

## **Contract Invoicing Best Practices**

Contractor invoicing is a key financial control for Medical Staff Associations (MSAs). Clear invoicing standards support timely payments, ensure alignment with contract deliverables, reduce administrative burden, and mitigate risk associated with independent contractor status. This guide outlines required ("Must") and recommended ("Best Practice") approaches for contractor invoicing, expense reimbursement, and related controls.

### **Contractor Invoice Format & Submission**

*Consistent invoice formatting ensures invoices can be reviewed efficiently and approved for payment in accordance with the contractor agreement.*

#### **Must:**

- Use the Facility Engagement approved timesheet/invoice template; see [Appendix A](#) for more information.
  - The approved invoice format must clearly identify the contractor, invoice date, invoice number, billing period, and applicable taxes.
  - Invoices must itemize services by date, activity, and number of hours delivered during the billing period.
- Billed hours must be within the maximum hours and the scope outlined in the contractor agreement. Any hours billed above the maximum listed in the contractor agreement must be pre-approved in writing.
- Contractors must submit invoices in FEMS for approval by a designated MSA executive member.
- Invoices must be submitted at the frequency set out in the contractor agreement (e.g., bi-weekly or monthly).

### **Itemizing Services Delivered**

*Itemized invoices support transparency, enable meaningful review, and help ensure services billed align with the agreed contract deliverables.*

#### **Must:**

- Use consistent service categories aligned to the contract deliverables.
- Invoices must include details about the type of service provided, the date, and the time.

**Reviewing Contractor Invoices – Executives**

*A structured review process ensures that invoices are accurate, appropriate, and consistent with contractual obligations before payment.*

**Must:**

- All invoices must be reviewed and approved in FEMS by the designated MSA executive member.
- Invoices must be reviewed for alignment with the contractor agreement, including rate of pay, scope, and maximum hours.

**Best Practice:**

- Query discrepancies or unclear line items prior to approval.

**Eligible & Ineligible Contractor Expenses – Executives and Contractors**

*Contractors are responsible for their own business expenses unless otherwise specified in the contractor agreement. Common ineligible expenses (unless otherwise agreed in writing) include routine parking or travel, home-office expenses, and meals.*

**Must:**

- Only expenses explicitly permitted in the contractor agreement may be reimbursed.
- All other expenses must be pre-approved where required by the agreement.
- Clearly communicate eligible and ineligible expenses to contractors at the start of the contract term and the procedure for having eligible expenses reviewed and approved.
- Original receipts and detailed backup are required in FEMS for reimbursable expenses. Receipts must include an itemized list, as well as applicable taxes and tips.

**Best Practice:**

- Treat non-approved or unclear expenses as non-reimbursable unless formally approved.
- Typical eligible and non-eligible expenses include:

Eligible Expenses	Ineligible Expenses
<ul style="list-style-type: none"> <li>• Mileage (at the approved per-km rate), parking, and tolls for use of a personal vehicle for MSA business.</li> <li>• Accommodation for approved MSA business travel.</li> <li>• Meals incurred while traveling for approved MSA business (at the approved per diem allowances).</li> </ul>	<ul style="list-style-type: none"> <li>• Home office rent, utilities, or furnishings.</li> <li>• Computers, phones, tablets, and other personal equipment.</li> <li>• Software subscriptions or licenses not explicitly required by the MSA.</li> <li>• Office supplies for general business use.</li> <li>• Training, certifications, or conferences not pre-approved by the MSA.</li> </ul>

<ul style="list-style-type: none"> <li>• Printing and document production for MSA work.</li> </ul>	<ul style="list-style-type: none"> <li>• Membership fees for professional associations.</li> <li>• Registration fees for approved conferences, meetings, or training.</li> <li>• Meals not related to approved travel.</li> <li>• Alcohol.</li> <li>• Entertainment or hospitality expenses.</li> <li>• Childcare or dependent care costs.</li> <li>• Personal travel or accommodation upgrades.</li> <li>• Personal phone or internet plans.</li> <li>• Traffic tickets, parking fines, or other penalties.</li> <li>• Personal or business insurance premiums.</li> <li>• Legal, accounting, or tax preparation fees.</li> </ul>
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### **Contractor Equipment & Tools**

*Maintaining appropriate boundaries around equipment supports independent contractor status. Typically, contractors are responsible for providing the work-related materials, supplies, equipment, and office space required to provide their services.*

#### **Must:**

- Contractors are responsible for providing their own equipment and tools unless otherwise specified in the contractor agreement.
- Require the return of MSA-owned equipment upon contract termination.

#### **Best Practice:**

- Limit MSA-provided equipment to exceptional circumstances and document its use in writing.
- Maintain an inventory of any MSA-owned equipment provided to contractors.

### **Contractor Travel**

*Travel expectations and reimbursement should be clearly defined to avoid ambiguity and disputes.*

#### **Must:**

- Travel expenses, mileage rates, accommodation, and meal limits must comply with the FE funding guidelines and rates set in FEMS via Doctors of BC policy.
- Any travel requiring reimbursement must be pre-approved, where specified.

#### **Best Practice:**

- Define what constitutes reimbursable travel (e.g., out-of-town meetings, conferences).
- Require travel expenses to be itemized separately on invoices with supporting receipts.

### **Appendices**

- [Appendix A](#): Sample Contractor Invoice & Timesheet Template

## Appendix A

<b>Contractor Invoice + Timesheet</b>		
<b>Contractor Name</b>		<b>Invoice Number</b>
<b>Business Name (if applicable)</b>		<b>Invoice Date</b>
<b>Email Address</b>		<b>Billing Period (From – To)</b>
<b>Phone Number</b>		
<b>Hourly Rate (\$/hour)</b>		<b>GST Number (if applicable)</b>
<b>Timesheet – Services Delivered</b>		
Date	Description of Activity	Hours Worked
Date	Expense	Cost
	<b>Total Hours Worked</b>	0
<b>Invoice Summary</b>		
	<b>Subtotal (Hours × Rate)</b>	\$0.00
	<b>GST</b>	\$0.00
	<b>Total Amount Owning</b>	<b>\$0.00</b>