

Show Me The Money: Claim Audits



Controller *John Chiang*

California State Controller's Office

SCO AUTHORITY

CALIFORNIA CONSTITUTION ARTICLE 16 PUBLIC FINANCE SEC. 7.

“Money may be drawn from the Treasury only through an appropriation made by law and upon a Controller's duly drawn warrant”

AUTHORITY Cont.

Government Code 925.6 (a)

Says in part: “The Controller shall not draw his or her warrant for any claim until it has been audited by him or her in conformity with law and the general rules and regulations...”

AUTHORITY Cont.

Government Code 12410

says in part: "...The Controller shall audit all claims against the state, and may audit the disbursement of any state money, for correctness, legality and for sufficient provisions of law for payment...."

AUTHORITY Cont.

Government Code 927.4,

California's Prompt Payment Act

*States in part: "...the maximum time from state agency receipt of an **undisputed invoice** to issuance of a warrant for payment is 45 days.....and not more than 15 calendar days for the Controller to issue the warrant.*

ONLY 15 DAYS

for the SCO to complete the warrant
issuance process:

- **Claim Audits:**
 - *Audit process*
- **Division of Accounting and Reporting:**
 - *Verification of available funds*
- **Disbursements:**
 - *Print warrant (Issuance)*
 - *Release of warrant*

SAM

8422.1: Invoices and Vouchers

“Original invoices will be included in claims presented to the SCO. If agencies cannot obtain original invoices, the SCO will accept for payment carbons, dittos, photocopies, or other forms of copies which clearly were sent by the vendor for billing purposes.”

NOTE: The copy **MUST** be stamped with

“This bill has been checked against our records and found to be the original one presented for payment and had not been paid. We have recorded this payment so as to prevent a later duplicate payment.”

Signed [Accounting Officer]

SAM Cont.

8422.2: Claim Schedules

This SAM section contains the basic information needed on how to submit claim schedules for payment

Note: *SAM 8422.2 is included in your handout*

Std. 218 or 218 CONT

Font:

Verdana or Times New Roman

Font Size:

No Smaller Than **10** point,

Max Number of Payees on
Facesheet: **12**

Approved Attached Listing
Requirements:

- Line Numbers
- First and Last Names (No Commas)
- Amounts
- 20 payees Per Page
- Double Spaced
- 99 Payees Max

State Controller

STATE OF CALIFORNIA - STATE CONTROLLER'S OFFICE

CLAIM SCHEDULE

STD. 218 (Continuation) (REV. 3-81)

PAYABLE FROM	FUND	SUB	FUND NAME				
	AGENCY NO.		AGENCY NAME				
APPROPRIATION	YR. OF STAT.	METH.	REFERENCE ITEM	SEC.	FPY	CHAPTER	STATUTES
	PURPOSE						

FED. CATALOG NUMBER	SEC PROJ.	CATEGORY	PGM	ELE.	COMP	TASK	GENERAL LEDGER	SEMI-MONTHLY	FIS	AMOUNT	DESCRIPTION
See Handout for Instructions											

LINE NO.	P.O. NO. or "C"	CLAIMANT	AMOUNT
See Handout for Instructions			

TOTAL OF SCHEDULE	
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I hereby certify under penalty of perjury as follows:

"That I am a duly appointed, qualified and acting officer of the herein named state agency, department, board, commission, office, or institution; that the within claim is in all respects true, correct, and in accordance with law; that the services mentioned herein were actually rendered and supplies delivered to the state agency in accordance with the contract and law; that authorizations for purchases have been duly obtained whenever required and that amounts claimed and articles delivered comply therewith; that the amounts of any refunds to claimants indicated herein were received from such claimants by the herein named agency in excess of that legally due it under the law, or are otherwise lawfully due such claimants; that all of the expenditures herein set forth are in accordance with the current budget allotments and provisions as approved by the Budget Division of the State Department of Finance, and that none of the expenditures are in excess thereof; that there has been full compliance with all provisions or restrictions in the budget act or any other appropriation relating to expenditures herein; that the claimants named herein are each entitled to the amount specified opposite their respective names and actually have been paid or will be paid as allowed when warrant is received from the State Controller; that I have not violated any of the provisions of Sections 1090 to 1096, inclusive, of the Government Code, in incurring the items of expense mentioned in the attached claim, or in any other way; that any disaster service worker for whom compensation or reimbursement for expenses incurred is claimed herein has, if required by law, taken, subscribed, and filed the oath set forth in Section 3103 of the Government Code."

SIGNED	TITLE	DATE
APPROVED (if required)	CONTACT TELEPHONE (Optional)	

(Do not write in this space)

DATE FILED

SCHEDULE NUMBER	
AUDIT CODE	SCH. TYPE
PRINT WARRANT DATE	
ISSUE WARR. DATE (REQUEST)	

DATE ISSUED (ACTUAL)

CONTROLLER'S WARRANT NUMBER

SIGN	CALC.
PURCH.	CONTR.

CORRECTIONS ENTERED

AUDITED	APPR. PAY.
FIN. BAL. OK	WARR. OK

REPORTABLE PAYMENTS PER S.A.M. 9422-169

NUMBER	AMOUNT
\$	\$
TOTAL SUBJECT TO USE TAX	\$

CLAIMS PROCESS OVERVIEW

- Paper claims are entered into the CATS tracking system
 - **Starts 15 calendar day count (Prompt Payment Act)**
- Claim schedules are distributed among audit units
- Pre-payment audits are performed on paper claims submitted for payment
- Claim is released in the CATS tracking system from Claim Audits
- Claim physically leaves Audits and progresses to the next step in the payment process

Audit of Claim Schedules

■ **Claims are audited for.....**

Legality and Validity

Is the payment an appropriate payment?

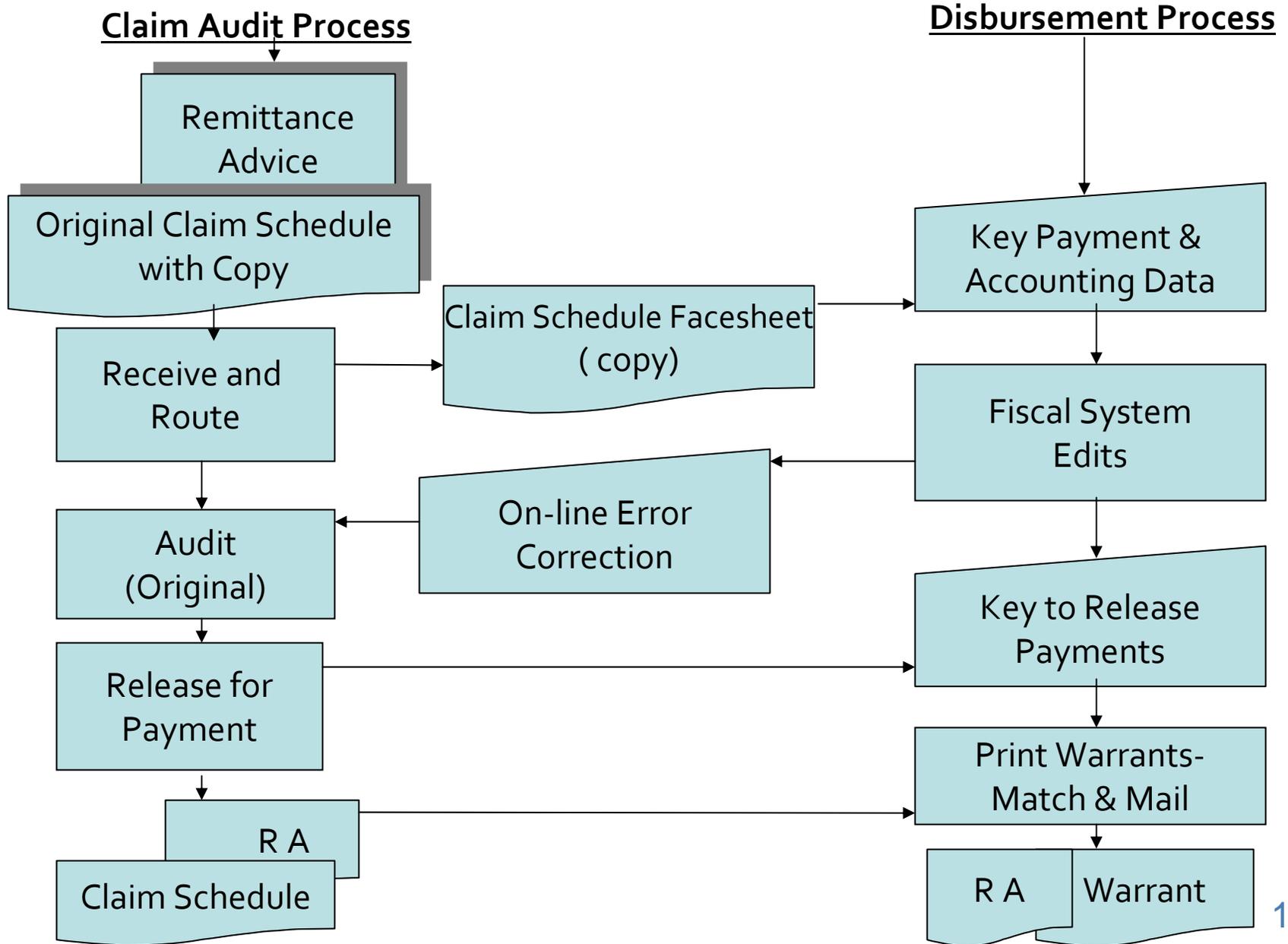
Examples of Audit Attributes We Look At

- Purchase Authority
- Original Invoice
- Detail/Itemization on Original Invoice
- Invoice Shows “Paid”*
- Proper Approvals
- Accuracy of Math Calculations

Examples of Purchase Authority

- Annual State Budget Act
- Delegated Authority
- Legislative Authority
- Contractual Authority
- State Constitution
- Government Codes
- DPA Regulations
- SAM
- Victims Compensation & Government Claims Board
- Statutes
- California Code of Regulations (CCR's)
- Legal opinions
- Memorandum of Understanding (MOU's)
- DGS Procurement

Claim Audits-Payment Process



TC-48's

Revolving Fund Reimbursements

- **Must use approved TC-48 form**
(Copy has been provided in the handouts)

Since reimbursements (warrants and journal entries) are not direct vendor payments, they DO NOT fall under the Prompt Payment Act

...However...

SCO still processes in a timely manner

PAYABLE FROM	FUND	SUB	FUND NAME								
	AGENCY NUMBER		AGENCY NAME								
APPROPRIATION	STAT. YR.	METH	REFERENCE ITEM	SEC.	FFY	CHAPTER	STATUTES				
	PURPOSE										
FED. CATALOG NUMBER	SCO PROJ.	CATEGORY	PGM	ELE.	COMP	TASK	GENERAL LEDGER	EMERGENCY COLLECT	R/S	AMOUNT	DESCRIPTION

DATE FILLED

SCHEDULE NUMBER	
AUDIT CODE	SCH. TYPE

AGENCY CHECKING ACCOUNT NUMBER

INFORMATION	AMOUNT
REPLENISHMENT CLAIM REVOLVING FUNDS CHECKS ISSUED	
TOTAL OF SCHEDULE	

TRANSACTION DATE

SIGN	CALL
PURCH	CONF

I hereby certify under penalty of perjury as follows:
 That I am a duly appointed, qualified, and acting officer of the herein named state agency, department, board, commission, office, or institution. That the within claim is in all respects true, correct, and in accordance with law. That the services mentioned herein were actually rendered and supplies delivered to the state agency in accordance with the contract and law. That authorizations for purchases have been duly obtained wherever required and that amounts claimed and articles delivered comply therewith. That the amounts of any refunds to claimants indicated herein were received from such claimants by the herein named agency in excess of that legally due it under the law, or are otherwise lawfully due such claimants. That all of the expenditures herein set forth are in accordance with the current budget allotments and provisions as approved by the Budget Division of the State Department of Finance, and that none of the expenditures are in excess thereof. That there has been full compliance with all provisions or restrictions in the budget act or any other appropriation relating to expenditures herein. That the claimants named herein are each entitled to the amount specified opposite their respective names and actually have been paid or will be paid as allowed when warrant is received from the State Controller. That I have not violated any of the provisions of Sections 1090 to 1096, inclusive, Government Code, in incurring the items of expense mentioned in the attached claim, or in any other way. That any disaster service worker for whom compensation or reimbursement for expenses incurred is claimed herein has, if required by law, taken, subscribed, and filed the oath set forth in Section 3103 of the Government Code.

CORRECTIONS ENTERED	
AUDITED	APPR. PAY.
FINAL OK	

SIGNED	TITLE	DATE SIGNED
APPROVED (if required)		

Std. 219TT

**Also Known
As A
"TC-48"**

**(Available on DGS
Website)**

State Controller

And Yes....

We do audit the TC-48's!

Expedite Fees

Service Level Descriptions

- **\$75 per Payee (SAME DAY):**

Warrant(s) issued and released the same day as claim schedule received by SCO.

Claim schedule must be received by the SCO by **11:00 a.m.** Claim Schedule to contain **no more than 3 payees**. Should Agency request a warrant be issued and released on the same day, regardless of the date the claim schedule is received, the same day expedite service fee will apply.

Expedite Fees

Service Level Descriptions Cont.

- ***\$50 per Payee* (NEXT BUSINESS DAY):***

Warrant(s) released the **next business day** after the claim schedule is received by SCO.

Claim schedule must be received by the SCO by **11:00 a.m.** Requests received after **11:00 a.m.** will be charged the rate of **\$75** as specified above. Claim schedule to contain **no more than 3 payees.**

Expedite Fees

Service Level Descriptions Cont.

- ***\$25 per Payee* (SECOND BUSINESS DAY):***
Warrant(s) released the **second business day** after the claim schedule is received by SCO.

Claim schedule must be received by the SCO by **11:00 a.m.** Requests received after **11:00 a.m.** will be charged the rate of **\$50** specified on previous slide

Expedite Fees

Service Level Descriptions Cont.

- **\$15 per Payee* (THIRD BUSINESS DAY):**
Warrant(s) released the **third business day** after the claim schedule is received by SCO..

Claim schedule must be received by the SCO by **11:00 a.m.** Requests received after **11:00 a.m.** will be charged the rate of **\$25** specified on previous slide

Expedite Fees

Service Level Descriptions Cont.

- **\$10 per Payee* (Specific Business Date):**

Warrant(s) released on a specific business date which is 4 or more business days after the date the claim schedule is received by the SCO.

Claim schedule must be received by the SCO by **11:00 a.m.** If the claim schedule is received after **11:00 a.m.** and the requested release date is the 4th business day, the agency will be charged the rate of **\$15** specified above. If the claim schedule is received after **11:00 a.m.** and the requested release date is 5 or more business days, the agency will be charged the rate of **\$10.**

Expedite Fees : SPECIAL NOTES

1. When claim schedule(s) are received after **11:00 a.m.**, warrants are processed as indicated on the Expedite Tag. However, the fees are bumped upward and the agency is actually charged for the next higher level of service.
2. Claim Schedules with an **“Approved”** attached listing will be charged as a single payee

Expedite Fees

Terminology/Clarification

- **Issue Date:** refers to the date printed on the front of the warrant.
- **Release Date:** refers to the date the warrant is available for distribution (e.g., mailing or pick up).
- Other than same day warrants, the SCO issues warrants one business day prior to the requested “**Release Date**”.
- The Agency will be charged expedite fees based upon the warrant “**Release Date**” in accordance with the expedite service fees/levels as previously noted.

Special Situations?
Specific Questions?

...Call us...
We are here to help!

Contact Numbers

Claims Inquiry: 916-445-3060

OR

**Claim Auditor Assigned to
your Agency**

Travel (TEC) Issues

➤ General

- Social Security Numbers
- Addresses
- Approved Forms
- Alterations (White Out)

Travel (TEC) Issues

- **Airport parking**
 - Economy Lot

Travel (TEC) Issues

- Meals
 - Provided by Hotel

Travel (TEC) Issues

➤ Lodging

- Excess Lodging

Travel (TEC) Issues

➤ **Car Rental Issues**

- Refueling
- Upgrades

Questions

???