



Department of Benefits
and Family Support

Department of Disability
and Aging Services

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London Breed
Mayor

Trent Rhorer
Executive Director

Estimated June Payment Policy

This policy is implemented to both assist non-profit grantees with cash flow issues at the end of each fiscal year and help the City to effectively closeout the fiscal year to meet State and Federal funding cycles. This policy has been effective in providing cash flow to grantees during the month of July and reduces the need for advance payments.

The invoicing cycle for each month's cost reimbursement generally produces an invoice from the grantee by the 15th day of the month for the costs incurred and paid in the prior month. The City and County's process for recertification of funds occurs the first day of July each year and payments are issued approximately the last week in August. It takes about three weeks to set-up the new contracts in the City's accounting system, once they have been fully certified.

The estimated June payment is based upon the amount of the May invoice or the balance of the annual contract amount which ever is less. The Office of Contracts Management issues the estimated June payment without submission of a June invoice from the grantee. This estimated June payment is made at the same time as the May payment.

In a normal billing cycle this will produce a larger payment on or before June 30. Receiving the June payment 30 days earlier will provide cash flow to the grantee for the month of July. We require the actual June invoice no later than July 31st. Any adjustments needed to reconcile the estimated June payment to the actual June expenses will be made at the time of submission of the June invoice.

By the time the July invoice is received (15th of August), the contract should be fully certified and the accounting in place to make a timely payment for the July expenses. This process provides for steady cash flow and reduces or eliminates the need for advance contract payments.

This process also allows the City to close our fiscal year in a timely and effective manner and recover any reimbursement



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from our State and Federal funding sources.

As in all general guidelines, there will be exceptions made on a case-by-case basis. This policy does not apply to federally funded grants, grants that are fee for service types and for-profit contract agreements.

Revised 8/2024