

Thank you for your FY22 rate submissions; we have reviewed all that have been submitted for compliance and have sent those back where additional information and/or clarity was needed. We appreciate your timeliness in addressing the issues and/or providing additional information, and resubmitting.

There are some new things happening in the USP stratosphere, including external sales and billing requirements. Updates for some of these are provided below.

If you have any questions or concerns regarding the updates below or any other topics, reach out to Jess Caponigro (YSM USPs) or Danielle Feldman (Non-YSM USPs), or send an email to [isp@yale.edu](mailto:isp@yale.edu).

We look forward to working with you this year!

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## Timeliness of Billing

Per Procedure 1410 PR.03 University Service Providers: Account and Billing: "All USPs must submit bills for their services at least monthly based on actual usage." We have found that some USPs are not adhering to this requirement and billing in a different month, which is creating issues for USP customers.

Upon registration each USP had to select one of two options: billing in the current calendar month, or billing during an alternative period that runs from the 21<sup>st</sup> of the month to the 20<sup>th</sup> of the following month. All USPs must adhere to one of these two options. Failure to do so is non-compliant with University policy and leads to confusion when budgeting expenses for the next month. Below are some best practices to ensure timely billing and a clear understanding between all involved.

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## Billing Best Practices

- Record billing periodically throughout the month (or billing cycle if using the alternative period) instead of waiting until the end of the month/billing cycle to complete all billing. However, if you have a service that bills for monthly usage, and the billing deadlines are being met, there is no need to change your practice.
- Refer to the month-end financial close schedule to ensure you are completing billing and getting all approvals completed before month-end close. The Month-end Financial Calendar is located at the following link: [Month-end Financial Calendar | It's Your Yale](#).
- Ensure that the billing instructions you have provided to other USPs is still current. When another USP needs to reach out for updated COA instructions, it creates an unnecessary bottleneck in the system.

If you are having trouble meeting your billing deadlines, or have questions regarding the billing cycles, please reach out to [isp@yale.edu](mailto:isp@yale.edu) to discuss.

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## New Billing Requirements

During the Spring of FY21 new billing requirements were released by the USP Operating Committee notifying all USPs they must be compliant by May 2022. Many of you have confirmed that you already meet the requirements, and several have reached out for additional assistance. If you are still in need of assistance, it isn't too late to reach out to us.

As a reminder, your substantiated billing documentation must contain, at a minimum, the following:

- Requestor's name
- Description of delivered goods/services
- Date each deliverable was delivered
- Number of units delivered per service
- Customer Rate per unit of service
- COA(s) charged and breakdown of split charging, if applicable
- Discounts from Customer Prices, if applicable

The most frequently asked question is: Does all this information have to be in Workday? The answer is No. If your supporting documentation contains all required data, you have met the requirements. However, the supporting documentation must be readily available to the customer either through an accessible domain or upon request.

The information that goes into Workday does **not** have to contain this level of detail. We understand that University Service Providers are using a variety of record keeping systems and therefore there is not a one size fits all approach to the information included on the invoice, where all required information is stored, and/or how a customer can access the details of their invoice, i.e., an accessible domain or upon request.

If you requested assistance with meeting the new requirements, we will be reaching out to you soon.

As part of our Quality Assurance checks this year, we will be reviewing your supporting documentation to confirm compliance with the new requirements and use of the appropriate ledger, spend, and revenue categories, as well as gaining an understanding of how your billing rolls up into Workday.

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## **Fair Market Value Analysis**

Those of you who sell your services to external customers have seen requests to complete a Fair Market Value (FMV) Analysis. With increased attention on external revenue, a FMV analysis will be required by any USP anticipating requests to provide services to external customers during that fiscal year. We have prepared a template to assist USPs in preparing this analysis and encourage you to begin working on the analysis sooner than later so that it can be submitted with your rate sheet.

If you need assistance completing this analysis, reach out to [isp@yale.edu](mailto:isp@yale.edu).

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## **USP Cancellation Fee Guidance**

New guidance has been developed for USPs that are charging cancellation fees, are considering adopting cancellation fees, or are a user of a USP that charges cancellation fees. Refer to the [University Service Provider Resources website](#) where the guidance has been posted.

If you have any questions about the guidance, or need assistance implementing, reach out to [isp@yale.edu](mailto:isp@yale.edu).

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## **Passthrough Charges**

A few reminders about Passthrough Charges:

- For an item to be considered a passthrough charge, the charge must only include the price of the item plus shipping and handling, [i.e., it cannot include any labor (salary/fringe)]. A passthrough charge is intended to recover the cost only.
- If staff effort is required to sell the item to the customer, then the selling of this/these items must be listed as a service provided by the USP on the rate sheet, with all associated expenses included in the determination of the cost to provide the item to the customer. These are not considered passthroughs.
- For all passthrough transactions, it is important to track purchase date, item description, vendor, price, shipping and handling, number of sellable units of the purchased item, [e.g., 10 cassettes, 5 ml vial of antibody (to be sold in 0.5 ml aliquots), etc.], and price of each sellable unit (calculated as price + shipping + handling divided by # sellable units). These details are important should the transaction be selected for audit.

If you have any questions regarding passthrough charges, reach out to [isp@yale.edu](mailto:isp@yale.edu).