

Invoice Preparation and Documentation

John Whiteside & Alex Hetzel

External Audits

Alabama Department of Transportation

Audits

- We finished a few on-site audits during the past year.
- The results were reported to the FTA.

Items noted during the reviews

- Billing items multiple times
- Billing past due balances, instead of current
- Billing late fees/penalties
- Billing on an accrual basis
- Untimely payments to vendors
- Lack of internal controls
- Poor record keeping
- Weak third party revenue

FTA Response

- 1) They requested the unallowable costs to be paid back.
- 2) They want us to fix the problems

Audits:

- Desk Reviews
- On-Site Audit



Desk Review

- We are going to review the costs submitted and billing calculations for 4 to 5 invoices each month.
- It will consist of reviewing the backup for the costs reported on the invoice.
 - Payroll & Fringe Benefits Reports
 - Vendor Invoices
 - Travel Expense Forms
 - Allocation Calculations

On-site Audits

- We will select 4 or 5 organizations to perform an onsite audit on.
- 3 of the organizations invoices will be selected for audit.
- The audit will consist of reviewing backup documentation and cancelled checks, and cost calculations for the invoices

Documentation for On-Site Audits

- Agreements/Supplemental Agreements
- Invoices with Backup
- Emails or Notes regarding Adjustments or changes to the invoices.

Agreements/Supplemental Agreements

- Agreements
- Supplemental Agreements
 - Revisions to original agreement
 - Start/End Date
 - Transfer of Funds across line items
 - Additional Funds

Invoice Preparation

- Form F-25

INVOICE

1. Consulting Firm

Contract ID No.

11

2. Inv. Date

Street and Number P.O. Box

P.O. Box

City	Zone	State	Zip Code
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3. Invoice No.

In Account With

4. For Work Agreement Dated:

ALABAMA DEPARTMENT OF TRANSPORTATION

5. Distribution							6. Sect. No. or CPO No.	7. Percent Comp.	8. Fee Amount	9. Amount Earned Current Month	10. Amount Retained Current Month	Month	Day	Year	14. Amount Due
												11. Amount Earned To Date	12. Amount Retained To Date	13. Amount Previously Paid	
A/C#	Func.	Obj.	F	Project No.		P/C									
15. Explanation of invoice and description of							16. Totals								

17. I certify that the within amount shown as a total in column 14 (amount due) is correct, and unpaid.

Claimant's Signature

Sworn and subscribed to before me this _____
day of _____ 20____

Notary Public

18. Approved By:

INVOICE

1. Consulting Firm ABC Company
Street and Number 123 Main Street P.O. Box _____
City Anytown State AL Zip 36000

2. Inv. Date 2/20/19

3. Payment No. TRRPT018-19-04

4. For Work Agreement Dated: Jan 12, 2019

In Account With

ALABAMA DEPARTMENT OF TRANSPORTATION

Section 5311

January 2019
Month Year

5. Distribution								6. Sect. No.	7. Percent Comp.	8. Fee Amount	9. Amount Earned Current Month	10. Amount Retained Current Month	11. Amount Earned To Date	12. Amount Retained To Date	13. Amount Previously Paid	14. Amount Due	
AVC#	Fund	Obj.	F	Project No.													P/C
4329	0406	0545		RPTD	100	099	999			240,350	10,400		✓70,857		✓54,471	16,485	
4329	0406	0545		RPTD	100	099	998			304,400	15,884		✓66,905		✓51,111	15,884	
4329	0400	0645		RPTD	100	000	229				454		✓454		✓454	454	
													0		0	0	
15. Explanation of invoice and description of work completed										16. Totals	545,530	12,824	0	138,935	0	106,111	32,824

For administration and operation of non-urbanized multi-county transportation.

17. I certify that the within amount shown as a total in column 14 (amount due) is correct and unpaid.

Claimant's Signature

Sworn and subscribed to before me this 20th

day of February 20 19

Notary Public



TRANSPORTATION
TRANSIT
DLPT. OF TRANS

Goldwood

18. Approved By:

Local Transportation Bureau

Anywhere County RPT-18 FY 2019
 ABC Company 5311 RPTO
 RECAP OF COSTS
 OPERATIONS

	Jan	YEAR TO-DATE EXPENDITURES	APPROVED LINE-ITEM BUDGET	BALANCE
Drivers/Fringes	30,210.00	119,065.00	400,000.00	280,935.00
Gas & Oil	3,621.00	23,725.00	95,000.00	71,275.00
Tires	105.00	105.00	18,000.00	17,895.00
Physical Exams	82.00	215.00	1,500.00	1,281.00
Maintenance & Repairs	1,601.00	10,611.00	50,000.00	39,389.00
Supplies	0.00	0.00	2,000.00	2,000.00
Radio Communications	816.00	3,639.00	10,000.00	6,361.00
Tax & Licenses	0.00	69.00	400.00	311.00
Travel/Training	0.00	225.00	6,000.00	5,775.00
Total Actual Expenses	36,635.00	157,678.00	582,900.00	425,222.00
Less: Revenue (10% of Expenses)	3,663.50	15,767.80		
Farebox	1,975.00	8,770.00		
Contract	1,589.00	8,997.00		
Local Match	0.00	0.00		
Total "Fares" Revenue	3,664.00	15,767.00		
Total Expenses	32,971.00	141,911.00		
Less: Local Match - 50%	16,485.50	70,955.50		
Section 18 Amount Due - Operating	16,485.50	70,955.50		
Amount Due(round to nearest \$)	16,486.00	70,957.00		

Anywhere County RPT-18 FY 2019
 ABC Company 5311 RPTO
 RECAP OF COSTS
 ADMINISTRATION

	Jan	YEAR TO-DATE EXPENDITURES	APPROVED LINE-ITEM BUDGET	BALANCE
Administrators				
Secretary	11,352.00	47,019.00	145,000.00	97,981.00
Utilities	2,517.00	10,973.00	40,000.00	29,027.00
Telephone	770.00	2,299.00	10,000.00	7,701.00
Rent	325.00	1,638.00	7,000.00	5,362.00
Indirect Costs	0.00	0.00	0.00	0.00
Physical Exams	4,158.00	18,220.00	70,000.00	53,780.00
Supplies/Printing	0.00	0.00	1,000.00	1,000.00
Maintenance & Repairs	158.00	250.00	7,000.00	6,750.00
Accounting Legal	0.00	0.00	2,500.00	2,500.00
Travel/Training	0.00	0.00	3,000.00	3,000.00
Insurance - Bldg	361.00	2,787.00	15,000.00	12,213.00
Insurance - Auto	0.00	2,411.00	4,000.00	1,589.00
Advertisement	0.00	0.00	70,000.00	70,000.00
Office Expense	0.00	0.00	5,000.00	5,000.00
Total Actual Expenses	73.00	146.00	1,000.00	854.00
	19,855.00	83,743.00	380,500.00	296,757.00
Total Administration Expenses				
Less: Local Match - 20%	19,855.00	83,743.00		
Section 18 Amount Due-Adm.	3,971.00	16,748.80		
Amount Due(round to nearest \$)	15,884.00	66,994.40		
	15,884.00	66,995.00		

Anywhere County RPT-18 FY 2019

ABC Company

5311 RPTO

RECAP OF COSTS

RTAP

	Jan	YEAR TO-DATE EXPENDITURES
Mileage	264.00	513.00
Per Diem	170.00	470.00
Registration	0.00	0.00
Other (Parking, etc.)	0.00	0.00
Total	454.00	983.00
(Rounded to nearest \$)	454.00	983.00

Anywhere County RPT-18 FY 2018
 ABC Company
 5211 RPTD
 RECAP OF COSTS
 OPERATIONS

	Oct	Nov	Dec	Jan	YEAR TO-DATE EXPENDITURES	APPROVED LINE ITEM BUDGET	BALANCE
Drivers/Pinges	20,512.00	20,777.00	31,406.00	20,210.00	119,085.00	400,000.00	280,915.00
Gas & Oil	5,249.00	4,950.00	9,420.00	3,821.00	23,725.00	85,000.00	61,275.00
Tires	0.00			15.00	155.00	15,000.00	14,845.00
Physical Exams	41.00		50.00	102.00	219.00	1,500.00	1,281.00
Maintenance & Repairs	5,872.00	504.00	7,879.00	1,521.00	10,611.00	50,000.00	39,389.00
Supplies	0.00			0.00	0.00	2,000.00	2,000.00
Radio Communications	630.00	600.00	1,393.00	115.00	1,528.00	10,000.00	8,472.00
Tax & Licenses	0.00	29.00			29.00	400.00	371.00
Truck Training	81.00		144.00		225.00	5,000.00	4,775.00
Total Actual Expenses	40,960.00	34,550.00	45,598.00	36,835.00	157,873.00	582,900.00	425,027.00
Less Revenue (10% of Expenses)	4,096.00	3,455.00	4,559.80	3,683.50	15,757.80		
Carbide	1,811.00	1,911.00	1,973.00	1,973.00	6,668.00		
Contract	2,485.00	1,544.00	1,276.80	1,698.00	6,947.00		
Local Match					0.00		
Total "Fares" Revenue	4,096.00	3,455.00	4,559.80	3,683.50	15,757.80		
Total Expenses	36,864.00	31,095.00	40,988.00	33,151.50	142,115.20		
Local - Local Match - 50%	18,432.00	15,547.50	20,494.00	16,575.75	70,955.50		
Section 18 Amount Due - Operating	18,432.00	15,547.50	20,494.00	16,575.75	70,955.50		
Amount Due (round to nearest \$)	18,432.00	15,548.00	20,494.00	16,576.00	70,956.00		

Anywhere County RPT-18 FY 2019
ABC Company
S011 RPT0
RECAP OF COSTS
ADMINISTRATION

	Oct	Nov	Dec	Jan	YEAR TO DATE EXPENDITURES	APPROVED LINE-ITEM BUDGET	BALANCE
Administrators	11,305.00	11,305.00	13,051.00	✓11,353.00	47,015.00	143,000.00	97,301.00
Secretary	2,600.00	2,600.00	3,144.00	✓2,617.00	10,973.00	20,000.00	20,027.00
Utilities	202.00	631.00	595.00	✓575.00	2,238.00	10,000.00	7,701.00
Telephones	824.00		709.00	✓828.00	1,538.00	7,000.00	5,362.00
Rent	0.00				0.00	0.00	0.00
Indirect Costs	3,939.00	4,066.00	4,254.00	✓4,158.00	16,220.00	70,000.00	58,780.00
Physical Exams	0.00				0.00	1,000.00	1,000.00
Supplies/Printing	2.00	47.00	33.00	✓49.00	253.00	7,000.00	5,750.00
Maintenance & Repairs	0.00				0.00	2,500.00	2,500.00
Accounting Legal	0.00				0.00	3,000.00	3,000.00
Travel/Training	1,952.00	474.00		861.00	2,787.00	15,000.00	12,213.00
Insurance - Bldg	2,411.00				2,411.00	4,000.00	1,589.00
Insurance - Auto	0.00				0.00	70,000.00	70,000.00
Advertisement	0.00				0.00	5,000.00	5,000.00
Office Expense	21.00	31.00	21.00	✓29.00	145.00	1,000.00	854.00
Total Actual Expenses	22,895.00	19,092.00	21,901.00	19,855.00	83,743.00	380,500.00	296,757.00
Total Administration Expenses	22,895.00	19,092.00	21,901.00	19,855.00	83,743.00		
Loss: Local Match - 20%	4,579.00	3,818.40	4,380.20	3,971.00	16,748.60		
Section 18 Amount Due Adm.	18,316.00	15,273.60	17,520.80	15,884.00	68,931.40		
Amount Due (round to nearest \$)	18,316.00	15,274.00	17,521.00	15,884.00	68,995.00		

Anywhere County RPT-18 FY 2013

ABC Company

5311 RPTQ

RECAP OF COSTS

REVENUE

	Oct	Nov	Dec	Jan	YEAR TO-DATE REVENUE
Farmtax	1,511.00	1,311.00	1,212.00	1,875.00	5,910.00
Contract Revenue:					
Town of Excel	0.00	1,328.00	0.00	1,000.00	2,328.00
Wiscadough	0.00	750.00	750.00	1,500.00	3,000.00
City of Minneapolis	1,818.00	1,420.00	0.00	2,842.00	5,960.00
City of Evergreen	3,520.00	0.00	1,714.00	1,458.00	5,095.00
City of Thonotoska	1,334.00	2,050.00	0.00	1,880.00	5,265.00
Area Agency on Aging	0.00	0.00	0.00	0.00	0.00
City of Jackson	1,750.00	0.00	1,451.00	3,388.00	7,000.00
Winona County	17,189.00	0.00	17,520.00	0.00	34,690.00
Town of Grove Hill	1,000.00	1,552.00	0.00	3,022.00	5,575.00
AL Medicaid Dialysis	5,210.00	4,894.00	0.00	5,435.00	15,540.00
Total Contract Revenue	33,098.00	12,722.00	22,235.00	21,940.00	90,000.00
Total Current Month Revenues	34,707.00	14,033.00	23,520.00	23,815.00	95,140.00
Less: 10% Recovery - Operating	4,098.00	5,455.00	4,512.00	3,984.00	15,760.00
30% Local Match - Operating	15,432.00	15,547.50	20,450.50	18,466.50	70,000.50
30% Local Match - Admin	4,578.00	2,618.40	4,380.20	3,871.00	15,745.60
Total Revenues required for month	24,108.00	23,620.90	29,342.70	26,321.50	103,471.10
Difference	7,600.00	12,816.90	5,914.30	200.50	27,322.10

Anywhere County RPT-18 FY 2013

ABC Company

5311 RPTQ

RECAP OF COSTS

RTAP

	Oct	Nov	Dec	Jan	YEAR TO-DATE EXPENDITURES
Mileage	0.00	229.00	0.00	254.00	513.00
Per Diem	0.00	300.00	0.00	170.00	470.00
Registration	0.00	0.00	0.00	0.00	0.00
Other (Parking, etc.)	0.00	0.00	0.00	0.00	0.00
Total	0.00	529.00	0.00	424.00	983.00
(Rounded to nearest \$)	0.00	529.00	0.00	424.00	983.00

ABC Public Transportation
Line Item Report
April 2019
OPERATIONS COSTS

						CHECK CLEARED
	AMOUNT	DATE	INVOICE NUMBER	VENDOR	AMOUNT	DATE
DRIVERS	\$ 10,000.00				\$ 10,000.00	
FRINGE BENEFITS	\$ 2,900.00				\$ 2,900.00	
FUEL	\$ 8,000.00					
		4/21/2019	12	Bill's Fuel Service	\$ 3,500.00	04/24/19
		4/25/2019	10835	Gas-n-Up	\$ 4,500.00	04/28/19
					\$ 8,000.00	
VEHICLE - MAINT/REPAIRS	\$ 3,000.00					
		4/12/2019	1311	Ray's Muffler	\$ 450.00	04/15/19
		4/21/2019	81	TCL Repair	\$ 2,550.00	04/25/19
					\$ 3,000.00	
TIRES	\$ 500.00					
		4/5/2019	04052019	Tire Depot	\$ 500.00	04/08/19
					\$ 500.00	
DRUG SCREEENS	\$ 30.00					
		04/20/19	54	ABI Industires	\$ 30.00	04/25/19
					\$ 30.00	
WRECKER SERVICE	\$ 125.00					
		4/11/2019	1908	Joe's Wrecker	\$ 125.00	04/15/19
					\$ 125.00	
PEST CONTROL	\$ 150.00					
		4/25/2019	105	Killer Bees Pest Control	\$ 150.00	04/27/19
					\$ 150.00	
WASTE MGT/GARBAGE	\$ 100.00					
		4/25/2019		Red Dumpster, Inc.	\$ 100.00	04/28/19
					\$ 100.00	
GROUND KEEPING	\$ 80.00					
		4/2/2019	25239	A Cut Above	\$ 80.00	04/07/19
					\$ 80.00	
TOTAL OPERATIONS COST	\$ 24,885.00					

ABC Public Transportation
Line Item Report
April 2019
ADMINISTRATION COSTS

						CHECK CLEARED
	AMOUNT	DATE	INVOICE NUMBER	DESCRIPTION	AMOUNT	DATE
DIRECTOR	\$ 3,000.00					
COORDINATOR	\$ 2,500.00					
SECRETARY	\$ 1,900.00					
FRINGE BENEFITS	\$ 2,000.00					
OFFICE SUPPLIES	\$ 185.00					
		04/19/19	13115	Office Mart	\$ 185.00	04/23/19
					\$ 185.00	
TELEPHONE	\$ 505.00					
		4/22/2019	25550	Southern Cell	\$185.00	04/26/19
		4/25/2019	6485	Reliable Wireless	\$ 320.00	04/29/19
					\$505.00	
UTILITIES	\$ 205.00					
		4/26/2019	25210	City of Pyle	\$ 205.00	04/29/19
					\$ 205.00	
INSURANCE (VEHICLE)	\$ 3,500.00					
		4/8/2019	25203	US Insurance	\$ 3,500.00	04/12/19
					\$ 3,500.00	
POSTAGE	\$ 25.00					
		4/5/2019	55055	USPS	\$ 25.00	04/08/19
					\$ 25.00	
TOTAL ADMINISTRATIVE COSTS	\$ 13,820.00					

Costs By Category

- Salary/Wages
- Fringe Benefits
- Fuel
- Maintenance and Repairs
- Tires
- Supplies
- Travel
- Workshops/Conferences

Costs By Category

- Rent
- Telephone and Postage Charges
- Equipment charges
- Advertising cost

Audit Documentation

Labor Related Costs

- **Salary/Wages**
 - Pay Slips, Pay stubs, Payroll journals
 - Time and effort sheet
 - Payroll check copy or direct deposit receipt
- **Fringe Benefits**
 - Show calculation of the benefit
 - Benefits should be listed on the summary of charges

Audit Documentation

Non-Labor Related Costs

- **Most Non-Labor Related Costs**
 - Itemized Vendor Invoice
 - Proof of Payment – Check
 - Online purchase, screenshots are not acceptable documentation
 - Credit card statements and vendor statements are not supporting documentation. The Federal Acquisition Regulations require an actual receipt or invoice.
- **Inhouse and Allocated Costs**
 - Show calculation of the cost
 - Ledger information should be submitted

Audit Documentation

Non-Labor Related Costs

- **Travel**
 - **Travel Request Form**
 - **Travel Expense Form**
 - **Name of Person Traveling**
 - **Dates of Travel**
 - **Purpose of Travel**
 - **Lodging - Customer Receipt for stay at hotel**
 - **Meals – Itemized Receipt**
 - **Mileage/Fuel/Car Rental – Beginning and Ending Destination**
 - **Copy of check for reimbursement**

Audit Documentation

Non-Labor Related Costs

- **Telephone and Postage Charges**
 - Invoice
 - Proof of Payment.
 - In-House
 - Ledger information should be submitted

- **Telephone and Postage Charges**

Postage \$ 22.95

Basic Documentation Practice

- Maintain a separate program file that contains copies of contracts and invoices
- Have the backup documentation required for an audit included with the invoices. (Payroll Document, Invoices, Checks, Bank Statements)
- Documentation should follow the flow of the summary and should equal the totals on the summary.
- Run a copy of any invoices likely to fade quickly (credit card, store receipts)

Best Practices

Financial Management

- Financial statements are produced and reviewed regularly by both the board of directors and a CPA
- An annual budget is developed and regularly monitored to determine/evaluate/respond to any variations
- The program has a diversity of resources, and it projects future increases/decreases from the various sources. It has a plan for the increases and decrease in funding.

Best Practices

Financial Management

- It has specific plans to meet any cash and in-kind matches that are required
- It has formal internal controls governing all financial operations
 - Written policies that govern segregation of duties with respect to receiving, recording and depositing checks, purchasing expense accounts and compensation with oversight from senior staff and the board
- It has written financial policies and procedures

Best Practices

Governance & Operations

- An active and independent board of directors or other governing body. (Independence = non-employees or related to employees or other board members)
- The composition of the governing board includes skills and knowledge (lawyer, accountant, fundraising)
- Each member of the board understands and can explain its organization's mission

Best Practices

Governance & Operations

- The board regularly examines its financial statements and discusses questions, concerns and issues
- The board has procedures for taking action on essential matters between its regularly scheduled meetings
- The board meets at least quarterly and has attendance expectations and tracks attendance

In Conclusion....

REMINDERS

- Any charges for item needed before the actual contract is signed must be discussed before they are authorized.
 - Ex. Printing of flyers, other “start up” cost
- Invoices for charges should be itemized.
- Proper organization.
 - Documentation should follow the flow of the summary and should equal the totals on the summary.
- Keep a copy of all changes/adjustments made to any invoice.

Questions?



Contact Information

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