

## SAM - DISBURSEMENTS

### DEFINITION OF TERMS

8474.4

(Revised 03/11)

- a. **Claim:** A bill, invoice, or written request for payment provided by the claimant. Written request includes contract as defined in paragraph c. below.
- b. **Claim schedule (STD. 218):** A schedule of invoices prepared and submitted by a state department to the Controller for payment to the named claimants.
- c. **Contract:** Any enforceable agreement, including purchase orders, sub-purchase orders, delegated purchase orders, service agreements, or rental and lease agreements of real and personal property.
- d. **Grant:** A signed final agreement between any state department and a local government agency or organization authorized to accept grant funding for victim services or prevention programs administered by any state department.
- e. **Invoice:** A bill or claim that requests payment on a contract under which a state department acquires property or services, or a claim pursuant to a grant for victim services and prevention programs.
- f. **Disputed Invoice:** An improperly executed invoice or an invoice that requires additional evidence of its validity. The state department must notify the claimant in writing of a disputed invoice within 15 working days of receipt of the invoice using Invoice Dispute Notification, STD. 209.
- g. **Undisputed Invoice:** An invoice executed by the claimant and for which additional evidence is not required to determine its validity. Undisputed invoices include:
  - 1. A once disputed invoice which has been corrected or for which additional evidence of its validity has been provided and received by the state department.
  - 2. An improper invoice where goods and services have been received by the contracting state department, but the state department fails to notify the claimant that the invoice is improper within 15 working days of receipt of the invoice.
- h. **Medi-Cal program:** The program established pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code.
- i. **Nonprofit public benefit corporation:** A corporation, as defined by subdivision (b) of Section 5046 of the Corporations Code, that has registered with the DGS as a small business.
- j. **Reasonable cause:** A determination by a state department that any of the following conditions are present:
  - 1. A discrepancy exists between the invoice or claimed amount and the provisions of the contract.
  - 2. A discrepancy exists between the invoice or claimed amount and either the claimant's actual delivery of property or services to the state or the state's acceptance of those deliveries.
  - 3. Additional evidence supporting the validity of the invoice or claimed amount is required to be provided to the state department by the claimant.
  - 4. The invoice has been improperly executed or needs to be corrected by the claimant.
  - 5. A discrepancy exists between the refund or other payment due as calculated by the person to whom the money is owed and by the state department.

(Continued)

## SAM - DISBURSEMENTS

(Continued)

### DEFINITION OF TERMS

8474.4 (Cont. 1)

(Revised 03/11)

- k. **Received by a State department:** The date an invoice is delivered to the state location or party specified in the contract or, if a state location or party is not specified in the contract, wherever otherwise specified by the state department.
- l. **Revolving fund:** A fund established pursuant to Article 5 (commencing with GC section 16400) of Division 4 of Title 2.
- m. **Small business:** A business certified in accordance with requirements of subdivision (c) of GC section 14837.
- n. **Small business and nonprofit organization Medi-Cal providers:** In reference to providers under the Medi-Cal program, a business or organization that meets all of the following criteria:
  - 1. Principal office is located in California.
  - 2. Officers, if any, are domiciled in California.
  - 3. If a small business, it is independently owned and operated.
  - 4. Business or organization is not dominant in its field of operation.
  - 5. Together with any affiliates, the business or organization has gross receipts from business operations that do not exceed three million dollars (\$3,000,000) per year, except that the Director of the DHCS may increase this amount if the Director deems that this action would be in furtherance of the intent of the Act.
- o. **State department:** State department refers to all state departments, offices, boards, commissions, institutions, colleges, and special organizational entities within state government.
- p. **Payment:** The issuance of a warrant or a registered warrant by the Controller, or the issuance of a revolving fund check by a state department, to a claimant in the amount of an undisputed invoice.

# PENALTY CALCULATION

STD. 208 (REV. 2/2011)

*Prepare an original and two copies*

STATE DEPARTMENT NAME \_\_\_\_\_

CONTACT PERSON (*Print*) \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

CONTRACTOR/VENDOR \_\_\_\_\_

DATE RECEIVED \_\_\_\_\_

PAYMENT ISSUE DATE \_\_\_\_\_

INVOICE NUMBER \_\_\_\_\_

INVOICE DATE \_\_\_\_\_

REFERENCE NUMBER(S) \_\_\_\_\_

CLAIM SCHEDULE NUMBER \_\_\_\_\_

## PART A: PENALTY CALCULATION

STEP 1:

Payment Due Date ..... \_\_\_\_\_

STEP 2:

Amount Subject to Penalty (*Excluding Sales Tax*) ..... \_\_\_\_\_

Daily Penalty Rate ..... \_\_\_\_\_

STEP 3:

Penalty Amount Per Day (*Multiply Subject Amount by Daily Penalty Rate*) ..... \_\_\_\_\_

STEP 4:

Number of Days Penalized ..... \_\_\_\_\_

STEP 5:

Penalty Amount (*Multiply Penalty Amount per day by Step 4*) Enter the result here ..... \$ \_\_\_\_\_

Enter the Penalty amount below when the penalty is:

Over \$10.00 for all other businesses, refunds, or other payments; or

Over \$100.00 for all other businesses



## PART B: TOTAL PAYMENT

PENALTY AMOUNT – Enter on Remittance Advice ..... \$ \_\_\_\_\_

**Additional information to complete STD. 208 are in SAM Section 8474.3**

**SAM - DISTRIBUTIONS**

**SAMPLE LATE PAYMENT PENALTIES CALCULATIONS**

	<b>Facts</b>	<b>Payment Due Date Set forth In Contract as defined in SAM 8474.4 (c)</b>	<b>Payment Due Date Not Set Forth In Contract</b>
<b>A</b>	Date agency receives invoice or notice of refund or other payment due	3/1/xx	3/1/xx
<b>B</b>	Payment due date per contract /1	4/1/xx	N/A
<b>C</b>	Payment issue date	4/6/xx	4/30/xx
<b>S T E P</b>	<b>Completing Penalty Calculation form (STD.208) - Part A</b>		
<b>1</b>	Required payment approval date or notice of refund or other payment /2	4/1/xx	3/31/xx
<b>2</b>	Maximum time to issue payment (45 calendar days) /3	N/A	4/15/xx
<b>3</b>	Amount subject to penalty (net of tax)	\$30,000	\$30,000
	Daily penalty rate /4		
	• Small Business	0.000363	0.000363
	• Other Business	0.0000419	0.0000419
	• Refunds/Other payments due	N/A	0.0000335
<b>4</b>	Penalty per day (multiply amount by daily penalty rate as shown in Step 2)		
	• Small Business	10.89	10.89
	• Other Business	1.26	1.26
	• Refunds/Other payments due	N/A	1.01
<b>5</b>	Number of days penalized /5	5	15
<b>6</b>	Penalty amount (multiply amount by the number of days as shown in Steps 3 and 4)		
	• Small Business	\$10.89 x 5 = \$54.45	\$10.89 x 15 = \$163.35
	• Other Business	\$1.26 x 5 = \$6.30 /6	\$1.26 x 15 = \$18.90 /6
	• Refunds/Other payments due	N/A	\$1.01 x 15 = \$15.15