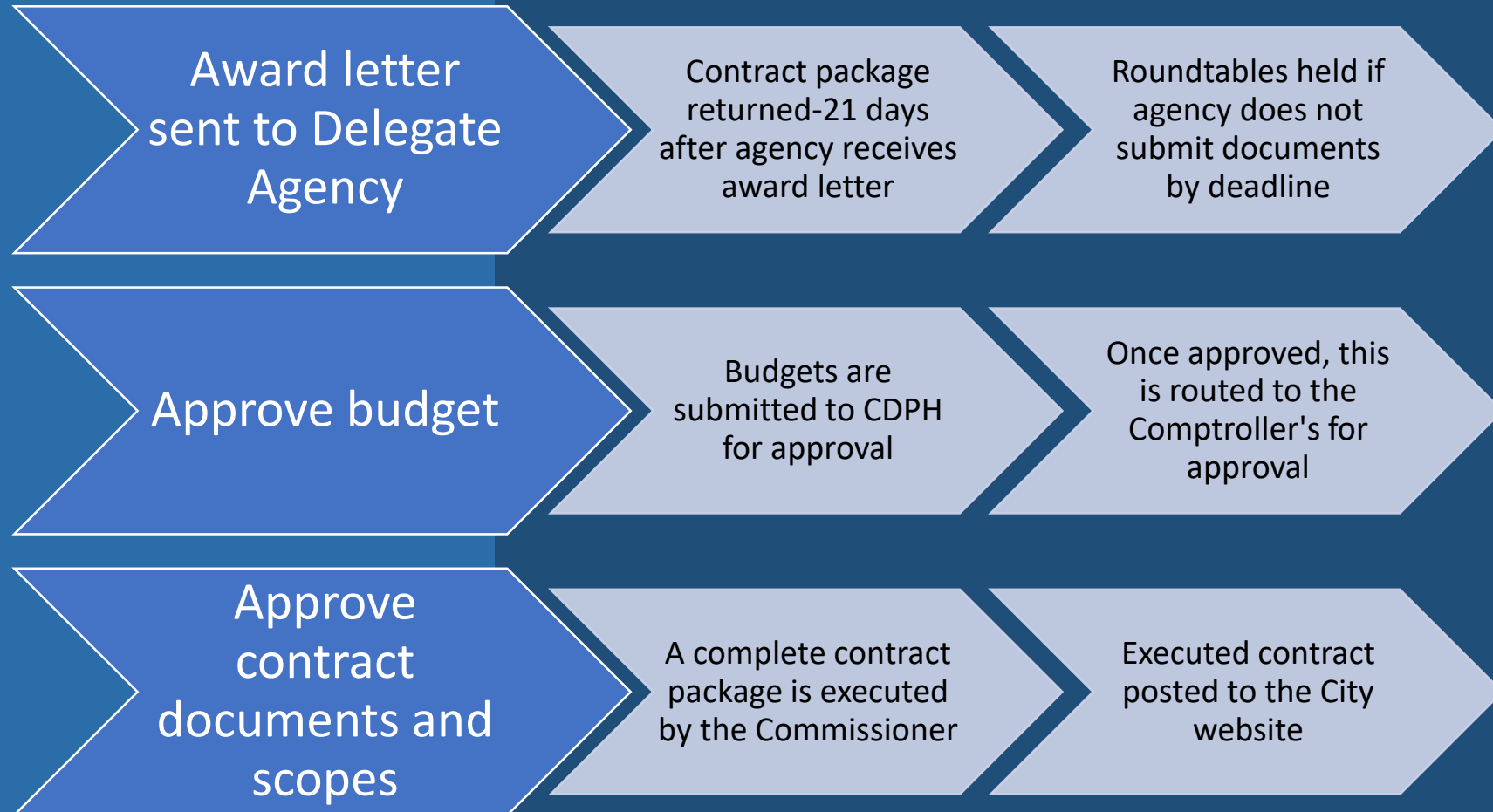
Contracting Process Overview

Award letter sent to Delegate Agency → Contract package returned-21 days after agency receives award letter → Roundtables held if agency does not submit documents by deadline

Approve budget → Budgets are submitted to CDPH for approval → Once approved, this is routed to the Comptroller's for approval

Approve contract documents and scopes → A complete contract package is executed by the Commissioner → Executed contract posted to the City website

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Steps for Vouchering and Payment Approval

Delegate agency submits voucher into the City Financial System

CDPH reviews voucher for approval/rejection

Once approved, voucher is sent to Comptroller's Office for further review

If approved, voucher payment is sent to the delegate agency. If rejected or deleted, Comptroller's office may reach out to Delegate Agency
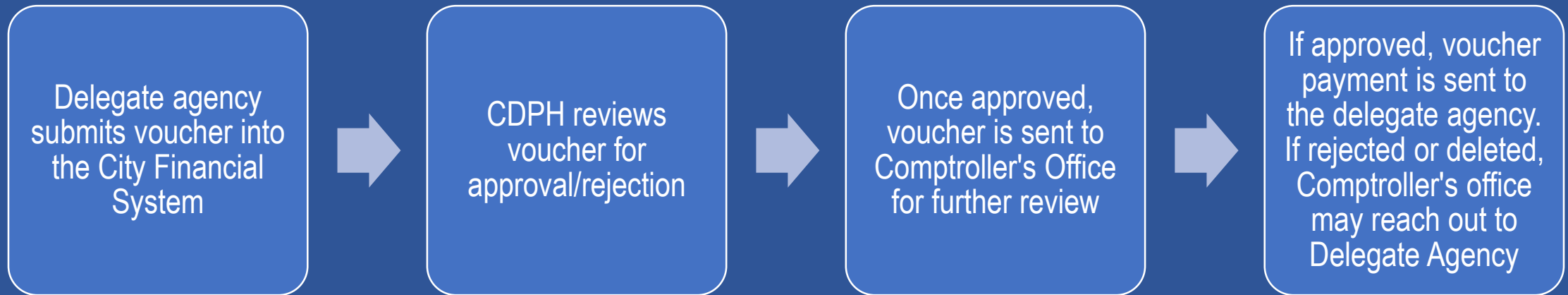
Vouchering - Issues that Commonly Cause Delays

- Incorrect invoice number
- Incorrect date for goods/services received
- Certification not being submitted with each invoice
- Incorrect expenditure codes

CDPH
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of Public Health

Budget Revision Process

- CDPH receives budget revision from the Delegate Agency
- Approved budget is sent to Comptroller's for review
- If approved by Comptroller's, the delegacy agency can re-start vouchering
- If Comptroller's reject, a notification is sent to CDPH stating the reason for rejection

CDPH
Chicago Department
of Public Health

Budget Revisions

Can Delegate Agency's submit vouchers while a budget revision is pending?

No. Once a Delegate Agency submits a budget revision, they need to hold all vouchering until the new budget is approved and posted to the City Financial System.

How many budget revisions are allowed per contract per year?

Two per contract year.

Before the pandemic, CDPH was managing 150 contracts. Post covid, we are managing close to 380 contracts

CDPH

Chicago Department
of Public Health

Assistance Provided with Contracts and Payments

- Bidder's Conference

- Roundtables

- Communication around timelines

- Technical assistance with using City Systems for voucher submissions

CDPH
Chicago Department
of Public Health

Finance Department Grants and Project Accounting Division Voucher Audit Tracking Systems Unit

Vouchering Process for Reimbursement

The Voucher Audit and Tracking Systems unit (VATS) operates under the Department of Finance Grants and Project Accounting Division (GPAD). VATS unit has the responsibility for the review, audit, and payment processing for all delegate agencies' contract invoices consistent with 2 CFR Part 200 Subpart E-Cost Principles of the Uniform Guidance.

The voucher audit process refers to the review, verification and authorization of all direct and indirect cost under the delegate agency cost reimbursement contract.

Voucher auditing serves as the final detailed review of contract invoices submitted for reimbursement. The VATS unit ensures the amount of the submitted invoice is appropriate and relates to the contract terms, and all other relevant policies, rules and regulations are consistent with state and federal guidelines.

The review of the invoice process begins upon receipt of an electronically submitted invoice through the iSupplier/eProcurement digital technology system.

Invoice Phase / Voucher Audit
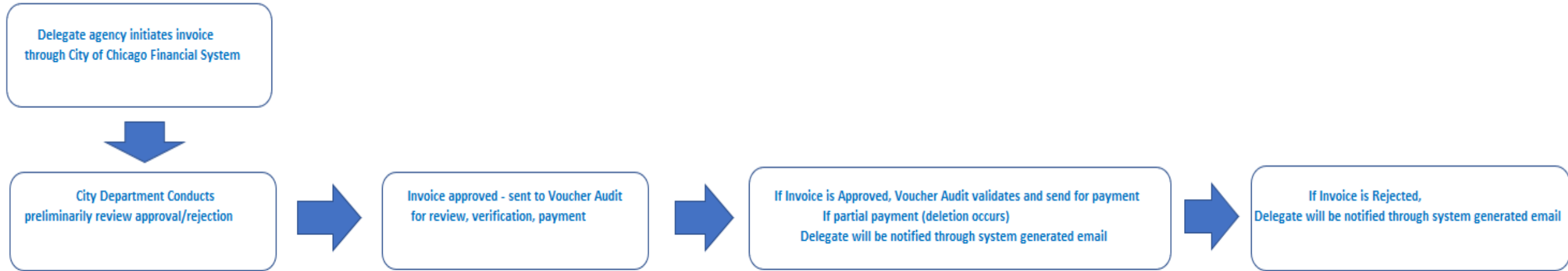
Invoice review process

- Voucher Auditors verify the invoice and supporting documentation to determine if invoice is acceptable / properly arranged, and reimbursement costs are allowable consistent with OMB Uniform Guidance.

- Voucher Auditors determine the final approval, also considering any applied deletions (unallowable costs), validate and authorize invoice for payment.

- Voucher Auditors determine the final decision for rejected / cancellation-exceptions.

Invoice Exceptions

It is a formal process to identify deficiencies such as:

Deletions: to include but not limited –

- ✓ **Unallowable cost:** Auditors verify the invoice to ensure that the amount requested for the account(s) is accurate and allowable per the budget, etc.
- ✓ **Missing supporting documentation:** Auditors review submitted expenditure forms for math errors and ensure that all necessary supporting documentation is accompanied, etc.
- ✓ **Improperly prepared invoice**: Auditors review submitted expenditure forms for math errors, missing budget justification/narrative, wrong cost categories listed, missing attachments, etc.

DOF
Department of Finance

Invoice Exceptions continued

Rejected Invoices: to include but not limited –

- ✓ **Improperly prepared invoice (Same as Above)**: Auditors review submitted expenditure forms for math errors, missing budget justification/narrative, wrong cost categories listed, missing attachments, etc.
- ✓ **Improper Invoice naming convention:** The naming convention must include three elements: Release Number, Expenditure covered-year, sequential number, e.g., 123456-21-01
- ✓ **Improper Invoice Description**: The invoice description must include the period covered of the submitted invoice, e.g., 05/01/2022 – 05/31/2022.
- ✓ **Good Services/ Received Date incorrectly entered:** This refers to the last date of the invoice description period. We recommend the date format should be MM/DD/YYYY, e.g., 05/31/2022.
- ✓ **Delay in Response/ No Response:** The Delegate Agency must respond to the VATS unit with the requested information via email or telephone within 48 hours after initial request. If the VATS unit does not receive a response, then the invoice will be rejected.

Invoice Exceptions continued

Deficiencies can result in delays in payment and/or result in adjusted payments, and they require prompt attention from the Delegates / City Departments.

Please note auto-generated emails are sent to Delegates for Rejected or Deletions invoices

Q & A