

HOMELESS SERVICES INVOICING OVERVIEW AND FLOW

Most invoices posted on this website represent payments requested from the City of Los Angeles by the Los Angeles Homeless Services Authority (LAHSA). This memo provides more details on the City's approval process for LAHSA Cash Requests for payments under City-approved and LAHSA-executed contracts, as well as LAHSA's subsequent approval and payment of Service Provider invoices. These invoices were reviewed by the Los Angeles Housing Department (LAHD). In the case of the Inside Safe Program, the City Administrative Officer (CAO) and the Office of the Mayor determined to meet the required documentation and other contractual requirements to be paid.

Upon receipt of payment from the City, LAHSA passes these funds on to Service Providers who execute many of the City's homelessness programs.

City Invoicing Requirements for LAHSA

The City contract specifies payment documentation requirements in each funding contract with LAHSA. As described below, in order to receive payment for Alliance, Roadmap, and Inside Safe contracts, the City requires LAHSA to submit details of LAHSA and subrecipient expenses to justify the funding amount requested. Additionally, for Inside Safe invoices, the City requires LAHSA to provide service provider invoice packages for all the service provider costs included in LAHSA's invoice.

LAHSA is a "pass-through" entity for City funds. This means the City of Los Angeles will allocate a budgeted amount of funding for LAHSA to support each specific program. The City's LAHD signs a contract with LAHSA, which then contracts with one or more Service Providers to fulfill the program services according to the requirements outlined in the City contract with LAHSA. Funds are then passed on to Service Providers through their individual contracts with LAHSA.

Contracts follow a "cost reimbursement" model, which means that Service Providers must perform work first and then invoice LAHSA for reimbursement of program expenses they have incurred. LAHSA, in turn, invoices the City to request cash to pay these Service Provider invoices.

Documentation and review process of LAHSA invoices to the City are described in more detail below.

LAHSA Invoicing Requirements for Service Providers

Contracts between LAHSA and Service Providers outline the required documentation for reimbursement. In most instances, LAHSA must be paid by the City before LAHSA can pay Service Providers.

Payments from LAHSA to contracted Service Providers are contingent upon receipt of required documentation, as noted below in the detailed descriptions of invoicing procedures for the City of LA's Alliance, Roadmap, and Inside Safe programs. In addition to regular review of invoice documentation, LAHSA monitors Service Providers at least quarterly to review program files. During monitoring, LAHSA reviews detailed receipts and other financial records in support of all costs reimbursed by LAHSA. While Service Providers are not required to submit these detailed documents with all invoices, they are contractually obligated to maintain copies and make them available during monitoring. LAHSA works collaboratively with Service Providers to provide guidance and corrective action for any missing backup documentation. Persistent issues will result in stronger steps, including disqualification from future funding and/or legal action.

Along with programmatic obligations, all contracted Service Providers must undergo annual fiscal audits by a qualified external accounting firm. LAHSA requires that these audits be provided annually so that service providers remain eligible to receive funding.

LAHSA CASH REQUEST SUBMISSIONS TO THE CITY

Alliance & Roadmap

- As required in LAHSA's contracts with the City, LAHSA's cash requests for Alliance and Roadmap funding provide the following documentation:
 - Invoice and supporting documentation with a report of LAHSA direct costs and total Subrecipient Expenditures included in the cash request
 - Schedule of total Subrecipient Expenditures by Subrecipient
 - General Ledger, Trial Balance, Revenues, and Expenditures
- The City requires LAHSA to have additional detailed documentation available upon request, or as needed by auditors and other relevant parties
- LAHD reviews and signs off on all LAHSA cash requests before payment to LAHSA is processed.
- LAHSA pays service providers once the City pays cash requests.

Inside Safe Program

- LAHSA prepares Cash Request invoice and attaches these documents:
 - Invoice and supporting documentation with a report of LAHSA and total Subrecipient Expenditures included in the cash request
 - Schedule of total Subrecipient Expenditures by Subrecipient
- In addition, LAHSA provides the following documents, which are reviewed by CAO:
 - Service Provider Invoices
 - Service Provider General Ledger Report and Trial Balance
 - Service Provider Profit and Loss Statement
- LAHD, the CAO, and the Mayor's office review and sign off on all LAHSA cash requests before payment to LAHSA is processed
- LAHSA pays service providers once the City pays cash requests in the amount that is ultimately approved by the CAO and Mayor's Office

SERVICE PROVIDERS INVOICE SUBMISSION & DOCUMENTATION PROCESS TO LAHSA

Alliance, Roadmap, and Inside Safe Program Process and Documentation

- All Service Providers are contractually required to submit their billings to LAHSA by the 15th of each month
- Service Providers create and submit their invoices in LAHSA's Enterprise Grants Management System (EGMS) and provide copies of the following documents:
 - General Ledger Report that provides a history of transactions by account
 - Trial Balance describing revenue and expenses for the invoice period
 - Profit & Loss Statement outlining the provider's financial position
 - Projected total spending on the contract through the end of the fiscal year
- LAHSA's Grants Management Division reviews and approves invoices, including a review of the above documentation to ensure that all costs are eligible against the scope of work of the contract and the line items in the contract budget
- Approval Process
 - Before invoices can be paid, an additional review confirms that the supporting documents listed above have been uploaded and completed and support the reimbursement request.