INTEREST ON LIQUIDATED CLAIMS **8473**
(Revised 3/91)

In order to encourage governments to act rapidly on claims filed with them, Government Code Section 926.10 provides that claimants shall be paid interest on liquidated claims filed with public entities which have not been paid within 60 days. Interest shall be at six percent per year.
The code section does not apply to claims filed as follows:

1. Claims of a State agency or fund against another State agency or fund.
2. Claims of the Federal Government.
3. Claims filed pursuant to construction contracts. (Please refer to SAM Section 8473.1)

A liquidated claim is a claim which can be determined with exactness from the parties agreement or by arithmetical process or application of definite rules of law. For Government Code Section 926.10 to apply, there must be no disagreement over the validity of the claim and the claim must be due and payable.

Agencies will add interest to claims 60 days after one of the following dates, whichever occurs later:

1. The date goods or services are received.
2. The date the claim is received by the agency.
3. The date of completion of an engineering, legal, post audit, or other review, if required, to determine the validity of questionable claims. A claim is not considered filed until all disputes are settled.

Liquidated claims and their related interest charges generally will be paid through the claim schedule process. However, if the amount of the claim is $1,000 or more, agencies may pay the claim by use of a revolving fund check. If the claim is $10,000 or more and a revolving fund check is not prepared, an expedite claim schedule will be used. When preparing claim schedules, an additional five days of interest will be added for a regular claim schedule and two days of interest for an expedite claim schedule to compensate for the State Controller's processing time. Interest paid will be shown on the Remittance Advice as follows:

"Interest pursuant to Government Code Section 926.10" $_____

Interest is payable from the same appropriation from which the claim is paid.

In determining the amount of interest due, the table on 8473 Illustration may be used. The figures shown in the table are the decimal equivalent of interest from the beginning of the year to the dates shown in the columns. For example, interest from the first of the year to July 24 would be the decimal equivalent of 3.370 percent or .03370. Since all interest does not begin to run from the first of the year, interest from the beginning of the year the date interest begins must be subtracted from the date shown in the table. For example, if the date interest begins is March 4 and the date payment is made is June 12, the amount shown in the table for March 4 (.01036) must be subtracted from the amount shown at June 12 (.02679) to arrive at the proper interest factor of .01643 for the period. The amount of the claim is multiplied by this interest factor to determine the interest due.

If interest runs past December, the interest from the date interest begins to the end of the year is calculated. Then, interest from the beginning of the year to the date interest ceases is added to that. In leap years, one additional day of interest must be calculated when interest periods span February 29. This may be accomplished by adding an additional day to the interest period. See SAM Sections 8474.1 and 8474.4, if applicable.

Table of Interest Between Two Dates For Periods of Less Than One Year

(Stated in the decimal equivalent of the proper percentage at an annual rate of 6%.)

Day	January	February	March	April	May	June	July	August	September	October	November	December
1	.00016	.00526	.00986	.01496	.01989	.02499	.02992	.03501	.04011	.04504	.05014	.05507
2	.00033	.00542	.01003	.01512	.02005	.02515	.03008	.03518	.04027	.04521	.05030	.05523
3	.00049	.00559	.01019	.01529	.02022	.02531	.03025	.03534	.04044	.04537	.05047	.05540
4	.00066	.00575	.01036	.01545	.02038	.02548	.03041	.03551	.04060	.04553	.05063	.05556
5	.00082	.00592	.01052	.01562	.02055	.02564	.03058	.03567	.04077	.04570	.05079	.05573
6	.00099	.00608	.01068	.01578	.02071	.02581	.03074	.03584	.04093	.04586	.05096	.05589
7	.00115	.00625	.01085	.01595	.02088	.02597	.03090	.03600	.04110	.04603	.05112	.05605
8	.00132	.00641	.01101	.01611	.02104	.02614	.03107	.03616	.04126	.04619	.05129	.05622
9	.00148	.00658	.01118	.01627	.02121	.02630	.03123	.03633	.04142	.04636	.05145	.05638
10	.00164	.00674	.01134	.01644	.02137	.02647	.03140	.03649	.04159	.04652	.05162	.05655
11	.00181	.00690	.01151	.01660	.02153	.02663	.03156	.03666	.04175	.04668	.05178	.05671
12	.00197	.00707	.01167	.01677	.02170	.02679	.03173	.03682	.04192	.04685	.05195	.05688
13	.00214	.00723	.01184	.01693	.02186	.02696	.03189	.03699	.04208	.04701	.05211	.05704
14	.00230	.00740	.01200	.01710	.02203	.02712	.03205	.03715	.04225	.04718	.05227	.05721
15	.00247	.00756	.01216	.01726	.02219	.02729	.03222	.03731	.04241	.04734	.05244	.05737
16	.00263	.00773	.01233	.01742	.02236	.02745	.03238	.03748	.04258	.04751	.05260	.05753
17	.00279	.00789	.01249	.01759	.02252	.02762	.03255	.03764	.04274	.04767	.05277	.05770
18	.00296	.00805	.01266	.01775	.02268	.02778	.03271	.03781	.04290	.04784	.05293	.05786
19	.00312	.00822	.01282	.01792	.02285	.02795	.03288	.03797	.04307	.04800	.05310	.05803
20	.00329	.00838	.01299	.01808	.02301	.02811	.03304	.03814	.04323	.04816	.05326	.05819
21	.00345	.00855	.01315	.01825	.02318	.02827	.03321	.03830	.04340	.04833	.05342	.05836
22	.00362	.00871	.01332	.01841	.02334	.02844	.03337	.03847	.04356	.04849	.05359	.05852
23	.00378	.00888	.01348	.01858	.02351	.02860	.03353	.03863	.04373	.04866	.05375	.05868
24	.00395	.00904	.01364	.01874	.02367	.02877	.03370	.03879	.04389	.04882	.05392	.05885
25	.00411	.00921	.01381	.01890	.02384	.02893	.03386	.03896	.04405	.04899	.05408	.05901
26	.00427	.00937	.01397	.01907	.02400	.02910	.03403	.03912	.04422	.04915	.05425	.05918
27	.00444	.00953	.01414	.01923	.02416	.02926	.03419	.03929	.04438	.04931	.05441	.05934
28	.00460	.00970	.01430	.01940	.02433	.02942	.03436	.03945	.04455	.04948	.05458	.05951
29	.00477	*	.01447	.01956	.02449	.02959	.03452	.03962	.04471	.04964	.05474	.05967
30	.00493		.01463	.01973	.02466	.02975	.03468	.03978	.04488	.04981	.05490	.05984
31	.00510		.01479		.02482		.03485	.03995		.04997		.06000

Examples of Use of Table

Example 1:

The date claim is to be paid by the State Controller is June 24th — .02877

The 61st day is January 15th — -.00247

Interest Factor — .02630

Amount of Claim — x $1,000.00

Interest Due — $ 26.30

Example 2:

The end of the year is December 31st — .06000

The 61st day is November 20th — -.05326

.00674

The date claim is to be paid by the State Controller is March 12th — +.01167

Interest Factor — .01841

Amount of Claim — x$1,000.00

Interest Due — $ 18.41

* Add an additional day in leap year when the interest period spans February 29.

Table of Interest Between Two Dates For Periods of Less Than One Year

(Stated in the decimal equivalent of the proper percentage at an annual rate of 7%)

Day	January	February	March	April	May	June	July	August	September	October	November	December
1	0.00019	0.00614	0.01151	0.01745	0.02321	0.02915	0.03490	0.04085	0.04679	0.05255	0.05849	0.06425
2	0.00038	0.00633	0.01170	0.01764	0.02340	0.02934	0.03510	0.04104	0.04699	0.05274	0.05868	0.06444
3	0.00058	0.00652	0.01189	0.01784	0.02359	0.02953	0.03529	0.04123	0.04718	0.05293	0.05888	0.06463
4	0.00077	0.00671	0.01208	0.01803	0.02378	0.02973	0.03548	0.04142	0.04737	0.05312	0.05907	0.06482
5	0.00096	0.00690	0.01227	0.01822	0.02397	0.02992	0.03567	0.04162	0.04756	0.05332	0.05926	0.06501
6	0.00115	0.00710	0.01247	0.01841	0.02416	0.03011	0.03586	0.04181	0.04775	0.05351	0.05945	0.06521
7	0.00134	0.00729	0.01266	0.01860	0.02436	0.03030	0.03605	0.04200	0.04795	0.05370	0.05964	0.06540
8	0.00153	0.00748	0.01285	0.01879	0.02455	0.03049	0.03625	0.04219	0.04814	0.05389	0.05984	0.06559
9	0.00173	0.00767	0.01304	0.01899	0.02474	0.03068	0.03644	0.04238	0.04833	0.05408	0.06003	0.06578
10	0.00192	0.00786	0.01323	0.01918	0.02493	0.03088	0.03663	0.04258	0.04852	0.05427	0.06022	0.06597
11	0.00211	0.00805	0.01342	0.01937	0.02512	0.03107	0.03682	0.04277	0.04871	0.05447	0.06041	0.06616
12	0.00230	0.00825	0.01362	0.01956	0.02532	0.03126	0.03701	0.04296	0.04890	0.05466	0.06060	0.06636
13	0.00249	0.00844	0.01381	0.01975	0.02551	0.03145	0.03721	0.04315	0.04910	0.05485	0.06079	0.06655
14	0.00268	0.00863	0.01400	0.01995	0.02570	0.03164	0.03740	0.04334	0.04929	0.05504	0.06099	0.06674
15	0.00288	0.00882	0.01419	0.02014	0.02589	0.03184	0.03759	0.04353	0.04948	0.05523	0.06118	0.06693
16	0.00307	0.00901	0.01438	0.02033	0.02608	0.03203	0.03778	0.04373	0.04967	0.05542	0.06137	0.06712
17	0.00326	0.00921	0.01458	0.02052	0.02627	0.03222	0.03797	0.04392	0.04986	0.05562	0.06156	0.06732
18	0.00345	0.00940	0.01477	0.02071	0.02647	0.03241	0.03816	0.04411	0.05005	0.05581	0.06175	0.06751
19	0.00364	0.00959	0.01496	0.02090	0.02666	0.03260	0.03836	0.04430	0.05025	0.05600	0.06195	0.06770
20	0.00384	0.00978	0.01515	0.02110	0.02685	0.03279	0.03855	0.04449	0.05044	0.05619	0.06214	0.06789
21	0.00403	0.00997	0.01534	0.02129	0.02704	0.03299	0.03874	0.04468	0.05063	0.05638	0.06233	0.06808
22	0.00422	0.01016	0.01553	0.02148	0.02723	0.03318	0.03893	0.04488	0.05082	0.05658	0.06252	0.06827
23	0.00441	0.01036	0.01573	0.02167	0.02742	0.03337	0.03912	0.04507	0.05101	0.05677	0.06271	0.06847
24	0.00460	0.01055	0.01592	0.02186	0.02762	0.03356	0.03932	0.04526	0.05121	0.05696	0.06290	0.06866
25	0.00479	0.01074	0.01611	0.02205	0.02781	0.03375	0.03951	0.04545	0.05140	0.05715	0.06310	0.06885
26	0.00499	0.01093	0.01630	0.02225	0.02800	0.03395	0.03970	0.04564	0.05159	0.05734	0.06329	0.06904
27	0.00518	0.01112	0.01649	0.02244	0.02819	0.03414	0.03989	0.04584	0.05178	0.05753	0.06348	0.06923
28	0.00537	0.01132	0.01668	0.02263	0.02838	0.03433	0.04008	0.04603	0.05197	0.05773	0.06367	0.06942
29	0.00556		0.01688	0.02282	0.02858	0.03452	0.04027	0.04622	0.05216	0.05792	0.06386	0.06962
30	0.00575		0.01707	0.02301	0.02877	0.03471	0.04047	0.04641	0.05236	0.05811	0.06405	0.06981
31	0.00595		0.01726		0.02896		0.04066	0.04660		0.05830		0.07000