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## CHAPTER 7 AUTHORIZING AND PROCESSING PAYMENTS FOR SERVICES

### 7.01 Introduction

This chapter provides the administrative procedures and guidelines related to authorizing and processing payments for services for Veterans participating in the Department of Veterans Affairs (VA) Vocational Rehabilitation and Employment (VR&E) Program.

### 7.02 References and Resources

Laws: 38 United States Code (U.S.C.) 3104  
Contract Disputes Act  
Higher Education Act of 1965  
Prompt Payment Act

Regulations: 5 Code of Federal Regulations (CFR) 1315  
38 CFR 21.430  
VA Acquisition Regulation (VAAR) 831.7001-1

Resources: VHA Directive 2010-022

VA Forms (VAF): VAF 28-1905, Authorization and Certification of Entrance or Reentrance into Rehabilitation and Certification of Status

### 7.03 General Information

In accordance with 38 CFR 21.430, VR&E must maintain policies and procedures that provide accountability in the authorization and payment of program costs for training and rehabilitation services. As stewards of taxpayers' money, the VR&E case manager is responsible for and held accountable for the appropriate authorization and processing of payments for services provided to Veterans participating in the VR&E Program. The case manager must ensure correct application of laws and regulations concerning all fiscal transactions. It is the responsibility of the case manager to ensure that the guidelines for determining the levels of authority for program costs outlined in M28R.V.B.1, and the guidelines for authorizing rehabilitation services outlined in M28R.V.A.1, are properly implemented.

### 7.04 Processing Payments

In 5 CFR 1315.2 (y), the Office of Management and Budget (OMB) defines an invoice as a bill, written document, or electronic transmission provided by a vendor requesting payment for property received or services rendered. An invoice must be stamped or otherwise annotated with the receipt date in

the designated VR&E office at the time of receipt for the purposes of determining a payment due date and the date that interest will begin to accrue if a payment is late. After an invoice is received by the designated VR&E office, the case manager must review and properly certify the invoice to the Finance activity for payment in a timely manner in accordance with the Prompt Payment Act and 5 CFR 1315, which is the final rule on, and codification of, Prompt Payment Act regulations from OMB.

a. Prompt Payment Rule (5 CFR 1315)

The Prompt Payment rule ensures that Federal agencies pay vendors in a timely manner. Prompt Payment assesses late interest penalties against agencies that pay vendors after a payment due date. This rate was established under the Contract Disputes Act.

1. 5 CFR 1315.4 (b)

This section of the Prompt Payment Rule provides that an invoice is deemed to be received on one of the following dates:

- (a) For an invoice that is mailed, the date a proper invoice is actually received by the designated VR&E office if the office annotates the invoice with the date of receipt at the time of receipt.
- (b) For electronically transmitted invoices, the date a readable transmission is received by the designated VR&E office, or the next business day if received after normal working hours.
- (c) For an invoice that the VR&E office fails to annotate with date of receipt, the date placed on the invoice by the vendor as long as it is deemed to be a proper invoice.

2. 5 CFR 1315.4 (f)

This section of the Prompt Payment Rule states that the period available to make a timely payment without incurring an interest penalty begins on the date of receipt of a proper invoice.

3. 5 CFR 1315.4 (g)

This section of the Prompt Payment rule states that payment is due 30 days after receipt of a proper invoice. It is important to note that interest will begin to accrue after the 30<sup>th</sup> day.

**b. Review of Invoice**

In accordance with 5 CFR 1315.9 (b), at a minimum a proper invoice must meet the following requirements:

- Name of vendor
- Invoice date
- Invoice number, account number and/or any other identifying number
- Vendor point of contact name, title and telephone number (whenever possible)
- Veteran's name and file number with clearly delineated costs per Veteran, if applicable
- Description, price and quantity of goods and services rendered with the charges grouped under categories (e.g., tuition, books, fees and supplies)
- Date(s) goods were delivered or services were provided
- Supporting detailed information, if applicable (e.g., receipts listing itemized costs for books and supplies)

In accordance with 5 CFR 1315.4 (c), if the invoice does not comply with these requirements, the VR&E office must return it within 7 days after receipt and note the reasons why it is not a proper invoice. It is important to note that if a VR&E office fails to make notification of an improper invoice within seven days, then the number of days allowed for payment of the corrected proper invoice will be reduced by the number of days between the seventh day and the day notification was transmitted to the vendor. Calculation of interest penalties, if any, will be based on this adjusted due date.

Example: an improper invoice was returned to the vendor on the 10<sup>th</sup> day after receipt and a corrected proper invoice was resubmitted by the vendor. The payment due date is adjusted from 30 days to 27 days since the invoice was returned to the vendor 3 days late.

**c. Receipt of Services**

The case manager is responsible for ensuring that the Veteran received the invoiced services. Receipt of services can be documented in the following ways:

1. The Veteran's signature on the invoice acknowledging receipt of the invoiced services.

2. An email or other written confirmation of receipt of invoiced services from the Veteran.
  3. A verbal confirmation of receipt of the invoiced services from the Veteran documented in a Corporate WINRS (CWINRS) note.
- d. Approval of an Invoice

Approval of an invoice ensures that services provided by a vendor are consistent with and necessary for the Veteran's rehabilitation plan of services. Approval also certifies that the invoice complies with the requirements outlined in this section and is a proper invoice in accordance with 5 CFR 1315.4 (c). A case manager must take the following steps to ensure that each invoice is approved and processed correctly:

1. Ensure that every invoice is date stamped on the date of receipt.
2. Review and process the invoice within 7 days of the date stamp since VA has 7 days to return an improper invoice to a vendor and 30 days from the date stamp to pay a proper invoice.
3. Ensure that the invoice is for a Veteran who is participating in the VR&E Program.
4. Return an invoice for a non-participant to the vendor.
5. Ensure that invoiced charges are consistent with the goods and services outlined in the Veteran's rehabilitation plan.
6. Strike out and subtract inappropriate charges from the invoice and annotate reasons.
7. Advise the vendor of any rejected charges and return documentation of rejected charges to service provider.
8. Advise the Veteran of rejected charges and provide Adverse Action notification. VR&E staff should follow the procedures on adverse actions as outlined in M28R.III.C.2.
9. Annotate the invoice "Approved for Payment" or "Approved with Noted Exceptions" (a stamp can be used to do this).
10. Sign and date the invoice under this approval.
11. Forward it with any supporting documentation to the Finance activity (e.g., itemized costs for books and supplies and clearly delineated costs per Veteran).

12. Enter invoice into CWINRS. Refer to the CWINRS User Guide, Chapter 7, Voucher Processing for instructions.
13. File a copy of the invoice and supporting documentation on the left side of the Veteran's CER folder, if required. It is important to remember that when you file documents in the CER folder, you must delete all other Veterans' names and Personally Identifiable Information (PII).

#### 7.05 Special Considerations

##### a. Facility Invoices

A case manager must take the following specific guidelines into consideration when reviewing and determining whether to approve an invoice from a facility:

##### 1. VAAR 831.7001-1

In accordance with VAAR 831.7001-1, when federal funds pay the total cost of instruction, or grants from the Federal Government pay a portion of the cost, that subsidy must be taken into consideration in determining the charge to VA.

If a Veteran who is participating in the VR&E Program receives an award of a fellowship, scholarship, grant-in-aid, assistantship or similar award, or a tuition waiver then that award must be treated according to the following requirements:

- (a) If the award limits its use to payment of tuition, fees, or any charge that VA normally pays as part of a Veteran's rehabilitation program, then VA will pay the portion of the charges remaining after applying the award.
- (b) In all other cases, VA will pay the full amount of the tuition, fees, or other charges unless a State or other Government authority waives the Veteran's tuition and fees. In this situation, VA will reduce the payment of charges by the amount of the waiver.

##### 2. Public Law 111-377

In accordance with Public Law 111-377, facilities are not required to apply loans or any funds provided under section 401 (b) of the Higher Education Act of 1965 (Pell grant) before billing VA. It should be noted that the Pell grant is designed to provide a foundation or floor of financial aid to help defray educational costs to include living expenses.

### 3. Roles and Responsibilities

#### (a) Facility

When a facility receives authorization of funding (VAF 28-1905 [See Appendix O, VA Forms]) for a Veteran from VR&E and the Veteran has also been awarded financial assistance, the facility should take the following steps:

- (1) Prepare a billing invoice for VA after the facility's Drop/Add Period has concluded
- (2) VA should be billed only for the actual net cost for tuition and fees assessed by the facility for the program of education after the application of the following:
  - Any waiver of, or reduction in, tuition and fees
  - Any scholarship, federal, state, institutional, employer-based aid, or assistance that is provided directly to the institution and specifically designated for the sole purpose of defraying tuition and fees (other than loans and Pell grant)

#### (b) VR&E Case Manager

The VR&E case manager should take the following steps when an invoice is received from a facility:

- (1) Date stamp upon receipt
- (2) Determine whether documentation in CWINRS and the Veteran's CER folder indicates that tuition and fees were authorized for payment by VR&E (Refer to M28R.V.A.3 for guidance on the use of VAF 28-1905 for authorization of training)
- (3) Determine if the invoice is proper (refer to section 7.04.b of this chapter) and that VR&E has been billed appropriately
- (4) Notify the facility of any discrepancies or items that cannot be approved under VA guidelines
- (5) Approve payment by completing necessary actions in CWINRS and coordinating with the Finance activity at the Regional Office (RO) in accordance with the Prompt Payment Rule (Refer to section 7.04.d of this chapter)

#### 4. Procedures

##### (a) VR&E has Primary Role in Tuition and Fee Payments

VR&E staff will ensure that VAF 28-1905 has been issued and explained to the facility providing training to the Veteran. (Refer to M28R.V.A.3 for guidance on the use of VAF 28-1905 for authorization of training)

##### (b) Charges Must Reflect Previous Payments and Credits

VR&E should not be billed until the school's Drop/Add Period has concluded. When funds are received or a payment is made to a school on behalf of a Veteran, the bill to VR&E should reflect a reduction for any funds credited or received by the school for the same educational charges.

##### (c) Financial Assistance Designated for Payment of Tuition and Fees

It is the responsibility of the school to properly manage and disburse financial assistance. If funding designated specifically for payment of tuition and fees was erroneously applied or released to the Veteran for other purposes, and VR&E has paid the outstanding costs of tuition and fees, then the school must notify VR&E of the error. All errors in accounting or disbursing funds should be corrected by the school and any funds that are unused by, or recouped from, the Veteran or another source should be returned to the appropriate funding source to include VR&E.

##### (d) Notification to Schools and Veterans

It is important to note that it is the responsibility of the VR&E case manager to inform the facility of the procedures and guidelines outlined in the chapter. Appendix AS, Sample School Notification Letter should be adapted for this purpose and sent to all approved facilities providing services to Veterans participating in the VR&E Program.

VR&E case managers should also work with financial aid personnel to determine the best method(s) of notifying each school's financial aid office of the Veterans who are participating in the VR&E Program each term. Example: it may be possible for the certifying official to forward this information to their school's financial aid office each term.

Case managers must also explain the procedures and guidelines outlined in this chapter to all Veterans participating in the VR&E

Program under his/her supervision.

b. Invoices for Tutorial Services

A case manager must take the following specific guidelines into consideration when reviewing, and determining whether to approve, an invoice for tutorial services:

1. Ensure that the invoice is date stamped on the date of receipt.
2. Review and process the invoice within 7 days of the date stamp since VA has 7 days to return an improper invoice to a vendor and 30 days from the date stamp to pay a proper invoice.
3. Ensure that the invoice is for the Veteran for whom tutorial services were contracted. It is the responsibility of the case manager to ensure that the guidelines and criteria for authorizing tutorial services outlined in M28R.V.B.4 are properly implemented.
4. Ensure that invoiced charges are consistent with the services outlined in the tutorial contract.
5. Ensure that the Veteran received the invoiced tutorial services.
6. Annotate the invoice with "Approved for Payment" or "Approved with Noted Exceptions" (a stamp can be used to do this).
7. Sign and date the invoice under this approval.
8. Forward the invoice to the Finance activity.
9. Enter the invoice into CWINRS. Refer to the CWINRS User Guide, Chapter 7, Voucher Processing.
10. File a copy of the invoice on the left side of the Veteran's CER folder, if required.

c. VetSuccess Contract Invoices

VetSuccess contract invoices are processed through an automated web-based system that is maintained by the Administrative and Loan Accounting Center (ALAC) and is called the Centralized Administrative Accounting Transaction System (CAATS). The CAATS application is a web-based system that allows for electronic input and approval of transactions; provides an electronic audit trail; streamlines document and transaction processing; and produces transaction activity reports. VR&E staff should refer to M28R.V.B.4 for more guidance on invoicing for VetSuccess Contracts.

d. Invoices for Supplies

If authorized, a facility may provide a Veteran with standard supplies that are required for similarly circumstanced non-Veterans. The case manager must review the invoice to see if the supplies the Veteran received are consistent with the Veteran's rehabilitation plan.

1. Appropriateness

A case manager who questions the appropriateness of a specific item must check with the facility to determine whether the program requires the item. VA cannot pay for an item solely because the Veteran wants it. Unless the Veteran qualifies under one of the exceptions outlined in M28R.V.A.4, the case manager must not approve payment for the item if other participants in the same program do not need the item and the case manager has not otherwise approved the item.

2. Lessening Competitive Disadvantage

A case manager should approve items, such as calculators, that the facility may not require, but other similarly circumstanced students in the program generally possess as a working aid. Not having the item would place the Veteran at a competitive disadvantage. For details on how this concept extends to supplies and equipment, see M28R.V.A.4.

7.06 Medical Services

Situations concerning the authorization, provision and payment of medical treatment or services for Veterans participating in the VR&E Program and their dependent(s) are under the authority of the Veterans Health Administration (VHA), per 38 U.S.C. 3104 (a) (9). VA Medical Center (VAMC) Directors are responsible for ensuring that medical services are provided to Veterans who are participating in the VR&E Program and VHA Directive 2010-022 ensures that Veterans receive timely and clinically appropriate medical services necessary to promote continuation in his/her VR&E Program.

Veterans participating in the VR&E Program are not exempt from medication co-payments, first party co-payments or third party billing for care relating to non-service connected conditions. VR&E must not pay VHA for any necessary medical services, including co-payments or third party billing for care, that are authorized by the VAMC or other VHA facility. Refer to M28R.V.A.5 for more information on medical treatment and services.