

## Placing Expenditures on Billing Hold

### Purpose

The purpose of this document is to describe the use of billing holds. A Billing Hold is used to place an expenditure in an "on-hold" status prohibiting its generation on an Accounts Receivable (AR) invoice. Items on billing hold are excluded from expenditures invoiced to the sponsor through the Oracle invoicing process. Releasing a billing hold on an expenditure will allow the expenditure to appear on the next system-generated invoice that is produced.

### Background

A cost-reimbursable invoice generates an invoice for all award expenditures that are in a "billable" status and have not already been invoiced. A billing hold places an expenditure in an "on-hold" status prohibiting the item from generating on an Accounts Receivable (AR) cost-reimbursable invoice. An expenditure can be placed in a status of "Billing Hold" or "One-Time Hold".

The Billing Hold status places an expenditure in an on hold status for an undefined period from invoice generation. The expenditure will remain on hold until the billing hold is manually released. A common example of when to use a Billing Hold would be for a payroll overpayment, the item can be placed "on hold" so the invoice is not delayed while the overpayment is being resolved.

The One-Time Billing Hold status places an expenditure on hold for a single (one-time) invoice period. The expenditure will be released for the next invoice generation. A common example of when to use a One-Time Billing Hold would be if an expenditure item did not cost within the billing period, therefore the associated indirect cost (F&A or Agency fees) does not have an item date within the billing period. This situation may occur when an invoice has been regenerated.

Depending on sponsor invoicing requirements, the following situations may warrant an expenditure being placed on hold:

- Advances that have been processed and not reconciled i.e., travel advances, program advances, petty cash advances.
- Direct costs in excess of the established budget.
- Payroll overpayments that have been identified and not moved to the campus payroll overpayment award.
- Expenditures that require documentation by the sponsor for payment approval and documentation is not available.

**Note:** Some of reasons for utilizing Billing Hold are outlined above and should be further defined in your individual billing department procedures

### Placing Expenditures on Billing Hold

Expenditures items can be placed on-hold prior to invoice generation or while an invoice is in an "unapproved" status. The responsibility required to place an expenditure item on Billing Hold is ORG-OGM Billing Specialist. The following steps outline how to place an expenditure on-hold.

## Billing Holds Prior to Invoice Generation

1. Using the Expenditure Inquiry-Actuals form, query to find the project, task, and award number.
2. Identify the expenditure and associated F and A to be placed on Billing Hold.
3. Determine if the associated F and A charge is the correct amount for the total expenditures to be placed on billing hold.
  - If the F and A amount is not correct, the F and A must be split and the correct portion placed on billing hold. For more information on splitting an F and A expenditure, refer to the [Split F and A Expenditures](#) process help.

Important! For these situations, an IDC analysis must be performed and a Split Facilities and Administrative Cost Approval Form

([word](#)) ([pdf](#)) must be completed and approved. Once the correct amount has been created, then continue to Step 5.

- If the F and A amount is correct, continue to Step 5.
4. Select the expenditure and associated F and A to be placed on Billing Hold
  5. Choose Special from the tool bar.
  6. Select one of the following: Billing Hold 1 - places expenditure on hold until manually released or One-Time Hold 1 - places the expenditure on hold for the next invoice generation.
  7. A decision screen will display, "Do you want to continue the adjust action", select "Yes." A note screen will display stating "1 item(s) adjusted successfully, 0 item (s) rejected", select Ok.

## Billing Holds When an Unapproved Invoice Exists

Follow steps 1 - 5 above, then:

1. Using the Billing - Invoice Review form, query to find the award number.
2. In the Invoice Summary Screen, highlight the unapproved invoice and click the run request button.
3. Select "Regenerate Invoices; Invoice only" and verify the Through Date is correct. Click Ok.
4. A note screen will display, "Unreleased invoice (s) will be regenerated," click Ok.

## Releasing Expenditures from Billing Hold

Releasing a billing hold on an expenditure will allow the expenditure to be processed in the next system-generated invoice that is produced. The responsibility required is ORG-OGM Billing Specialist. The following steps outline how to remove a billing hold from an expenditure.

1. Using the Expenditure Inquiry-Actuals form.
2. Enter the project, task, and award number.
3. Select the billing status field, click the down arrow on the Billing Hold line, select "yes", click Find.
4. Find and select the expenditure to be removed from billing hold.
5. Choose "Special" on the tool bar, and select "Release Hold 1."
6. A decision screen will display, "Do you want continue the adjust action?", select "Yes". A note screen will display stating "1 item (s) adjusted successfully, 0 item (s) rejected." select Ok.

**Note:** If an invoice has been generated and is in unapproved status, you must re-generate that invoice in order for the released items to be included in that invoice.

## **Burden Calculations on AR Invoices and Billing Holds**

Fringe benefits will automatically be calculated on the invoice based on the fringe benefit rate of the employee type (regular, graduate, undergraduate or summer only) and based on the rate in effect at the time of the expenditure date. When payroll expenditures are placed on billing hold the corresponding fringe benefits will automatically be reduced from the invoice.

Indirect costs are not automatically calculated on the invoice. They are selected for invoicing by item date (same as direct costs). Therefore, when an expenditure item is placed on Billing Hold the associated F and A cost must also be placed on Billing Hold.

Important: The burdening (calculation of fringe benefits and indirect costs) discussed refers to the AR invoice only. Burden calculations on the project, task, award are not affected by expenditures being placed on Billing Hold and will calculate as defined by the burden structure and rate.

## **Monitoring Expenditures on Billing Hold**

The following Discoverer report has been developed to monitor expenditures in an on hold status, 650REPORTING. GD\_Expenditure Items with Bill Hold Flag Equal to Yes. This report will identify any expenditures that have been placed on 'Billing Hold' and may need to be released, transferred off the award or require further follow up.

## **Change History**

- **February 25, 2005** - Revised to incorporate splitting of F and A expenditures.
- **December 3, 2004** - New Document.

## **Feedback**

Was this document clear and easy to follow? Please send your feedback to [webfeedback@rfsuny.org](mailto:webfeedback@rfsuny.org).

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