

<b>I. FISCAL SECTION</b>
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<b>100. Reimbursement Process</b>
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### **101. General Information**

The following process applies to *Network* for a Healthy California (*Network*) contractors seeking reimbursement under a State *Network* contract. A contract must be fully executed before invoices can be processed. Prompt and consistent reporting helps to insure that a contractor will not experience a delay in payment. Contractors must provide the assigned Contract Manager (CM) with all payment process information detailed in this Guidelines Manual to ensure timely reimbursement. Monies not spent at the end of the contract term (September 30, 2012) are considered to be forfeited by the contractor.

### **102. Network Invoices**

The [invoice](#) must be based on actual expenses incurred within the quarter specified on the submitted document and must be based on the contractor's approved Budget Justification. Expenses claimed for activities must be substantiated by supporting documentation as described in Fiscal Section 200, Fiscal Documentation/Record Keeping. The State *Network* requires that supporting documentation be kept on file for a period of three years after the end of the contract term and submitted for review upon request. Payment of invoices is contingent upon compliance with these documentation requirements. Because *Network* contracts are cost reimbursement contracts, under no circumstances will USDA allow the State *Network* to approve reimbursement prospectively.

As part of the USDA Education and Administrative Reporting System (EARS) reporting, contractors are also required complete an [EARS Supplemental Invoice Form](#). This form distinguishes administrative versus direct delivery costs. Contractors are encouraged to work with their assigned CM if they need assistance with this form.

### **103. Invoices with Subcontract Expenses**

When an [invoice](#) contains expenses related to a subcontract agreement that exceeds \$5,000, the State *Network* must review the agreement **before** reimbursement of those expenses can be made. If the agreement has not been approved prior to expenses being claimed, the State

Network may withhold payment of the invoice subcontract line item amount until a copy of the agreement is received and approved.

#### 104. Invoices with Equipment Expenses

When an invoice contains expenses in the equipment line item, a [Contractor Equipment Purchased with CDPH Funds Form](#), must be submitted to the CM in order for the invoice to be processed. If the form has not been submitted, invoice processing will be delayed.

Please see Fiscal Section 400 Equipment Purchases for additional information about reimbursements for computers and mobile device equipment.

#### 105. Invoice Due Dates

Following are due dates for submitting invoices:

<u>Quarter</u>	<u>Invoices (Quarterly)*</u>			<u>Due Date</u>
	<u>Period</u>			
1 <sup>st</sup>	October 1 <sup>st</sup>	through	December 31 <sup>st</sup>	January 31, 2012
2 <sup>nd</sup>	January 1 <sup>st</sup>	through	March 31 <sup>st</sup>	April 30, 2012
3 <sup>rd</sup>	April 1 <sup>st</sup>	through	June 30 <sup>th</sup>	July 31, 2012
4 <sup>th</sup>	July 1 <sup>st</sup>	through	September 30 <sup>th</sup>	December 30, 2012

\*Invoices submitted on a monthly basis are due 30 days after the end of the reporting period with the exception of the final invoice for the budget year which is due 90 days after the end of the reporting period.

#### 106. Mailing Documents

When mailing invoices, and all other contract-related materials, please use one of the following addresses below

*(Please Note: Regular mail can take up to two weeks for delivery)*

If sending regular mail:

(Assigned CM's Name here)  
California Department of Public Health  
*Network for a Healthy California*  
Mail Station 7204  
P.O. Box 997377, Suite 74.516  
Sacramento, CA 95899-7377

If sending overnight mail:

(Assigned CM's Name here)  
California Department of Public Health  
*Network for a Healthy California*  
1616 Capitol Avenue, MS-7204  
Sacramento, CA 95814

## 107. Payment Time Frames

The State *Network* strives to process invoices in an expeditious manner. In anticipation of inherent delays in the California Department of Public Health's (CDPH) Accounting Section and the State Controller's Office (SCO), staff attempt to review, approve and forward an invoice to Accounting for payment within 5-10 working days from receipt (10-20 days for the final invoice for the contract term).

If there are problems with the invoice, State *Network* staff will contact the contractor either by telephone or in writing during this period. The Accounting Section processes an invoice into a payment schedule within approximately 25-30 calendar days. The payment schedule is sent to SCO where a payment warrant (check) is prepared and generally mailed within 15 calendar days. Total invoice processing time can take approximately 45-60 days. All invoices are processed on a first-come, first served basis.

## 108. Supplemental Documents

Supplemental Invoices are necessary when expenses incurred during a given quarter were not included on a previously submitted invoice. For example, in January, a contractor incurred an additional \$150 in operating expenses during October that was not included on the first quarter invoice previously submitted. These additional operating expenses should not be included in the second quarter invoice. Contractors **must** submit a Supplemental Invoice claiming **only the additional expense** and clearly label the invoice as "Supplemental" in the heading next to the invoice period. Cumulative expenses on Supplemental Invoices should include all expenses incurred on all prior invoices submitted to-date.

The contractor must also submit a written justification to accompany the supplemental invoice(s) and shall submit the documents to the CM for approval. The supplemental invoice(s) cannot exceed 20% of the total contract amount for the fiscal year in which the supplemental invoice(s) is submitted. Supplemental invoices for the first, second, and third quarter are due no later than 90 days after the end of each quarter. A supplemental invoice for the fourth quarter is due no later than 120 days after the end of the fourth quarter.

If you are seeking an exception to these requirements, you must send a written request to the CM and provide justification that explains the circumstances surrounding your inability to meet these requirements. Exceptions may only be granted after State *Network* management has reviewed the request and has made a determination.

## 109. Invoice Processing Guidelines

Contractors can help prevent delays in invoice processing by following these guidelines:

1. If in doubt, contractors should contact the assigned CM regarding questions or potential problems **before** submitting an invoice. This will help prevent errors and delays in processing and payment.
2. The invoice must have **original** signatures using a pen color other than black ink. Do not use black ink to sign the documents because black ink often resembles a photocopied signature. An invoice signed in black ink may be rejected for payment.
3. Do not use whiteout or correction tape. An invoice containing correction tape or whiteout may be rejected for payment. To correct errors, draw a line through the incorrect amount or information (e.g., address), initial each change and enter the correct amount or information next to it. Corrections that increase the invoice total are not allowable. You must submit a new invoice for such corrections.

## 110. Final Invoice

The State *Network* will withhold payment of the contractor's last quarter invoice for the contract period (i.e., July 1, 2012 through September 30, 2012) until the final comprehensive Progress Report and other contract deliverables have been received and approved by the Program Manager (PM).

Final invoices should be submitted for payment no more than 90 calendar days following the 4<sup>th</sup> quarter reporting period or the contract expiration/termination date unless the contractor has obtained prior written approval from the *Network* for an alternate deadline date. The State *Network* reserves the right not to honor final invoice payment if these guidelines are not adhered to.

The following two forms should be included with the final invoice:

- [Inventory/Disposition of DHS-Funded Equipment](#)
- [Contractor's Release Form](#)

A final invoice may or may not be the last quarter invoice. For example, a final invoice may be a supplemental invoice that captures expenses that were not included in invoices from prior quarters. Remember to mark the final invoice with an "X" next to "Check for Final Invoice Contract Term" on the top of the invoice form.

## 111. Contractor's Release Form

In accordance with the contract terms and conditions, contractors are required to submit a [Contractor's Release Form](#) to the State *Network* with the final invoice. This form serves as the contractor's acknowledgment that final payment has been requested. An original and two copies of the form must be submitted.

## **112. Address Changes**

Contractors are required to submit written notification to the State *Network* of any changes in the organization's address. Contractors should submit a revised [Contractor Information Form](#) to the assigned CM to ensure that the *Network* database has the correct contract information.

Please update for:

1. Change of Address and Phone Number.
2. Change of Project Coordinator or Primary Contact Staff.
3. Change of Fiscal Staff.
4. Change of Email Address.
5. Change of Contract Signatory.