

## SAM-MISCELLANEOUS ACCOUNTING PROCEDURES

### PAYMENT AND AUDIT

8780.1

(Revised 4/92)

The State Compensation Insurance Fund (SCIF) will bill agencies semimonthly. The Agency Payroll Code (from the Uniform State Payroll Code System), indicated on the Employer's Report of Occupational Injury or Illness, SCIF Form 3067, is used by SCIF to sort charges mechanically by the legally uninsured agency concerned. Because of this procedure, it is important that the correct agency code be shown on the SCIF Form 3067. The Agency Payroll Code is also shown on invoices submitted to agencies and will enable them to distribute the Workers' Compensation charges among subunits as needed.

It is imperative that Workers' Compensation invoices be paid immediately. The major reason being that any amount outstanding after 35 calendar days from the postmark date on the envelope containing SCIF's bill is subject to an interest charge. The interest rate used will be the same as the annualized Pooled Money Investment Account (PMIA) promulgated at the end of each fiscal year by the Director of the Department of Finance. Agencies will schedule the invoices and file a separate claim schedule against the Personal Services Category with the State Controller's Office the same day the invoices are received. Such claim schedules will receive expedited processing by the State Controllers' Office. The notation "Expedite—Workers' Compensation" will be shown on the claim schedules in a conspicuous place.

To expedite payment, Workers' Compensation Invoices ordinarily will be paid first and audited by the agency later. The agency audit of Workers' Compensation invoices will consist only of determining (1) that all employees listed on the invoices were employees of the agency at the time of injury or death and (2) that the employee is not covered by a separate policy of insurance (for those agencies that have some employees covered by a separate policy and others by the master agreement). Except as noted below, agencies will pay the full amount of the invoices as submitted and will report any discrepancies promptly to SCIF. SCIF will make the necessary adjustments on subsequent invoices.

However, when an agency performs a cursory review of a Workers' Compensation invoice the same day that the invoice is received and determines that there is definitely a discrepancy, it may make the necessary adjustment and notify SCIF by use of STD. 107, Notice of Correction of Invoice. Agencies should be cautious in using this procedure since many charges that appear to be in error are actually valid charges.