

First Billing Offset Days: Functionality and Use

Purpose

The purpose of this document is to define the "First Billing Offset Days" functionality, provide guidance on its use, and explain how to calculate the offsetting value.

Background

The "First Billing Offset Days" located in the Grants Management module of the Oracle business application defines the number of days that elapse between the award start date and the generation of the first Accounts Receivable (AR) invoice. The offsetting value entered in this field is the difference between the number of days in billing cycle less the award start date. Completion of this field is required in order to ensure the first invoice is generated on schedule.

Using First Billing Offset Days

The functionality provided by the First Billing Offset Days is used when the start date of the award compared to the total number of days in the billing cycle requires an offsetting value. Important! The numeric value of First Billing Offset Days must be between 0 and 366.

The following situations require an offsetting value greater than zero:

1. An award with a [Billing Distribution Rule](#) of "cost."
2. An award with a [Billing Cycle](#) of:
 - Last day of month
 - Qtr End MAR, JUN, SEP, DEC
 - Qtr End FEB, MAY, AUG, NOV
 - Qtr End JAN, APR, JUL, OCT

Note: "Monthly" and "Quarterly" billing cycles are still available in the list of values due to older awards utilizing these cycles. However, these cycles should not be used on new awards.

The following situations require an offsetting value of zero:

3. An award with [Billing Distribution Rule](#) of "event."
4. If an award has been established after the due date of the first invoice. Note: This situation typically occurs when awards established "At Risk" are changed to "Active" after the first invoice period has past.
5. If the offsetting value of the first invoice is greater than 366 days.

Important! AR staff should review the first invoice on all awards prior to invoice approval and release to determine whether the invoice has been generated on schedule. If the invoice has not been generated on schedule, appropriate corrective action should be

taken. (e.g., amend first billing offset days, place expenditure items on-hold, delete invoice, regenerate invoice.)

Calculating the Offsetting Value

The numeric value in the billing offset days field represents the total number of days in the billing cycle less the award start date.

Formula: (Total Number of Days in Billing Cycle) - (Award Start Date) = First Billing Offset Days.

Scenarios:

The following scenarios represent a comparison of the offsetting value. This comparison is based on awards with the same billing cycle and varying award start dates.

Note: "Bill Through Date" refers to the end of the period for which expenditures should be included in the invoice.

Billing Cycle Name	Days in Billing Cycle	Award Start Date	Billing Offset Days Calculation and Value	First Draft Invoice Generated with Bill Through Date Of
Last Day of Month	31 days in July 31 days in cycle	July 1	$(31 - 1) = 30$	July 31st
		July 15	$(31 - 15) = 16$	
Qtr End MAR, JUN, SEP, DEC	31 days in July 31 days in August 30 day in September $31 + 31 + 30 = 92$ days in cycle	July 1	$(92 - 1) = 91$	September 30th
		July 15	$(92 - 15) = 77$	
Qtr End FEB, MAY, AUG, NOV	31 days in July 31 days in August $31 + 31 = 62$ days in cycle	July 1	$(62 - 1) = 61$	August 31st
		July 15	$(62 - 15) = 47$	
Qtr End JAN, APR, JUL, OCT	31 days in July 31 days in cycle	July 1	$(31 - 1) = 30$	July 31st
		July 15	$(31 - 15) = 16$	

Review

The First Billing Offset Days is displayed on the [Award Billing Information Report](#). This calculation should be reviewed by the person who established the award. In addition, a second review should be performed by the AR staff based on normal review procedures of new award billing information.

Change History

- **March 23, 2005** - New Document.

Feedback

Was this document clear and easy to follow? Please send your feedback to webfeedback@rfsuny.org.

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