



## **Invoicing the Government: Or in Other Words – Show me the Money! Part II**

No matter where you find yourself in the government acquisition environment, for any business, cash is king. At ReliAscent, while we are experts at proposal pricing, contract compliance, and government contract accounting, we don't lose sight of the importance of billing the government or prime contractors accurately, in a timely manner, and collecting what's due. Since invoicing is the critical first step in the revenue process, misunderstanding or misapplying the process can result in serious problems with cash flow.

Our first installment in this series focused on how the type of government contract dictates much of the process surrounding invoicing. In general, fixed-price and Time & Material types of contracts are less complex than cost-plus types.

Part 2 of this discussion focuses on the mechanisms specified by the government for a variety of contract and grant environments.

### **Wide Area WorkFlow (WAWF)**

For those contracting with the Department of Defense (DoD), the on-line vouchering system called WAWF is the most common method of submitting invoices to the government. Look for DFARS clause 252.232-7006 which can typically be found in Section G of the contract. This will contain detailed instructions how to bill and who to send the bill to.

However, there is an initial process to sign on and set up credentials and roles within the WAWF website. We recommend you take advantage of the training modules and download any guides or instructions. Even doing this, the billing and contracting jargon can be confusing for those not intimately familiar with government financing, formsmanship, and the – well, let's say there's mounds of information to assimilate.

Once signed into WAWF as a "Vendor", you are able to submit vouchers for your contracts. There are 12 different voucher forms, so knowing which one you should provide is crucial. If there's any question, a quick call to either your contracting officer or your administrative contracting officer (ACO) should clear it up.

### **WAWF Troubleshooting**

Most trouble with WAWF occurs when your voucher is rejected. Many times the reason given is in contract billing jargon, so a quick call to the phone number provided with the rejection will help translate what the real problem is. One advantage of the on-line vouchering system is errors can be corrected quickly and interruption of the billing cycle is reduced.

We find that the people we contact at the Help Desk for WAWF usually solve our problems during the first call.



### **Other Agencies, Prime Contractors, and Grants**

Other government agencies may use any number of methods for invoicing, including mail or email delivery. If you work for a Prime contractor, their payment system should also be clear. In any case, billing instructions should be articulated in the contract and ambiguities or conflicting requirements addressed before the first billing cycle.

Grant agreements typically are funded through a drawdown process, where a grantee can request or drawdown funding as costs are incurred.

### **Reconcile billings to accounting**

From an operational accounting perspective, in a perfect world on a cost-plus type contract, your billings for direct costs should match up with the accounting. Errors will creep into the process, so it's always best to take the time to reconcile the billing to the accounting for each voucher that is processed. Remember Murphy's Law: Something will go wrong.

### **Tracking Accounts Receivables**

It's more important than ever in this turbulent funding environment government contractors find themselves in to monitor and troubleshoot when vouchers get rejected or a payment is late. Start tracking the average days it takes a voucher to get paid, then monitor payment against the average. It costs nothing to login in to WAWF to see if a voucher has been rejected.

The DoD and others may also have online tools to track payments.

### **Financing and Factoring**

Finally, it may be helpful to consider methods of financing to smooth out the rough spots in cashflow. Traditional financing, including letters of credits is an option depending on a contractor's need. Bear in mind that the interest rate paid for this type of financing is an unallowable cost. Factoring, where a third party pays you for your billings for a fee, is another financing alternative.

ReliAscent, LLC is your one-stop source for all of your government-compliant accounting, timekeeping, contract management, proposal support and government invoicing needs. **Call today at 303-999-3802 to schedule one of our qualified team members to assist you.**

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