



Local Programs Procedures

LPP 94-05 Revised Invoice Payment Process

Reference: Local Programs Manual, Volume I, Section 20 and
State/Local Transportation Partnership Program Projects
Guidelines

Effective Date: March 31, 1994

Approved: _____
Chief, Office of Local Programs

This procedure provides agencies with an expedited process for reimbursement of expenditures on all locally- or other-agency-administered projects. This revision will be incorporated into the Local Programs Manual during the next update.

EXISTING PROCEDURES

Section 20, page I-20-1, of the Local Programs Manual Volume 1 states:

"Local agency invoices for reimbursement of participating project costs are routinely processed for payment within 30 calendar days from the date that the invoice is received at headquarters provided that (1) the Federal-aid Project Agreement (PR-2) has been executed and (2) the invoice submitted contains the required information and is approved by the designated authorities. Original copy of invoice shall contain approval signatures from responsible person in the various units, i.e., Right of Way, Construction, Local Streets and Roads".

In compliance with Assembly Bill No. 3289, Chapter 535, both progress and final invoices of the Flexible Congestion Relief Program (FCR) are under expedited payment process for reimbursement.

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NEW PROCEDURES

The following procedures are now in effect to expedite progress payments.

A. Participation Requirements

1. The agency must have an executed Program Supplement with the Department of Transportation before any invoice can be processed.
2. An agency will lose the privilege of using the revised invoice payment process if there are more than three progress payment invoices received from that agency which require adjustment during a 12-month period, or if that agency fails to pay Caltrans' accounts receivable invoice for disputed charges within 30 days from the date of invoice.

B. Invoice

1. The agency shall bill the State by using the proper invoice form. The agency representative shall certify that the claimed expenses have been incurred.
2. An original invoice, three (3) copies of the invoice, and one copy of back-up information for progress invoices will be sent by the agency to:

Department of Transportation
Division of Accounting
Local Programs Accounting Branch
P. O. Box 942874
Sacramento, CA 94274-0001

3. One additional copy of the invoice with back-up information attached will be sent to the Caltrans District Local Assistance Engineer (or the appropriate Caltrans authority) for review.
4. Agencies shall use the "Revised Invoice Formats" as shown in the memo from Local Programs Accounting (LPA), dated March 15, 1990 (Attachment A).

Exception: For State/Local Transportation Partnership Program Projects (SLTPP), agencies shall use the Invoice form in Attachment B for Cycles 1 or 2, and Attachment C for Cycle 3 and subsequent cycles to invoice the State.

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5. Invoices must be submitted on local agency letterhead and include the following:

- a. Local Agency/State agreement and supplement numbers
- b. Project number
- c. Progress billing and/or invoice number
- d. Reimbursement ratio
- e. Cost breakdown by phase of work, i.e., P.E., C.E., construction, etc., as follows:
 - 1) Total cost to date
 - 2) Retention withheld
 - 3) Liquidated damages
 - 4) Nonparticipating or ineligible cost to date
 - 5) Participating costs on previous invoice
 - 6) Amount of current claim
 - 7) Invoice total
- f. Signature of local agency representative

C. Payment Process

Progress Payment

Caltrans' LPA Branch will date stamp the monthly progress payment invoices immediately upon receipt from the local agency and enter them into their Invoice Tracking System.

Progress payment invoices will be reviewed for accuracy, batched, and forwarded to the Accounts Payable Unit by LPA for claim scheduling prior to approval by the District Local Assistance Engineer (or the appropriate Caltrans authority).

When the Accounts Payable Unit receives the invoices they will submit a claim schedule to the State Controller's Office for payment.

The State Controller will issue a warrant to the agency within 20 calendar days. The warrant will be sent through the US mail.

Progress billings shall be based on participating project costs of completed work.

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Exception: SLTPP projects involving less than \$300,000 State funds will receive the full State share of funding at the time of contract award. This lump sum payment is considered a "grant," and will be reimbursed regardless of final cost.

SLTPP projects involving more than \$300,000 in State funds can be reimbursed at 100% of incurred cost for any remaining State share, subsequent progress billings will be reimbursed at 100% until the total State share is fully reimbursed.

District Review of Invoices

The Caltrans District Local Assistance Engineer (or the appropriate Caltrans authority) will review their copy of the invoice while the original invoice is being processed for payment. The Caltrans District Local Assistance Engineer (or the appropriate Caltrans authority) will either concur with the amount claimed on the invoice or request an adjustment be made on a subsequent invoice. If an adjustment is to be made, the Caltrans District Local Assistance Engineer (or the appropriate Caltrans authority) shall inform the agency. The Caltrans District Local Assistance Engineer (or the appropriate Caltrans authority) shall certify that the invoice has been verified by signing it at the bottom, initialing any changes, and faxing it to LPA Branch within 21 calendar days after receipt from the local agency.

Upon receipt of the certified invoice from the Caltrans District Local Assistance Engineer (or the appropriate Caltrans authority), LPA will cross-reference it to the original invoice and make appropriate adjustments if necessary.

Should the Caltrans District Local Assistance Engineer (or the appropriate Caltrans authority) fail to send certification within 21 days, LPA will notify the Office of Local Programs. The Office of Local Programs will contact the Caltrans District Local Assistance Engineer (or the appropriate Caltrans authority) to correct the situation.

Final Invoice

LPA will not send the final invoice to the Accounts Payable Unit until after the original of the final invoice, approved for payment, is received by LPA from the Caltrans District Local Assistance Engineer (or the appropriate Caltrans authority).

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The Caltrans District Local Assistance Engineer (or the appropriate Caltrans authority) should send an approved copy of final invoice to LPA directly and one copy of the invoice with back-up information to the Office of Local Programs. The invoice must be signed by the District Local Assistance Engineer (or the appropriate Caltrans authority) approving it for payment. Because of this step, processing time for final invoices will be longer than for progress payments.

Final and/or one-time payment invoices shall continue to be approved by the Caltrans District Local Assistance Engineer (or the appropriate Caltrans authority) before a warrant will be issued.

Exception: For Flexible Congestion Relief (FCR) projects, both progress and final payment invoices will be reviewed for accuracy, batched, and forwarded to the Accounts Payable Unit by Local Programs Accounting for claim scheduling prior to approval by the District Local Assistance Engineer (or the appropriate Caltrans authority).

Attachments