

SAM - DISBURSEMENTS

REMITTANCE ADVICE

8422.3

(Revised 8/2014)

A Remittance Advice, Std. [Form 404C](#) or other approved remittance advice, will be prepared for each payee listed on a claim schedule.

The original copy of the remittance advice will be placed in a Remittance Advice Envelope, Std. Form 403 (See SAM section 8422.4), separated and in the same order as listed on the claim schedule. The duplicate copy will be filed in the department's accounting office alphabetically by claimant's name. The vendor/payee's correct name and address will be clearly printed on each remittance advice in a position to permit the information to appear through the window envelope in which the warrant is mailed. In addition, the following information will be entered on the remittance advice form: (1) department name and organization code, (2) claim schedule number, (3) invoice date, (4) invoice number (purchase order number or contract number if invoice is unnumbered), (5) invoice amount, and (6) total payment amount. Departments should use the vendor/payee's name consistently on the claim schedule and remittance advice for each and every payment. Departments should enter their address below their name so inquiries can be directed to them more quickly.

Only when the payment is considered reportable (see SAM section 8422.19) will the three boxes at the bottom of the form be completed. Warrant numbers will not be shown on any copies of the remittance advice form. Reference to individual invoice dates, numbers, and amounts, items (3), (4), and (5) above may be omitted where some other means of notifying the vendor is provided.

The original remittance advice and the applicable warrant will be mailed to the vendor/payee by the State Controller's Office (SCO). Remittance advice will provide for delivery of warrants to a department or department employees only when the department is the vendor/payee. (See SAM section 8422.6.) The remittance advice will provide the payee with an identification of the payment. The SCO will send a Controller's Notice of Claim Paid, Form CD-102, to the department for every claim schedule for which warrants were drawn.

Enclosures attached to remittance advices are to be kept to a minimum and when necessary, will be folded to warrant size, (7 x 3 1/2 inches), and securely stapled behind the remittance advice form. Material that cannot be folded to warrant size will be mailed separately by the department. Special arrangements must be made with SCO for continuing or large-scale problems. Normally, invoices will be adequately identified on the remittance advice and invoices with request asking their return will be ignored. The exception to this rule concerns vendor requests for the return of invoice stubs so they can serve as machine-readable input to an automated data processing system. Such items will be returned and the related remittance advice usually need not list the invoices or show any other detailed information.

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(Continued)

REMITTANCE ADVICE

8422.3 (Cont. 1)

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A remittance advice addressed to payees outside the United States, Canada, or Mexico will be stamped on their face, in red ink, the words "FOREIGN MAIL." The bottom line of the address must show only the name of the country, written in full, and in capital letters. For example:

Mr. John Smith
123 Russell Drive
London W1p6HQ
ENGLAND

Or

Ms. J. Smith
Apartado 3068
46807 Puerto Vallarta
Jalisco,
MEXICO

In the case of split payments, one part done by SCO's warrant and another part by the department's check, departments will:

1. Clip the check to the back of the remittance advice accompanying the claim schedule. The check will be mailed with the warrant by SCO.

OR

2. The department will mail the check to the payee with an explanation that the balance paid by the warrant is being or has been transmitted separately. The remittance advice accompanying such check will be cross-referenced to the partial payment by warrant. The remittance advice to accompany the warrant will indicate that partial payment has been or will be made by check.

When it is necessary or desirable to notify the payee of a correction in the amount being paid, departments will prepare a Notice of Correction of Invoice, [Std. Form 107](#), in duplicate. The original of this form will be stapled to the back of the original copy of the remittance advice.

Departments that wish to use a customized remittance advice form instead of a [Std. Form 404C](#), or other approved remittance advice, must have their customized form design reviewed and approved by SCO before they are used. The size of the customized remittance advice must be 7 x 3 1/2 inches. The paper used must be of a 24 pound weight.