

# Centres of Research Excellence – Guidelines for Billing

## Document management and control

Version		Date
1.1	Version approved by cross universities CoRE Admin Efficiency and Effectiveness Working Group Updates made to business rules III. 2,5,10 to allow billing amount calculation method to be amended, at discretion of host institution, to bill total annual budget in the agreed SoW divided equally in calendar quarters for each year of the contract	21 Sept 2021
1.0	Version approved by Universities New Zealand Research Committee published	29 April 2021

### I. Application

These guidelines apply to all institutions who either host a Centre of Research Excellence (CoRE) or collaborate with a CoRE.

### II. Purpose

These guidelines illustrate the billing arrangements which will operate between the institutions with respect to the Statement of Works (SoW). They are set out detailing a number of typical examples, highlighting the business rules and how this may be applied in each example.

### III. Business Rules relating to billing over the life of the project

Note: business rules 2-14 apply to all projects where the agreed SoW is more than \$15,000. business rules 15-19 apply to all projects irrespective of the SoW value.

1. If the amount disclosed in the agreed SoW is less than \$15,000 the full amount will be billed in one instalment at the latter of the conclusion of project or the end date as disclosed in the SoW.
2. The collaborating institution, at the direction of the host Institution of the CoRE, will bill either:
  - a. the total amount as disclosed in the agreed SoW over the life of the project, based on the project 'start' and 'end' dates and the number of calendar quarters (e.g. 31 Mar, 30 Jun etc) over the life of the project, subject to the impact of SoW variations agreed between the institutions, or
  - b. the total annual budget in the agreed SoW divided equally in calendar quarters for each year of the contract, again subject to the impact of SoW variations agreed between the institutions.

3. The first billing date will be determined as the first calendar quarter end date following the project start date.
4. The final billing date will be determined as the first calendar quarter end date after the project end date.
5. Depending on the billing calculation method chosen under 2., each billing will be determined as either
  - a. the total amount in the agreed SoW divided by the number of calendar quarters, or
  - b. the total annual budget in the agreed SoW divided equally in calendar quarters.
6. The quarterly billing will be made by the collaborating institution within one month of the calendar quarter end.
7. The quarterly billing will be paid by the host institution within 60 days of the billing being received.
8. Events which trigger a contract variation, including where deliverables under the SoW are not able to be met, will be set out in the specific [CoRE Guidelines for Contract Variations](#).
9. In the event that there is a variation of the SoW agreed between the institutions, the price difference will be reflected in the final instalment, with the quarterly billing instalments unchanged unless the total variations to the SoW are cumulatively more than \$50,000. Note, this amount may be varied by the CoRE's host institution, at their discretion.
10. If the cumulative variation (to increase or reduce the SoW value) over the life of the project is greater than the threshold determined in paragraph 9, revised billing amounts will be determined based upon the billing calculation method chosen under 2.
11. The standard documentation of the change in the SoW value as a result of the variation is advised in the [CoRE Guidelines for Contract Variations](#).
12. If the start date of the project is changed following the formal approval of the SoW between the institutions, but before the start date originally disclosed, the quarterly billing arrangements will be changed to re-align with the new project start date.
13. If the project end date is extended beyond the originally agreed project end date, the quarterly billing arrangements will not be changed to re-align with the new project end date.
14. In extraordinary circumstances where the host institution after discussion with the collaborator deems that performance by the collaborator under the SoW is materially impaired they will retain the right to suspend progress billings until such time as the progress by the collaborator is remediated to the host's satisfaction.

The business rules at the conclusion of the project are set out in the [CoRE Guidelines for Reporting](#). The key elements in so far as they impact billing are as follows:

15. The [CoRE Guidelines for Reporting](#) set out the quarterly reporting between host and collaborator. In line with the timeframes and format set out in the CoRE Reporting Guidelines, at the conclusion of the project the final costs of a project, as reported by the collaborator for inclusion in the CoRE financial statements, must equal the total of the agreed amounts billed between host and collaborator.
16. In the event that the collaborator does overspend, unless otherwise agreed through the variation process, the collaborator will absorb the additional expenditure incurred over the original budget as amended for agreed variations and not include these additional costs in the final cost reporting to the host.
17. In the event that the total actual costs incurred are less than the budgeted costs, as amended for agreed variations, where the difference is more than the lesser of 10% of the budgeted costs as amended for agreed variations, or \$10,000 the collaborator will be required to:
  - a. Return the underspend funds to the host, unless the collaborator submits and the host approves a proposal outlining an alternative acceptable use of the underspend and the parties agree to a no-cost extension.
  - b. Report the final project costs to the host at an amount equal to the total SoW agreed cost, as amended by agreed variation and the funds returned.
18. In the event that the total actual costs incurred are less than the budgeted costs, as amended for agreed variations, by less than 10% of the budgeted costs as amended for agreed variations up to a maximum of \$10,000 the collaborator:
  - a. Will not be required to return the underspend funds to the host, unless this would result in the host being required to return funds to the TEC, at (say) the conclusion of the operating period of the CoRE, or as specifically directed by the host organisation.
  - b. Must only use the unspent funds to carry out activities approved by the CoRE (i.e. email exchange between PI and CoRE).
  - c. Will keep the project open for a time period agreed with the CoRE (ie a time-only extension) to allow the funds to be spent on approved activities.
  - d. Will at the conclusion of the project submit a final financial report to the host confirming, for the purposes of preparing the CoRE financial statements, that the costs incurred and billed are equal to the amount of the agreed SoW as amended for agreed variations.
19. In the case of an underspend that is returned to the host (as outlined in 18. above), the final billing instalment should be adjusted by the value of any underspend but in the event that for any reason the adjusted billings on the project exceed the final reported project costs the collaborator will issue a credit note within 60 days of the conclusion of the project.

#### **IV. Billing Scenarios**

[Appendix 1](#) provides examples of how the billing guidelines should be applied in a number of different billing scenarios. Please note, these scenarios have been prepared to illustrate billing option 2a. - billing the amount as disclosed in the agreed SoW over the life of the project.

1. SoW agreed and billed over the life of the project with no variations.
2. SoW agreed and billed over the life of the project with total agreed variation increases of less than or equal to \$50,000 - Non-material variations agreed during the life of the project and billed at the conclusion of the project.
3. SoW agreed and billed over the life of the project with cumulative variations upwards of more than \$50,000. Cumulative material variations agreed during the life of the project and the billing schedule is revised.
4. SoW concluded and billed over the life of the project with cumulative variations downwards of less than or equal to \$50,000. Non-material variations agreed during the life of the project and billed at the conclusion of the project.
5. SoW concluded and billed over the life of the project with cumulative variations downwards of more than \$50,000. Cumulative material variations agreed during the life of the project and the billing schedule is revised.
6. SoW concluded and billed over the life of the project with no variations. However, the costs incurred by the collaborator in undertaking the project are advised to the host at an amount > \$10,000 or >10% of budget below the budgeted costs and the host requires the return of funds (as opposed to agreeing to their alternate use). Underspend included in final instalment amount.
7. SoW agreed and billed over the life of the project. Start date is varied before the date of the project start, end date is also extended, and billing schedule is revised.
8. SoW agreed and billed over the life of the project. The project end date is varied before the end of the original project end date - billing schedule is not revised.

## Appendix 1 – Billing Scenarios

### CoRe 2021      Billing Scenario 1

SoW start date: 17 April 2022

SoW end date: 31 August 2024

Original SoW value \$2,000,000 with 10 quarterly billings of \$200,000 per quarter

First billing date: 30 June 2022

Last billing date: 30 September 2024

Variation 1      -

Variation 2      -

Variation 3      -

	Original
<b>SoW Value</b>	<b>\$ 2,000,000</b>

Billing Date	Instalments
30-06-22	\$ 200,000
30-09-22	\$ 200,000
31-12-22	\$ 200,000
31-03-23	\$ 200,000
30-06-23	\$ 200,000
30-09-23	\$ 200,000
31-12-23	\$ 200,000
31-03-24	\$ 200,000
30-06-24	\$ 200,000
30-09-24	\$ 200,000
<b>Total</b>	<b>\$ 2,000,000</b>

**CoRE 2021**

**Billing Scenario 2**

Total Variations <= \$50,000 (increase)

SoW start date: 17 April 2022

SoW end date: 31 August 2024

Original SoW value \$2,000,000 with 10 quarterly billings of \$200,000 per quarter

First billing date: 30 June 2022

Last billing date: 30 September 2024

Variation 1 \$10,000 agreed increase in April 2022

Variation 2 \$20,000 agreed increase in January 2023

Variation 3 \$10,000 agreed increase in January 2024

**NOTE:** Final instalment and invoice revised to reflect \$40,000 cumulative variations to **increase** SoW amount

	Original	After Var 1	After Var 2	After Var 3
<b>SoW Value</b>	<b>\$ 2,000,000</b>	<b>\$ 2,010,000</b>	<b>\$ 2,030,000</b>	<b>\$ 2,040,000</b>
		From April 2022	From Jan 2023	From Jan 2024
<b>Billing Date</b>	<b>Instalments</b>	<b>Instalments</b>	<b>Instalments</b>	<b>Instalments</b>
30-06-22	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
30-09-22	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
31-12-22	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
31-03-23	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
30-06-23	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
30-09-23	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
31-12-23	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
31-03-24	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
30-06-24	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
30-09-24	\$ 200,000	\$ 200,000	\$ 200,000	\$ 240,000
<b>Total</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,040,000</b>

**CoRE 2021**      **Billing Scenario 3**

Total Variations > \$50,000 (increase)

SoW start date: 17 April 2022

SoW end date: 31 August 2024

Original SoW value \$2,000,000 with 10 quarterly billings of \$200,000 per quarter

First billing date: 30 June 2022

Last billing date: 30 September 2024

Variation 1      \$10,000 agreed increase in April 2022

Variation 2      \$20,000 agreed increase in January 2023

Variation 3      \$30,000 agreed increase in January 2024

**NOTE:**      Billing schedule revised once cumulative variations exceed \$50,000  
Cumulative variations of \$60,000 included in revised billing amounts for  
last 3 billing periods to match **increased** SoW amount

SoW Value	Original		After Var 1		After Var 2		After Var 3	
	\$	2,000,000	\$	2,010,000	\$	2,030,000	\$	2,060,000
			From April 2022		From Jan 2023		From Jan 2024	
Billing Date	Instalments		Instalments		Instalments		Instalments	
30-06-22	\$	200,000	\$	200,000	\$	200,000	\$	200,000
30-09-22	\$	200,000	\$	200,000	\$	200,000	\$	200,000
31-12-22	\$	200,000	\$	200,000	\$	200,000	\$	200,000
31-03-23	\$	200,000	\$	200,000	\$	200,000	\$	200,000
30-06-23	\$	200,000	\$	200,000	\$	200,000	\$	200,000
30-09-23	\$	200,000	\$	200,000	\$	200,000	\$	200,000
31-12-23	\$	200,000	\$	200,000	\$	200,000	\$	200,000
31-03-24	\$	200,000	\$	200,000	\$	200,000	\$	220,000
30-06-24	\$	200,000	\$	200,000	\$	200,000	\$	220,000
30-09-24	\$	200,000	\$	200,000	\$	200,000	\$	220,000
<b>Total</b>	\$	2,000,000	\$	2,000,000	\$	2,000,000	\$	2,060,000

**CoRE 2021**

**Billing Scenario 4**

Total Variations <= \$50,000 (decrease)

SoW start date: 17 April 2022

SoW end date: 31 August 2024

Original SoW value \$2,000,000 with 10 quarterly billings of \$200,000 per quarter

First billing date: 30 June 2022

Last billing date: 30 September 2024

Variation 1 \$10,000 agreed decrease in April 2022

Variation 2 \$20,000 agreed decrease in January 2023

Variation 3 \$10,000 agreed decrease in January 2024

**NOTE:** Final instalment and invoice revised to reflect \$40,000 cumulative variations to **reduce** SoW amount

	Original	After Var 1	After Var 2	After Var 3
<b>SoW Value</b>	<b>\$ 2,000,000</b>	<b>\$ 1,990,000</b>	<b>\$ 1,970,000</b>	<b>\$ 1,960,000</b>

  

	From April 2022	From Jan 2023	From Jan 2024
<b>Billing Date</b>	<b>Instalments</b>	<b>Instalments</b>	<b>Instalments</b>
30-06-22	\$ 200,000	\$ 200,000	\$ 200,000
30-09-22	\$ 200,000	\$ 200,000	\$ 200,000
31-12-22	\$ 200,000	\$ 200,000	\$ 200,000
31-03-23	\$ 200,000	\$ 200,000	\$ 200,000
30-06-23	\$ 200,000	\$ 200,000	\$ 200,000
30-09-23	\$ 200,000	\$ 200,000	\$ 200,000
31-12-23	\$ 200,000	\$ 200,000	\$ 200,000
31-03-24	\$ 200,000	\$ 200,000	\$ 200,000
30-06-24	\$ 200,000	\$ 200,000	\$ 200,000
30-09-24	\$ 200,000	\$ 200,000	\$ 160,000
<b>Total</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 1,960,000</b>



**CoRE 2021**

**Billing Scenario 5**

Total Variations > \$50,000 (decrease)

SoW start date: 17 April 2022

SoW end date: 31 August 2024

Original SoW value \$2,000,000 with 10 quarterly billings of \$200,000 per quarter

First billing date: 30 June 2022

Last billing date: 30 September 2024

Variation 1 \$10,000 agreed decrease in April 2022

Variation 2 \$20,000 agreed decrease in January 2023

Variation 3 \$30,000 agreed decrease in January 2024

**NOTE:** Billing schedule revised once cumulative variations exceed \$50,000  
Cumulative variations of \$60,000 included in revised billing amounts  
for last 3 billing periods to **reduce** SoW amount

SoW Value	Original	After Var 1	After Var 2	After Var 3
	\$ 2,000,000	\$ 1,990,000	\$ 1,970,000	\$ 1,940,000

  

Billing Date	Instalments	From April 2022	From Jan 2023	From Jan 2024
		Instalments	Instalments	Instalments
30-06-22	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
30-09-22	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
31-12-22	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
31-03-23	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
30-06-23	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
30-09-23	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
31-12-23	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
31-03-24	\$ 200,000	\$ 200,000	\$ 200,000	\$ 180,000
30-06-24	\$ 200,000	\$ 200,000	\$ 200,000	\$ 180,000
30-09-24	\$ 200,000	\$ 200,000	\$ 200,000	\$ 180,000
				\$ -
<b>Total</b>	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 1,940,000

**CoRE 2021**

**Billing Scenario 6**

Underspend (total costs less than budgeted costs) is > \$10,000 or >10% of the budgeted costs and host requires return of funds

At quarter end 30-Sept-24 the collaborator advises their total project costs are \$1,950,000.

SoW start date: 17 April 2022

SoW end date: 31 August 2024

Original SoW value \$2,000,000 with 10 quarterly billings of \$200,000 per quarter

First billing date: 30 June 2022

Last billing date: 30 September 2024

Variation 1 -

Variation 2 -

Variation 3 -

**NOTE:** The final invoice and instalment revised to reflect \$50,000 cost underspend  
In the event that for any reason the final adjusted billings on the project exceed the final reported project costs, the collaborator will issue a credit note within 60 days of the conclusion of the project

	Original
<b>SoW Value</b>	<b>\$ 2,000,000</b>

Billing Date	Instalments
30-06-22	\$ 200,000
30-09-22	\$ 200,000
31-12-22	\$ 200,000
31-03-23	\$ 200,000
30-06-23	\$ 200,000
30-09-23	\$ 200,000
31-12-23	\$ 200,000
31-03-24	\$ 200,000
30-06-24	\$ 200,000
30-09-24	\$ 150,000
<b>Total</b>	<b>\$ 1,950,000</b>

**CoRE 2021**      **Billing Scenario 7**

Change of start date before the original start date disclosed in SoW

SoW start date: 17 April 2022

Revised SoW start date 1 July 2022

SoW end date: 31 August 2024

Revised SoW end date 30 November 2022

Original SoW value \$2,000,000 with 10 quarterly billings of \$200,000 per quarter

First billing date: 30 September 2022

Last billing date: 31 December 2024

Variation 1      Change of start and end date

Variation 2      -

Variation 3      -

**NOTE:**            Start (and end) date of project changed before the start state originally disclosed  
                          - quarterly billing dates changed to align with new project start date

	Original	After Var 1
<b>SoW Value</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>

Billing Date	Instalments	From April 2022	
		Instalments	
30/06/22	\$200,000	30/09/22	\$200,000
30/09/22	\$200,000	31/12/22	\$200,000
31/12/22	\$200,000	31/03/23	\$200,000
31/03/23	\$200,000	30/06/23	\$200,000
30/06/23	\$200,000	30/09/23	\$200,000
30/09/23	\$200,000	31/12/23	\$200,000
31/12/23	\$200,000	31/03/24	\$200,000
31/03/24	\$200,000	30/06/24	\$200,000
30/06/24	\$200,000	30/09/24	\$200,000
30/09/24	\$200,000	31/12/24	\$200,000
<b>Total</b>	<b>\$2,000,000</b>		<b>\$2,000,000</b>

**CoRE 2021      Billing Scenario 8**

Change of end date

SoW start date: 17 April 2022

SoW end date: 31 August 2024

Revised SoW end date 30 November 2022

Original SoW value \$2,000,000 with 10 quarterly billings of \$200,000 per quarter

First billing date: 30 September 2022

Last billing date: 30 September 2024

Variation 1      Change of end date

Variation 2      -

Variation 3      -

NOTE:              End date is extended beyond original project end date but quarterly billing arrangements not changed to align with new end date

SoW Value	Original		After Var 1	
	\$	2,000,000	\$	2,000,000
			From April 2022	
Billing Date	Instalments		Instalments	
30-06-22	\$	200,000	30-06-22	\$ 200,000
30-09-22	\$	200,000	30-09-22	\$ 200,000
31-12-22	\$	200,000	31-12-22	\$ 200,000
31-03-23	\$	200,000	31-03-23	\$ 200,000
30-06-23	\$	200,000	30-06-23	\$ 200,000
30-09-23	\$	200,000	30-09-23	\$ 200,000
31-12-23	\$	200,000	31-12-23	\$ 200,000
31-03-24	\$	200,000	31-03-24	\$ 200,000
30-06-24	\$	200,000	30-06-24	\$ 200,000
30-09-24	\$	200,000	30-09-24	\$ 200,000
<b>Total</b>	<b>\$</b>	<b>2,000,000</b>	<b>\$</b>	<b>2,000,000</b>