This guide provides general guidance on program policy and procedures on requesting payments for contracts. It is important to note rules may vary depending on the contract terms, general terms & conditions, or program guidance. To determine what you can bill, refer to the contract, this guide, and programmatic guidelines applicable to your project.

**You Have to Pay First**

SCC pays all contracts through reimbursement. You may request reimbursement only after you have paid your employees and vendors.

**SCC Will Only Pay Allowable Costs**

SCC will pay only for allowable costs. A cost is allowable if it is reasonable, necessary to complete the approved scope of work, allowable in the contract, documented adequately, and incurred during the period of performance set forth in the contract. Costs outside the period of performance are not allowable. A cost is considered reasonable if the work or materials and the cost reflect what a prudent person would have spent under the circumstances. Some costs may be eligible if prior approval is given by the contract or program manager.

**SCC Pays Promptly**

SCC is provided 30 days to pay a properly completed reimbursement invoice. In most cases, reimbursement requests are paid within 10 days of receiving a properly completed invoice. Properly completed invoices include all necessary documentation, signatures, and backup documents.

**Your Information is Public**

All information and documentation submitted to SCC is open to public review (Revised Code of Washington 42.56). SCC recommends social security numbers be removed from documents submitted to SCC.
Changes to Contract

The work agreed to under a contract may change during the life of the contract. An amendment is a written document detailing the additions and supplements to the original terms of the contract. An amendment is how SCC formalizes these changes, and it becomes a part of the contract. Any subsequent amendments to the contract are numbered sequentially over the life of the contract.

An amendment is necessary whenever there is:

- A revision in the Intermediate Outcomes or objectives of the project.
- A decrease or increase in the contract amount.
- Whenever the expiration date is extended.

An amendment is NOT required for administrative adjustments such as changes in address or phone number, or an authorized signatory. Changes like these must still be reported to SCC in writing.

Amendments are to be signed by SCC and the contracting entity and a copy is sent to the entity for their contract files.

Reporting Significant Developments

Events with significant impact on the contract project may occur anytime. SCC must be informed as soon as any of the following situations come to light:

- Any problems, delays or adverse conditions which will materially affect the ability to meet project objectives, intermediate outcomes, time schedules, or project tasks within established time periods. This disclosure will be accompanied by a statement of the action taken or proposed, and any assistance needed from SCC to resolve the situation.
- Favorable developments that enable meeting schedules or objectives sooner or at less cost than anticipated, or that produce more beneficial results than originally planned.

Subcontracting

- When subcontracting using SCC funds, a copy of the subcontract signed by both parties is required.

Supplemental Activity Report

SCC reserves the right to request activity reports and supplemental activity reports at any time. These may be based upon legislative, budget, other reporting requests to SCC. If an activity report is not received by the due date, SCC will withhold payment of any subsequent invoice reimbursement requests until the information is received.

Final Report

SCC reserves the right to request final reports for any contract program. A final report and other contract-closing documentation must be submitted within 10 days of the end of the contract or other date specified in the contract. Final payments and any new contract payments will not be made until all final documents and requested information is received.
**Contract Responsibilities**

Within 10 days after the expiration date of the contract, all financial, performance, and other reports required under the contract are due to SCC. Required final reports may include, but are not limited to:

- Final payment request.
- Invention disclosure (if applicable).
- Close Out Form
- If applicable, any programmatic specific supplemental or final reports.

**Close Out**

Close-out is the process by which all administrative matters relative to the contract are reconciled in order to close the file. SCC will close out the project when all applicable administrative and programmatic requirements of the contract have been met, or when the project has been terminated.

SCC requires a Contract Close-out form to be submitted with the final invoice reimbursement request. This form is available on SCC’s website under [http://scc.wa.gov/contracts](http://scc.wa.gov/contracts)

- Once SCC receives the close-out paperwork, the contract is closed on SCC’s books as well as on the Office of Financial Management’s books.
- Failure by a contracting entity to return the close-out paperwork will result in withheld payments on current vouchers, and delays in executing future contracts.

Final payments will NOT be made until all required documentation with the appropriate authorized signatures is on file.

**Reimbursable Expenses**

**Direct Costs**

SCC will reimburse for direct and overhead costs that are allowable under the contract. Direct costs are those that can be assigned to a particular project activity and budget object contained in the contract, such as:

- Compensation of actual hours of employees for the time devoted to the project.
- Cost of materials and equipment used specifically for the project.
- Actual hours of administrative personnel who process vouchers, payroll, and other accounting activities specific to the project.

**Overhead Costs**

Overhead represents those costs that benefit more than one activity and that cannot be directly assigned to a task of the project. Overhead costs are not allowed unless explicitly specified in the contract.
Computing Overhead Costs

The overhead will be a percentage of each voucher’s direct costs for salaries and benefits. This percentage will be determined by the specific contract. However, specific programmatic procedures may limit choices for computing overhead costs. Supporting documentation for overhead costs must be available for inspection.

Below is an example of the computation of overhead for a contract.

Employee Hours $ \times \text{Employee Rate } \$(\text{Composite Rate}) = \$ \times \text{Overhead Rate} = \text{allowed overhead}

Example calculation: 10 hours $\times$ $33.00 \text{ (Composite Rate)} = 330 \text{ (total Salaries & Benefits)} \times 20\% \text{ (overhead rate)} = 66.00 \text{ overhead amount to be included.}

Equipment

Purchases of equipment is a conditionally allowable expense and must be included in the Scope of Work and MUST HAVE prior written authorization from SCC contract or program manager for all equipment purchases.

Goods and Services

For all goods and services purchased for the project, the contracting entity must retain the original invoice or receipt in their contract file. Goods and Services must also be an allowed expense under the contract.

Payroll

Employee time directly related to the approved scope of work may be reimbursed. The reportable amount is the employee’s regular rate of pay, including taxes and benefits. Taxes and benefits are allowable only if you pay them when they are due. Use the SCC provided Composite Rate Form to determine the appropriate billable rate of pay.

The form is located here: [http://scc.wa.gov/contracts](http://scc.wa.gov/contracts)

**Employee Composite Rate:** A composite rate is the accepted method to recoup employee salary, and employer paid benefits. SCC provides a form to be used by entities to establish hourly billing rates, and is completed for each employee.

A composite rate includes the employer’s share of social security or SEP, Medicare, health insurance premiums, employment security, labor and industries, retirement, leave hours, and any other employer-paid benefits.

New Composite Rate Forms are required for each employee when any of the following occur:

- A change in the employee’s salary or hourly wage.
- A change in the employee’s benefits paid by employer (retirement, health, other).
- A change in leave accrual amounts (annual, sick, holidays).
- A change in Employment Security or Labor & Industry rate changes.
Sick, Annual, and Holiday leave is incorporated into the Composite Rate and shall not be charged separately.

**Timesheets**

Payroll-related costs charged to SCC contracts must be documented on a timesheet and included with the reimbursement request, along with this information:

- Reflect an after-the-fact determination of the actual activity of each employee.
- Account for the total activity for which employees are compensated.
- Be signed by the individual employee and by a responsible supervisor having firsthand knowledge of the activities performed by the employee.
- Be prepared at least monthly and coincide with one or more pay periods.
- Not be budget estimates or other distributions based on a percentage before the work was performed.

If a timesheet is unable to be used for reimbursement because of an entity’s accounting system, individual employees may fill out a Contracting Individual Contributed Services Form found here: [http://scc.wa.gov/contracts](http://scc.wa.gov/contracts)

**Travel and Transportation**

If travel costs are allowable for your contract, they are limited to the state per diem rates, which can be found by following this link: [http://ofm.wa.gov/policy/10.90a.pdf](http://ofm.wa.gov/policy/10.90a.pdf). You must maintain a detailed travel log, which includes a name with dates, times, locations, business purpose, and itemized travel costs. When billing for travel, the travel must be on a Travel Expense Voucher form. For complete information regarding state travel regulations visit Office of Financial Management’s website: [http://www.ofm.wa.gov/policy/10.htm](http://www.ofm.wa.gov/policy/10.htm).

Reimbursements for lodging are limited to the lower of the actual cost or the state per diem lodging rate and supported by documentation submitted at the time of the reimbursement request.

The portion of allowable transportation costs that are directly attributed to the contract can be reimbursed using one of the following methods:

- **Mileage**: Allowable costs are limited to the current state mileage rate. No other vehicle costs including insurance, fuel, oil changes, repairs, maintenance, or lease payments will be allowed.
- **Vehicle Rental**: is limited to actual rental and fuel costs.
- **All receipts for all lodging and travel-related expenses** must be submitted on a travel voucher request form with the rest of the contract voucher.

A Travel Reimbursement Form can be found here: [http://scc.wa.gov/contracts](http://scc.wa.gov/contracts)
Reimbursement Basics

Each contract will receive a **specific contract number**; this should be included on each voucher request for payment. Each reimbursement request needs to include the contract number, the entity’s statewide vendor number and payment request number.

Budget Revision

If there is a need to redistribute costs among the project activity categories of the budget, and it is allowed under the contract terms, submit a Budget Revision Form to SCC. This document must be submitted by a person who is authorized to sign contracting documents related to budget, such as a financial supervisor. The link to the Budget Revision Form can be found here: [http://scc.wa.gov/contracts](http://scc.wa.gov/contracts)

Redistribution may **not** be eligible by the conditions of each contract or program.

Invoicing

SCC requires invoicing for reimbursement each calendar month. All invoices for reimbursement must be submitted to SCC by the 20th of the month following expenses. For example, expenses incurred between January 1 and January 31, must be invoiced for reimbursement no later than February 20. Final vouchers may be requested earlier in accordance with the OFM established deadline.

Payment Requests

Payment request vouchers are submitted electronically to sccgrants@scc.wa.gov with the required attachments. Payment request vouchers will only be processed when all required forms and supporting documents have been received. Access to the required forms can be found here: [http://scc.wa.gov/contracts](http://scc.wa.gov/contracts).

Payment request vouchers are required **monthly** for expenses incurred during the prior month and due to SCC by the 20th.

All original-signed payment requests and backup documentation is to be maintained by the contract entity.

The following supporting documentation is required for all reimbursement requests:

- A-19 for Contracts (supplied by SCC).
- Invoice Voucher Support Summary Page—by Intermediate Outcome.
- Invoice Voucher Support Detail Page—by Intermediate Outcome.
- Employee time sheets, signed and dated by an authorized signatory or direct supervisor as well as the employee, must be submitted with each voucher.
• Travel Expense Vouchers and receipts must be submitted each time travel reimbursement is requested and signed by authorized signatory.
  o Lodging costs and per diem meals must be itemized on a travel voucher. Starting and ending trip times are required on the travel voucher for the dates of travel to determine if per diem meal costs are eligible for reimbursement per OFM’s travel policies (e.g. 3 hour rule).
• Composite salary rate information must be updated and submitted when there is a change.
• Any Goods and Services charges must be allowable under the contract. Any Goods & Services charge over $50.00 requires a receipt for reimbursement. No payments will be issued without them.

Invoice Voucher Support Forms

Detail Page
The Detail Page breaks down project expenses according to the Intermediate Outcomes.
• Each expense is itemized on this page according to the relevant Intermediate Outcome.
• Each expense must be put on as its own line item.
• The detailed Composite Rate information by employee must be included.
• Totals from this form are transferred to the Invoice Voucher Summary Page.
• Composite Hourly Rate sheets for each employee must be on file at SCC office.

Summary Page
• The Summary Page collects the totals of the Intermediate Outcomes from the Detail Page.
• The Invoice Voucher Support Form is the “authorizing payment” document and must include an authorized signature and date.

Supporting Documentation of Costs
The contracting entity will maintain the following support documentation for each reimbursement request in a separate contract file and it will be kept in accordance with the Office of the Secretary of State records retention schedule after the expiration date of the contract:
• Composite Rate sheets for each employee working under that contract.
• Signed copies of employee time sheets with the hours worked and the accompanying math used to reach the salary amount requested.

Employee Time Sheets
✓ Anytime a reimbursement request includes an expense for employee time, signed time sheets must be submitted.
Employee time must be recorded and broken down by Intermediate Outcome outlined in the Scope of Work for each contract.

Do not include the employee's Social Security Number or birthday on the time sheet.

The time sheet must be signed by both the employee and a direct supervisor.

Overtime is to be billed when the hours are earned only.

- State travel vouchers signed by the claimant and approved by an authorized signer. If applicable, copies of lodging receipts must be attached.
- Copies of vehicle travel logs for vehicle use.
- Copies of proof of expenditures for non-personnel costs incurred such as invoices, bills, or receipts.

**Submitting Supporting Documentation of Costs**

When expenditure questions and/or other concerns arise, SCC may request additional supporting documentation.

On a random basis, SCC may request additional supporting documentation during the course of the contract.

**Where to Get Information**

Washington State Conservation Commission
Karla Heinitz, Contract Manager
Telephone: (360) 407-6212
FAX: (360) 407-6215
Web site: www.scc.wa.gov
E-mail: kheinitz@scc.wa.gov

<table>
<thead>
<tr>
<th>Mailing Address</th>
<th>Physical Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>PO Box 47721</td>
<td>Department of Ecology Building</td>
</tr>
<tr>
<td>Olympia, WA 98504-7721</td>
<td>300 Desmond Drive SE</td>
</tr>
<tr>
<td></td>
<td>Lacey, WA 98503</td>
</tr>
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</table>
Glossary definitions:

**Contract:** A contract is a legally binding document signed and dated by each party to the contract indicating each party will adhere to the terms and conditions of the contract.

**Voucher:** A voucher is a request for reimbursement payment and contains an A-19 specific for the contract, Summary & Detail Pages and any back-up documentation to support the voucher.

**A-19:** Each contract is specific and will be provided by an A-19 specific for that contract. The contract has specific contract terms and/or tasks that need to be met, the A-19 will list these out. The A-19 will reflect what the Intermediate Outcomes are for the contract and the subject of each Intermediate Outcome.

**Summary & Detail Pages:** On the Detail Page list all costs associated with that voucher. The costs are listed out by the Intermediate Outcome for the contract. This will include any Salaries/Benefits for each staff member, goods and services and overhead, if allowed on the contract. The Summary Page is where you put the name of the category (i.e. Salaries/Benefits) and total under each Intermediate Outcome.

**Supporting Documentation:** Back-up Documentation refers to documentation for a cost listed on the voucher documents. Documentation would be timesheets for Salaries/Benefits, receipts for purchases, and travel receipts (if allowed on the contract) or any other documents that would support payment reimbursement costs.

**Statewide Vendor Number:** You are required to have a statewide vendor number to receive payments. SCC limits payments to electronic fund transfer (EFT). If you need to register and establish a statewide vendor number, visit the Department of Enterprise Services Web site at http://watech.wa.gov/solutions/it-systems/receiving-payment-state.
CONTRACT FORM EXAMPLES

Contract Invoice Voucher Support Form Detail Page

<table>
<thead>
<tr>
<th>Intermediate Outcome / Sub-Object</th>
<th>Payee or Contributor</th>
<th>Description</th>
<th>Date Cost Incurred or Contributed</th>
<th>$ Amounts</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Cash</td>
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<td></td>
<td></td>
<td>Subtotals</td>
</tr>
</tbody>
</table>
## WASHINGTON STATE CONSERVATION COMMISSION
FY 18-19 Contracts

**INVOICE VOUCHER SUPPORT FORM - SUMMARY PAGE**

<table>
<thead>
<tr>
<th>Payment Request #</th>
<th>Contracting Entity Name</th>
<th>Contract #</th>
<th>Payment Period</th>
</tr>
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### EXPENSES

1. Outcome # 1

- Salaries & Benefits (Subject)
- Travel
- Meeting Rooms & Light Refreshments
- Reports, Studies & Research
- Copy & Printing Costs
- Indirect - 20% of Salaries & Benefits

**Instructions:** Use this detail page to individually list all grant expenses.

No Activity
Contracting Individual Contributed Services form

WASHINGTON STATE CONSERVATION COMMISSION

Contracting Individual Contributed Services Form
(for one individual completing several different tasks)

<table>
<thead>
<tr>
<th>Task Description</th>
<th>MON</th>
<th>TUE</th>
<th>WED</th>
<th>THU</th>
<th>FRI</th>
<th>SAT</th>
<th>SUN</th>
<th>TOTAL</th>
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<tr>
<td>Daily Work Log</td>
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CERTIFICATION SIGNATURE:
I hereby certify that I have devoted the time reported above in the performance of work as described in connection with the above named project.

(signature)

TO BE COMPLETED BY CONTRACTING ENTITY:

- Hourly Rate: $__ x ____ hours worked = $____
- Total amount: $____
- Chargeable to Project: $____
# Travel Expense Voucher Form

<table>
<thead>
<tr>
<th>#</th>
<th>DATE</th>
<th>FROM</th>
<th>TO</th>
<th>TRIP TIME</th>
<th>PER MEAL ENTITLEMENT</th>
<th>SUBTOTAL</th>
<th>LOADING COSTS</th>
<th>SUBTOTAL</th>
<th>MILES/DEPART</th>
<th>PER VEHICLE</th>
<th>MILEAGE ALLOWANCE</th>
<th>OTHER PER DETAIL</th>
<th>GRAND TOTAL</th>
<th>AMOUNT SUBJECT TO PAYROLL TAXES</th>
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</table>

**TOTALS**

**LESS TRAVEL EXPENSE ADVANCE**

<table>
<thead>
<tr>
<th>#</th>
<th>DATE PAID TO</th>
<th>FOR</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>
# A-19 Invoice Voucher Example

<table>
<thead>
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<th>Expiration Date:</th>
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<td>Billing Period from:</td>
<td>to:</td>
<td>Previous Amount</td>
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<td>Salaries and Benefits</td>
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<td>$0.00</td>
</tr>
<tr>
<td>Overhead (20% of Salaries &amp; Benefits)</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Travel</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Meeting Rooms—Light Refreshments</td>
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</tr>
<tr>
<td>Reports, Studies, and Research</td>
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<td>$0.00</td>
</tr>
<tr>
<td>Copying &amp; Printing Costs</td>
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<td>Facilitation</td>
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</tr>
<tr>
<td>Equipment</td>
<td>$0.00</td>
<td>$0.00</td>
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</tbody>
</table>

Total: $0.00 $0.00 $0.00 $0.00

---

**Vendor’s Certificate:** I hereby certify under penalty of perjury that the items and totals listed herein are proper charges for materials, merchandise or services furnished to the State of Washington, and that all goods furnished and/or services rendered have been provided without discrimination because of age, sex, marital status, race, creed, color, national origin, handicap, religion, or Vietnam era or disabled veteran status.

**Sign in blue ink:**

**Title:**

**Date:**

**Contact Person:**

**Tel. No.:**