Work for Others – Special Financial Terms and Conditions

BRIEF

Policy Summary

This policy defines the guidelines for approval of special financial terms and conditions for Work for Others agreements to ensure compliance with DOE reimbursable work cash management requirements at Berkeley Lab. Special financial terms and conditions are only considered when specifically requested by a sponsor.

Most special financial terms are associated with non-federal awards. However, there are instances when federal sponsors require additional processing, and these instances are governed by this policy.

Who Should Read This Policy

Any Berkeley Lab employee who works under a WFO agreement with a sponsor who requires special financial terms and conditions

To Read the Full Policy, Go To:

POLICY tab of this wiki page

Contact Information

- Business Services Manager (Contract Accounting and Travel)
- Contract Accounting at ARHelp@lbl.gov
- WFO Analyst, Budget Office
- Office of Sponsored Projects and Industry Partnership Manager

POLICY

A. Purpose

The purpose of this policy is to define the guidelines for approval of special financial terms and conditions for Work for Others agreements to ensure compliance with DOE reimbursable work cash management requirements at Lawrence Berkeley National Laboratory (Berkeley Lab).

B. Persons Affected

Any Berkeley Lab employee who works under a WFO agreement with a sponsor who requires special financial terms and conditions

C. Exceptions

None
D. Policy Statement

1. Special financial terms and conditions are only considered when specifically requested by a sponsor. Most special financial terms are associated with non-federal awards. However, there are instances when federal sponsors require additional processing, and these instances are governed by this policy.
2. There are a number of sponsors with special financial terms and conditions for Work for Others Exceptions previously approved by the Office of the Chief Financial Officer (OCFO). A sponsor is added to the list of special terms once approved.
3. The following items are considered Berkeley Lab's standard requirements for non-federal WFO agreements.
   a. Receipt of a 120-day advance payment (four highest months of costs) prior to the start of work on the award (see the Advance Payment Requirement for Non-Federal Work for Others (WFO) Sponsors policy)
   b. Maintenance of a 120-day advance payment throughout the period of performance (POP) of the contract until such time as the advance paid + invoice payments = contract funding limit and the advance balance is drawn down (see the Advance Payment Requirement for Non-Federal Work for Others (WFO) Sponsors policy)
   c. Full advance for agreements that have an estimated cost of $25,000 or less or that have a completed performance in 90 days or less (see the Advance Payment Requirement for Non-Federal Work for Others (WFO) Sponsors policy)
   d. Monthly invoices with payment due upon receipt of the invoice
   e. If a sponsor requests a substantive change to the standard requirements, a Request for Special Financial Terms For Work For Others form should be initiated for the following:
      i. Special handling terms, such as
         1. Electronic billing, including an uploaded invoice or file to the sponsor's payment system
         2. E-mailed or faxed invoices to multiple locations or recipients, or invoices submitted in duplicate
         3. The use of the sponsor's special invoice template or format
      ii. Special billing or payment periods, such as scheduled billings, manual billing in foreign currency, or payment terms rather than due upon receipt
      iii. Monthly or other periodic invoices with additional requirements, such as
         1. Invoice certifications, letters of truth and accuracy, or notarized invoices
         2. Invoices accompanied by financial reports matching scientific tasks or milestones to invoice costs
         3. Inclusion of spend plans
         4. Submission of the final invoice and/or financial report no later than 60 days after the contract end date
         5. Budgets or receipts for items purchased
         6. Payment withholds (retention) until receipt of final reports or task completion or award close out
      iv. Advances insufficient to cover the 120 days or four months of highest costs
      v. Waiver of advance requirement to cover the 120 days or four months of highest costs

E. Roles and Responsibilities

E.1 General

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division Resource Analyst</td>
<td>• Determines whether terms are reasonable and possible to meet&lt;br&gt;• Agrees to provide sponsor's requested reporting/certification/documentation requirements if applicable</td>
</tr>
<tr>
<td>Division Director (or designee – limited to Deputy Division Director or Business Manager)</td>
<td>• Ensures terms are in the best interest of the Laboratory given required resources&lt;br&gt;• Agrees to provide sponsor's requested reporting/certification/documentation requirements if applicable. Approves division's administrative effort to accommodate terms.&lt;br&gt;• Recognizes the risk that any unallowable or uncollected costs from a default would be funded out of appropriate alternative divisional funds or Laboratory CSR funds, but the best interest of the Laboratory is still to assume the risk</td>
</tr>
<tr>
<td>Division Director (no designee) – if payment is at risk</td>
<td>• Determines whether terms are in the best interest of the Laboratory despite the risk of uncollectible receivables</td>
</tr>
<tr>
<td>Office of Sponsored Projects and Industry Partnerships (OSPIP)</td>
<td>• Reviews special financial terms form to include sponsor's justification</td>
</tr>
<tr>
<td>Budget Office Analyst</td>
<td>• Ensures supporting documentation is appropriate.&lt;br&gt;• In consultation with Contract Accounting (CA), reviews sponsor's payment history and verifies that sponsor has not defaulted payment resulting in collection by the US Treasury</td>
</tr>
<tr>
<td>Contract Accounting</td>
<td>• Terms are reasonable and possible to meet</td>
</tr>
<tr>
<td>Controller (or designee)</td>
<td>• Approves deviation of special terms&lt;br&gt;• Approves release of bridge funding</td>
</tr>
</tbody>
</table>
### E.2 Prior to Inclusion of Special Financial Terms in a Reimbursable Work Agreement (See Special Financial Terms for WFO Approval Process Flowchart)

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibility</th>
</tr>
</thead>
</table>
| Office of Sponsored Projects and Industry Partnerships (OSPIP) | • Submits the sponsor's proposed terms on the Request for Special Financial Terms For Work for Others form with the agreement language and proposal review to Contract Accounting through the Help Desk (AR Help@lbl.gov) for review and comment  
  • For repeat customers where the terms have not changed since the last approval, the Request for Special Financial Terms For Work for Others form is not required. Notifies Contract Accounting of new agreements and amendments through the Help Desk (ARHelp@lbl.gov) and the Budget Office via e-mail. |
| Contract Accounting                             | • Reviews and approves special handling terms. The Request for Special Financial Terms For Work for Others form does not need to be forwarded to the Division Analyst, Budget Office Analyst, or Controller for approval.  
  • Within two business days from receipt of the form from OSPIP, reviews the financial terms, identifies accommodations required to meet terms and identifies potential risks including impacts to cash status, prior history with sponsor, and delinquent payment issues  
  • Forwards completed form to the Budget Office Analyst for review  
  • Notifies OSPIP, the Division Resource Analyst, and the Budget Office if there are any issues with the Request for Special Financial Terms For Work for Others form  
  • Secures approval from the Controller (or designee)  
  • Sends notification of approval to the Division, OSPIP, and the Budget Office within one business day of receipt of the completed form |
| Budget Office                                   | • Reviews the terms and completes the Budget Office Section on the Request for Special Financial Terms For Work for Others form  
  • Forwards the completed form to the Division Resource Analyst, with copies to Contract Accounting through the Help Desk (ARHelp@lbl.gov), and OSPIP within two business days of receipt of the completed form |
| Division Resource Analyst                       | • Reviews the terms on the Request for Special Financial Terms For Work for Others form  
  • Evaluates the bridge funding usage and the administrative effort needed to meet identified accommodations  
  • Confirms to the principal investigator that the terms are acceptable  
  • Completes the Division section on the Request for Special Financial Terms For Work for Others form  
  • Forwards the form to Contract Accounting through the Help Desk (ARHelp@lbl.gov), with copies to the Budget Office and OSPIP within two business days of receipt of the completed form |

### E.3 For Signed Reimbursable Agreement with Approved Special Financial Terms

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibility</th>
</tr>
</thead>
</table>
| Office of Sponsored Projects and Industry Partnerships (OSPIP) | • Notes that special financial terms have been approved in the Comment section of the Sponsored Projects Award Authorization (SPAA) document  
  • In the event the sponsor is late with the payment remittance due to the special financial terms, assists Contract Accounting with payment resolution, if requested  
  • Notifies Contract Accounting through the Help Desk (ARHelp@lbl.gov) prior to renegotiating contract terms (e.g., funding increased or reduced or period of performance changed) for those receivables reported delinquent by Contract Accounting  
  • Ensures that all billing information, including name, address, phone and fax numbers, e-mail, and sponsor’s reference number of the financial payment contact, is accurate and completed on the contract at the time of contract signature  
  • Sets up the non-federal award as a partial advance if the award proposes to use scheduled billing and thus the payment terms are to not pay with a full advance  
  • Sets up scheduled billing in the contract to coincide with the financial report schedule or with the sponsor’s payment calendar, if requested by the sponsor. Due dates are required when the sponsor requests scheduled billing.  
  • If the award is terminated prior to the contractual expiration date, amends the award end date in the Research Administration Proposal Information Database (RAPID) and issues the SPAA |
Division Resource Analyst

- Prepares the financial reports (e.g., quarterly spend plans)
- Signs all letters of certification or truth on the schedule outlined by the sponsor (see Work for Others (WFO) Awards - Financial Certifications).
- Submits certifications to Contract Accounting through the Help Desk (ARHelp@lbl.gov) by the 10th business day of the month. If the Division Resource Analyst chooses to send the invoice, notifies or copies Contract Accounting through the Help Desk when the invoice is sent to the sponsor.
- In the event that the sponsor is late with the payment remittance as a result of the special financial terms, assists Contract Accounting with payment resolution.

Principal Investigator

- Ensures that technical reports are submitted to the sponsor on time.

Contract Accounting

- Assists the Division Resource Analyst and OSPIP with payment resolution with the sponsor if the sponsor is late with payment remittance per the special financial terms.
- Issues special invoices with required backup to the sponsor after receipt of division-prepared reports unless the division requests that Contract Accounting sends out the invoices.
  - Sets the advance to be drawn down first if the award uses scheduled billing or payment terms with partial advance.
  - If the award is terminated prior to the contractual expiration date (SPAAN notice), cancels the scheduled billing, reviews the account activities, and applies advance balance against open invoices if applicable.

Budget Office

- Enters the Bridge Funding Request, which is based on the cost estimate for the life of the proposed contract, into the Budget System.

F. Definitions/Acronyms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work for Others</td>
<td>The performance of work for non-DOE entities by DOE/contractor personnel and/or the utilization of DOE facilities that are not directly funded by DOE appropriations. Work is in accordance with DOE Order 481.1C.</td>
</tr>
</tbody>
</table>

G. Recordkeeping Requirements

None

H. Implementing Documents

<table>
<thead>
<tr>
<th>Document Number</th>
<th>Title</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.02.010.000</td>
<td>Advance Payment Required for Non-Federal Work For Others (WFO) Sponsors</td>
<td>Policy</td>
</tr>
<tr>
<td>11.01.001.001</td>
<td>Special Financial Terms for Work for Others</td>
<td>Procedure</td>
</tr>
<tr>
<td>11.01.001.002</td>
<td>Request for Special Financial Terms for Work For Others</td>
<td>Procedure</td>
</tr>
<tr>
<td>11.01.001.003</td>
<td>Reprint Invoice Instructions</td>
<td>Procedure</td>
</tr>
</tbody>
</table>

I. Contact Information

- Business Services Manager (Contract Accounting and Travel)
- Contract Accounting at ARHelp@lbl.gov
- WFO Analyst, Budget Office
- Office of Sponsored Projects and Industry Partnership Manager

J. Revision History

<table>
<thead>
<tr>
<th>Date</th>
<th>Revision</th>
<th>By whom</th>
<th>Revision Description</th>
<th>Section(s) affected</th>
<th>Change Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/2/2012</td>
<td>1</td>
<td>M. Mock</td>
<td>Re-format for wiki</td>
<td>All</td>
<td>Minor</td>
</tr>
</tbody>
</table>

DOCUMENT INFORMATION

<table>
<thead>
<tr>
<th>Title:</th>
<th>Work for Others – Special Financial Terms and Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document number</td>
<td>11.01.001.000</td>
</tr>
</tbody>
</table>
Source Requirements Documents

- DOE Accounting Handbook, Chapter 8, Receivables
- DOE Accounting Handbook, Chapter 13, Reimbursable Work, Revenues, and Other Collections

Implementing Documents

<table>
<thead>
<tr>
<th>Document Number</th>
<th>Title</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.02.010.000</td>
<td>Advance Payment Required for Non-Federal Work For Others (WFO) Sponsors</td>
<td>Policy</td>
</tr>
<tr>
<td>11.01.001.001</td>
<td>Special Financial Terms for Work for Others</td>
<td>Procedure</td>
</tr>
<tr>
<td>11.01.001.002</td>
<td>Request for Special Financial Terms for Work For Others</td>
<td>Procedure</td>
</tr>
<tr>
<td>11.01.001.003</td>
<td>Reprint Invoice Instructions</td>
<td>Procedure</td>
</tr>
</tbody>
</table>

Other References

<table>
<thead>
<tr>
<th>Document Number</th>
<th>Title</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.02.001.000</td>
<td>Bridge Funding</td>
<td>Policy</td>
</tr>
<tr>
<td>11.01.009.000</td>
<td>Work for Others (WFO) Awards - Financial Certifications</td>
<td>Policy</td>
</tr>
<tr>
<td>11.02.007.000</td>
<td>WN Funding Requests</td>
<td>Policy</td>
</tr>
</tbody>
</table>