Billing Adjustment for Change in Federal Participation Rate Overview

In Cardinal, a billing adjustment be created when the participation rate on a **Rate Set** is changed on the Federal Agreement to adjust the life to date billings accordingly. You will be required to manually calculate the difference between the amount that has been billed to FHWA and what should have been billed (by **Contract Line**, **Project**, **Activity** and **Appropriation Code**). This difference is the amount of the billing adjustment.

The billing adjustment will update the project transaction table and reflect in the processed amount when all required fields are populated. If all fields are not populated, the data will not flow to the project transaction table and you will have to create a second billing adjustment to correct the data.

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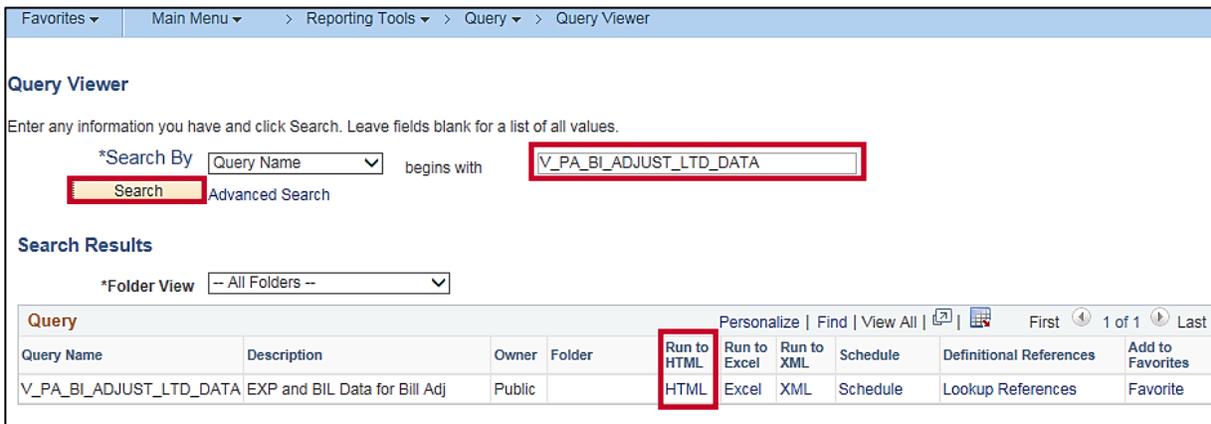## Identify if a Billing Adjustment is Needed

When entering a contract amendment, a billing adjustment is needed if the participation rate changes. If the former amount and the revised amount of the **Percent Federal Share** line on the amended Federal Agreement differ, a billing adjustment needs to be processed prior to amending the contract in Cardinal. The contract should be placed on **Hold** until the manual billing adjustment has been completed.

Determine the Amount Previously Billed

Determine the amount of life to date expenditures that have been billed for this contract line by **Contract/Contract Line/Project/Activity/Transaction Identifier** by using the **EXP and BIL Data for Bill Adj** query.

1. To access the query, navigate to the **Query Viewer** using the following path:

    Main Menu > Reporting Tools > Query > Query Viewer

2. Enter the Query Name in the begins with field: V_PA_BI_ADJUST_LTD_DATA

3. Click the **Search** button.

4. Click the **Run to HTML** hyperlink.

PA_Billing Adjustment for Change in Federal Participation Rate

V_PA_BI_ADJUST_LTD_DATA - EXP and BIL Data for Bill Adj

Contract Number 000S218 ☒

Business Unit 50100

View Results

Download results in : **Excel SpreadSheet** CSV Text File XML File (159 kb)

View All   First 1-100 of 503 ⊙ Last

	Contract Number	Contract Line Number	Project ID	Activity ID	Fund Code	Program	Source Type	Rate Set	Amount Type	Amount
1	000S218	1	0000081738	605	04720	603002		N/A	BILLED EXPENDITURE AMT	-438203.55
2	000S218	1	0000081738	605	04720	603002	L01E	FED_L01E_90	BILLED AMT	-278312.46
3	000S218	1	0000081738	605	04720	603002	L050	FED_L050_80	BILLED AMT	420.62
4	000S218	1	0000081738	605	04720	603002	L05E	FED_L05E_80	BILLED AMT	-103594.61
5	000S218	1	0000081738	606	04720	603002		N/A	BILLED EXPENDITURE AMT	3902.84
6	000S218	1	0000081738	606	04720	603002	L050	FED_L050_80	BILLED AMT	0.02
7	000S218	1	0000081738	606	04720	603002	L05E	FED_L05E_80	BILLED AMT	3122.27

5. **Contract Number**: Enter the **Contract Number** (e.g., **00S218**) for the contract you wish to adjust.

6. Business Unit: 50100 for VDOT

7. Click the **View Results** button. The life to date billing expenditures displays below the query parameters. The results may be downloaded to excel by clicking on the **Excel Spreadsheet** hyperlink.

Calculate the Billing Adjustment

1. For each **Contract**, **Contract Line Number**, **Project**, **Activity**, and **Source Type** compute the net difference between the actual expenditures billed and the amount that should have been billed based on the new participation rate for your contract and **Source Type**:

    a. Calculate the actual total billed using the life to date expenditures (a) from the query and the original participation rate (b) in the original Federal Agreement [actual billing = total life to date expenditures (a) * original participation rate (b)].

    b. Calculate the revised total billing amount (i.e., the amount that should have been billed based on the new participation rate) using the life to date expenditures (a) from the query and the new participation rate (c) from the amended Federal Agreement [revised total billing = total life to date expenditures (a) * new participation rate (b)].

2. Determine if the difference between the actual total billed and the revised total billing represents an amount to bill or a credit to the account:

    a. Subtract the actual total billed amount from the new total billed [actual total billed (c) – revised total billed (e) = Credit/(Bill)].

       i. Amount billed > revised total billing = credit

       ii. Amount billed < revised total billing = bill

Contract # 000S218; Source Type L220								
Contract Line #	Project	Activity	(a) Total Life to Date Expenditures	(b) Original Participation Rate	(c) Actual Total Billed (a * b)	(d) New Participation Rate	(e) Revised Total Billing (c * d)	*Difference Credit/(Bill) (c – e)
1	0000081738	605	$820,531	80%	$656,425	90%	$738,478	$(82,053.12)
1	0000081738	606	7,025.13	80%	5,620.10	90%	6,323	(702.51)
1	0000081738	611	580.36	80%	464.29	90%	522	(58.04)

* Each unique combination of **Contract**, **Contract Line Number**, **Project**, **Activity**, and **Source Type** will be its own line on the **Billing Adjustment**. In this example three billing lines will be created.

Create an Online Bill for the Billing Adjustment

1. To access the **Bill Entry** page, navigate using the following path:

   Main Menu > Billing > Maintain Bills > Standard Billing
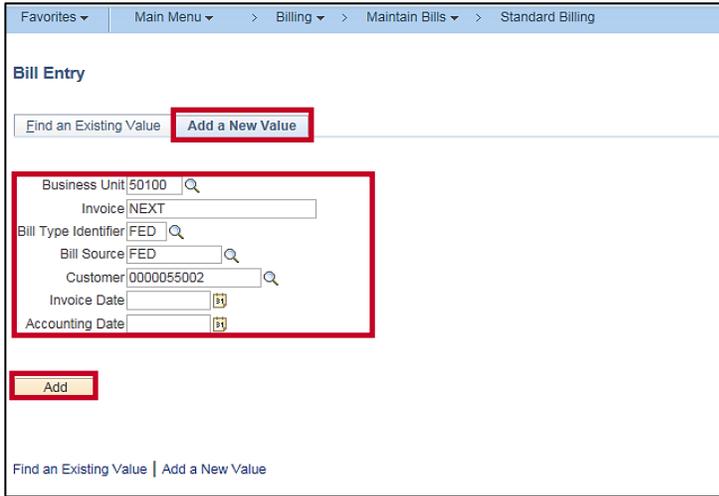
2. Click the **Add a New Value** tab.

3. In the Bill Type Identifier enter: FED

4. In the **Bill Source** enter: **FED**

5. In the Customer Number enter: 0000055002

6. Click the **Add** button.
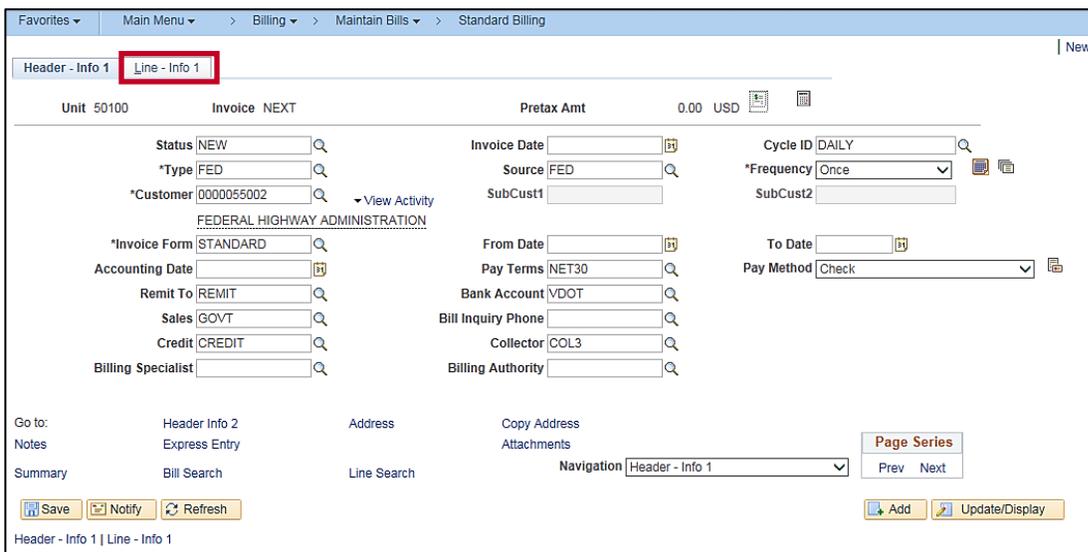
7. The **Standard Billing** page, **Header – Info 1** tab displays. Data defaults based on the **Bill Source**, **Bill Type Identifier,** and **Customer** number entered.

8. Click the **Line - Info 1** tab.

9. The Standard Billing page, Line – Info 1 tab displays.

10. **Identifier**: Enter **Billing Adjustment** (This is a free form field; there are no look up values to choose from.)

11. **Description**: Enter **Billing Adjustment** followed by the **Source Type**, the **@** symbol and the new participation rate (e.g., **Billing Adjustment L220@90%**).

12. Enter the **Quantity**: **1**

13. Enter the Unit of Measure: EA

14. Enter the **Unit Price** (line adjustment amount to be billed).

15. Click the **Save** button. An **Invoice** number is assigned. The **Gross Extended** amount is populated. The **Pretax Amt** is also updated and reflects the total of all bill lines entered and saved.

16. Click the (**+**) button to enter an additional line (if necessary). Add adjustment billing line(s) for each unique combination of **Contract, Contract Line Number, Project**, **Activity,** and **Source Type** as calculated above.

17. Repeat the steps above until all **Bill Lines** are entered. In this example two additional **Bill Lines** will need to be entered, for a total of three **Bill Lines**.

18. After all **Bill Lines** have been entered, click the **Navigation** drop-down and select **Line-Project Info** option**.**

19. The **Line - Proj Info** tab displays.

20. In the **Bill Line** section, for each **Bill Line**:

   a.   Enter the Contract fields:

       i.   Billing Plan ID

       ii.   Contracts Business Unit: 50100

       iii.   Contract

   b.   Enter the Project ChartFields:

       i.   PC Bus Unit: 50100

       ii.   Project

       iii.   Activity

       iv.   Source Type

       v.   Analysis Type: BAJ

21. Click the **Save** button.

22. From the **Bill Line** section use the navigation arrows to scroll through each **Bill Line** and repeat the **Line – Proj Info** steps for each **Bill Line**.

23. Click the **Accounting** link at the bottom of the page.

24. The Revenue Distribution tab displays.

25. In the **Bill Line Distribution – Revenue** section, enter the **Federal Distribution Code** (**FEAIDFEAID**) in the **Code** field for adjustments using regular appropriation codes.

26. Verify that the **PC Business Unit**, **Project**, **Activity**, and **Source Type** values are correct. These values should match values entered on the **Line-Project Info** page.

27. Using the navigational arrows in the **Bill Line** section header, scroll through each **Bill Line** and update the **Bill Line Distribution – Revenue** section as noted in the steps above. Be sure to add the appropriate **Project** number for each **Bill Line** you update.

28. Click the **Save** button.

29. When you click **Save**, the **Code** field(s) become blank.

30. Click the arrow to enter and save the information for the additional lines.

31. From the **Navigation** drop-down list, select the **Line – Info 2** option.

32. The **Line – Info 2** tab displays.

33. Enter the contract line number in the **Line** field box next to the **Contract No**. field. In most cases the contract line number will be **1**, however, verify this in case the line number is different on the actual contract.

34. From the **Bill Line** section use the navigation arrows to scroll through each bill line and repeat the **Line – Info 1** step for each bill line.

35. Click the **Save** button.

Verify Data Input

1. Verify all fields have been populated on the **Billing Adjustment** by using the **Billing Adjustment Validation** query. To access the query, navigate using the following path:

      Main Menu > Reporting Tools > Query > Query Viewer

2. Enter Query Name: V_PA_BILLING_ADJUSTMENTS

3. Click the **Search** button.

4. Click the **HTML** hyperlink.

5. Enter your **User ID**.

6. Select Invoice Status: New Bill

7. Enter Business Unit: 50100

8. Enter your **Invoice** ID or **%**.

9. Enter Contract Type: F

10. Enter Bill Source: %

11. Enter Accounting Date From: 01/01/1901

12. Enter Accounting Date To: Today's Date

13. Click the **View Results** button. If data has been missed or entered incorrectly, go back to your **Invoice** and enter the appropriate data. Follow the steps identified in this job aid to update your **Invoice**.

14. To update the **Invoice** to a **Status** of **Ready to Invoice**, navigate to and select your **Invoice** from the **Standard Billing** page using the following path:

    Main Menu > Billing > Standard Billing

Set Invoice to Ready (RDY)

1.   Change the **Status** from **NEW** to Ready (**RDY**).

2.   Click the **Save** button.

3.   The contract **Bill Plan Hold** can be removed a day after the **Billing Adjustment** has been finalized (Invoice **Status** is **INV**).