

**WEST BASIN MUNICIPAL WATER DISTRICT**

**AUGUST 4, 2004 - Water Resources**  
McDonald, Kwan  
**AUGUST 23, 2004 - Board Meeting**  
Prepared by: Jennifer Bender  
Submitted by: Richard Nagel  
Approved by: Richard Nagel

INFORMATION CALENDAR

PASS-THROUGH INVOICE PROCEDURES

SUMMARY:

The current practice for processing pass-through invoices involves three organizations: the main funding agency, the contracted project lead (West Basin), and the researcher(s).

The Water Quality Department is currently managing several research projects funded by different organizations and performed by various researchers; generally, the researcher invoices West Basin. West Basin then generates a District invoice and sends the package to the main funding agency. The main funding agency then pays West Basin according to the District invoice, and West Basin passes this money down to the individual researcher.

During an audit, it was noted that some District invoices have not attached the researcher invoice(s), creating the possibility that the District could invoice for work not performed. The auditor indicated that the safest process would be to have the researcher invoice(s) go directly to the main funding agency. However, some funding agencies prohibit this process in their contracts, requiring the District to invoice directly for the researcher(s) work.

District staff will contact those funding agencies and ask if a line item could be inserted into future contracts, mandating that researcher invoices always accompany a District invoice. District staff will also attach the researcher invoice(s) to all future District invoices for pass-through funding, regardless of the contract requirements from the main funding agency. This will resolve any perceptions that District invoices are for undocumented services. Legal Counsel concurs with this approach.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on August 4, 2004 and agendized to the August 23, 2004 Board meeting as information for discussion.

RECOMMENDED MOTION:

This item is for information only.

EXHIBITS:

None.

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