

Title/Subject: **INVOICING FOR FIXED PRICE CONTRACTS**

Applies to:  faculty  staff  students  student employees  visitors  contractors

Effective Date of This Revision: March 1, 2012

Contact for More Information: Accounting Services 989-774-3707

Board Policy  Administrative Policy  Procedure  Guideline

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**BACKGROUND:**

With the prior approval of the respective dean, a department may work with the Office of Research and Sponsored Programs to write and enter into contracts with third parties to provide services on a fixed price or a fee-for-service basis. Invoices will be required to bill the third parties for such services.

**PURPOSE:**

The purpose of this policy is to ensure consistent treatment for the invoicing of all fixed price or fee-for-service contracts and to ensure their proper accounting.

**DEFINITIONS:**

Fixed-price and fee-for-service contracts stipulate a fixed amount usually paid when the deliverables are received and accepted by the third party regardless of the actual expenses incurred.

**POLICY:**

Accounting Services will perform all invoicing based on the terms of the contract (i.e., monthly, quarterly, etc.) or, if not so stated, based on notification received from the department for the amount indicated for work completed. Accounting Services will prepare and send the invoice. If the invoice includes confidential information (such as health related services), the department should email or fax the invoice to Accounting Services with confidential information redacted. If the confidential information is included in an attachment to the invoice, then the department should omit the attachment from the information sent to Accounting Services. Accounting Services will enter the invoice in SAP to create the receivable and issue the invoice. For invoices with confidential information, Accounting Services will notify the department that the invoice can be issued.

All contracts and invoices will direct the remitter to send payments to Accounting Services (WA304) for processing. When payment is received by Accounting Services, the payment will be applied to the related account receivable.

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Authority: George Ross, President

History: None

Indexed as: Fixed Price Contracts; Third Party Contracts; Contract Invoicing; Fee-for-Service Contracts.