

SAM – TRANSPORTATION MANAGEMENT

AUDIT OF FREIGHT BILLS

3851

(Revised 03/07)

Except as provided in SAM Section 3852, all freight bills must be approved by the DGS Transportation Management Unit before they can be scheduled for payment. If a freight bill doesn't bear Transportation Management's approval stamp, it will be taken out of the claim schedule by the State Controller's Office and returned to the agency. With the returned bill will be a request that it be approved by the DGS Transportation Management Unit before resubmitting for payment. The DGS Transportation Management Unit audit ensures compliance with Government Code Section 14920.

In order to let DGS Transportation Management Unit audit and approve your vendor's freight bills, all submitted freight bills must have the following documents attached: See SAM Section 8422.1.

1. The invoice.
2. When the freight costs more than \$50, attach all supporting prepaid freight bills.
3. A copy of your purchase order with the vendor.

Even though DGS audits each invoice, your agency still must ensure that payments are correct and are not duplicated.

DGS Transportation Management Unit looks at the following areas:

1. If your contract or purchase order does not give specific shipping instructions, your vendor will be expected to use the lowest cost modes and carriers needed to safely transport the shipment. Costs for exempt, private, or commercial carriers cannot be more than that of the lowest cost government rate tenders.
2. Costs for shipments transported wholly within California cannot be more than the lowest lawful charges on file with the PUC for the transportation furnished.
3. Vendor's add-ons such as service charges for prepaying freight will not be allowed unless they are clearly listed on the contract or purchase order.

If the vendor's bill is for services that are different from the above conditions, you must attach a statement to the invoice. Your statement must identify the exact rates, charges, and circumstances which you agreed upon before the transportation or PUC services were begun.

Except for those listed under SAM Section 3852, you must forward all freight bills to DGS Transportation Management Unit, 707 Third Street, Second Floor, West Sacramento, CA 95605-2811. Clearly identify the name, five-digit billing code and mailing address of your State agency. Include the supporting documents required in this SAM Section. Bills certified for payment may be scheduled to the State Controller's Office via the DGS Transportation Management Unit to expedite processing. If you schedule bills in this manner, you should ensure that bills not requiring the DGS Transportation Management Unit audit are placed on separate schedules and sent directly to the State Controller's Office.

Bills received from carriers for freight transported under Federal Government Bills of Lading should be returned to these carriers with instructions to bill their charges to the federal government.