

## Invoicing Guide for Vendors/Suppliers (Updated on 7/6/2016)

Because a clear and complete invoice helps to ensure timely payment, we have included tips and information to answer some of the practical questions that vendor/supplier might have about the invoice and what happens once it has been dispatched to Department of General Services (DGS).

### Important Things to Remember

While we cannot process payment without a properly prepared invoice, generating an invoice is the sole responsibility of the vendor/supplier. DGS employees are never to create or edit an invoice on behalf of the vendor/supplier. This is an important segregation of function and audit compliance issue. It is important that DGS maintain a certain professional distance with the vendor/supplier community.

The Net45 payment term applies to all businesses including certified Small/DVBE/Micro businesses, except on construction contract (Net30) or when payment term is specified on the procurement document.

Invoices must contain complete information. Vendors/suppliers must provide the detail on their invoice for DGS Office of Fiscal Services (OFS) to effectively process the invoice for payment. The details required are indicated on the pages to follow.

Invoices must include a purchase order (as known as Agency Order number)/contract number. When the order is placed by the DGS Offices and the vendor/supplier is given a procurement document (purchase order/contract), it is important that the PO number be included on each invoice and any related document. This is especially important for helping us to identify the invoice approver in such a larger department that has many office locations.

Invoices must include vendor/supplier contact information, so we can contact the proper person on a timely manner in case of questions.

DGS is unable to accept the following documents as “invoices”:

- Email conversations notes
- Written conversations renderings
- Drawings and technical specifications sales orders
- Statements of account (except on billing utility company or financial institution)
- Third party invoices Work orders

### How to Send Your Invoice

DGS accepts invoices from vendors in the usual variety of ways – mail, fax or electronic. While DGS will continue to accept paper copy invoices, we would like to encourage our vendors to consider submit invoices electronically in PDF format to one of our email addresses listed on the chart below.

They are set up specifically for invoice submittal. It helps speed up the payment process significantly, cuts costs, and reduces lost/misrouted mails. Please only submit invoice once, multiple submittals on the same invoice will cause payment delay.

## Where to Send your Invoice

By Mail: Department of General Services  
Office of Fiscal Services – PSAS  
707 3<sup>rd</sup> Street, MS 413  
West Sacramento, CA 95605

Or

To the billing to address specify in purchase order/contract.

By Fax: (916) 376-6209

By Email: Please include the office name that you are billing for, the word “Invoice”, and the PO/contract number on the email subject line, e.g. OSP Invoice – PO 3184567. One email may contain multiple invoices, one invoice per PDF file.

DGS Offices	Email Address Use
Building and Property MGMT (BPM)	<a href="mailto:OFSPProgramSupportAcctgBPMAP@dgs.ca.gov">OFSPProgramSupportAcctgBPMAP@dgs.ca.gov</a>
Direct Construction Unit (DCU)	<a href="mailto:OFSPProgramSupportAcctgDCUAP@dgs.ca.gov">OFSPProgramSupportAcctgDCUAP@dgs.ca.gov</a>
Office of Administrative Hearing (OAH)	<a href="mailto:OAHInvoices@dgs.ca.gov">OAHInvoices@dgs.ca.gov</a>
Office of Fleet and Asset Management (OFAM)	<a href="mailto:DGSFleetinvoices@dgs.ca.gov">DGSFleetinvoices@dgs.ca.gov</a>
Office of State Publishing (OSP)	<a href="mailto:OFSPProgramSupportAcctgOSPAP@dgs.ca.gov">OFSPProgramSupportAcctgOSPAP@dgs.ca.gov</a>
RESD Projects Related (RESD-ARF)	<a href="mailto:OFSPProgramSupportAcctgPMDBAP@dgs.ca.gov">OFSPProgramSupportAcctgPMDBAP@dgs.ca.gov</a>
All Other DGS offices not listed above	<a href="mailto:OFSPProgramSupportAcctgAP@dgs.ca.gov">OFSPProgramSupportAcctgAP@dgs.ca.gov</a>

**DON'Ts:** Please don't submit invoices to the buyers at DGS. DGS buyers do not handle payment and may not aware of the process; nor submit invoices to staff email address. It may delay on the receipt date when staff is absent.

## When to Submit an Invoice

The invoice should be sent together in conjunction with, or after the delivery of the goods or on completion of services performed. We allow partial billings on purchases and may be on services based on the billing instruction listed on the exhibits.

## Required Invoice Information

- One invoice per purchase order/contract
- DGS or DGS offices is being invoiced
- Complete invoice with all necessary backup
- Invoice number and date
- Remittance address
- Purchase order number as known as Agency order number, or contract number (if applicable)
- Service date & location
- Description and itemize of the goods you have supplied, quantity, unit of measure, price per unit and total amount for individual items. Include part numbers, stock numbers, etc for merchandise. In the case of services, a brief scope of work and amount for individual services, hours worked, rate per hour, etc.
- Total amount of all individual items, a tax amount & rate, and total after tax on separate lines.
- Shipping/freight charge (if applicable).
- Bill of Lading must be provided on charge \$50 and over. Invoice submitted without the Bill of Lading will be disputed.
- Project name & number (if applicable)
- Vendor contact information

## Invoice formats

Vendors need to be mindful that paper invoices must comply with some legal and quality requirements to guarantee that they meet the criteria for payment. We scan all the paper-based invoices we receive, so that they can be processed as an electronic image. Paper quality is therefore a very important factor that affects the scanning process. If an invoice is received with poor paper quality, it impacts on the success of the scanning process, which can then affect timely payment. For instance, bright colored backgrounds or fonts, unclear information or even handwritten numbers or dates on invoices are elements that can diminish scan quality. The preferred perfect format for the scanning process is a black and white invoice.

## Additional tips

- Invoices sent on regular bond paper are easier to scan than invoices on thin or thick paper
- Small size fonts or handwritten information are difficult to read compared with regular size font
- Staples in the envelopes in which the invoices are delivered may damage the invoice paper
- The use of highlighter pen on any important data on the invoice may cause a shadowy effect on the image.

- We only need to scan the original invoice, copies of the same invoice may cause confusion when the documents are sorted and grouped.
- Since DGS is going paperless, vendors no longer required to submit three sets of invoice.

## What Happens When Your Invoice Arrives at DGS?

Once received at DGS, paper and fax invoices will be sorted by DGS offices and distributed to payment staff in PSAS according to the office assigned. This is why the PO number on the invoice and 'Bill to Address' is vital to an effective sorting process and why vendors need to include the PO/contract number on the invoice. A properly prepared invoice can reduce any delays that could affect the invoice payment process.

## When the payment clock starts and ends?

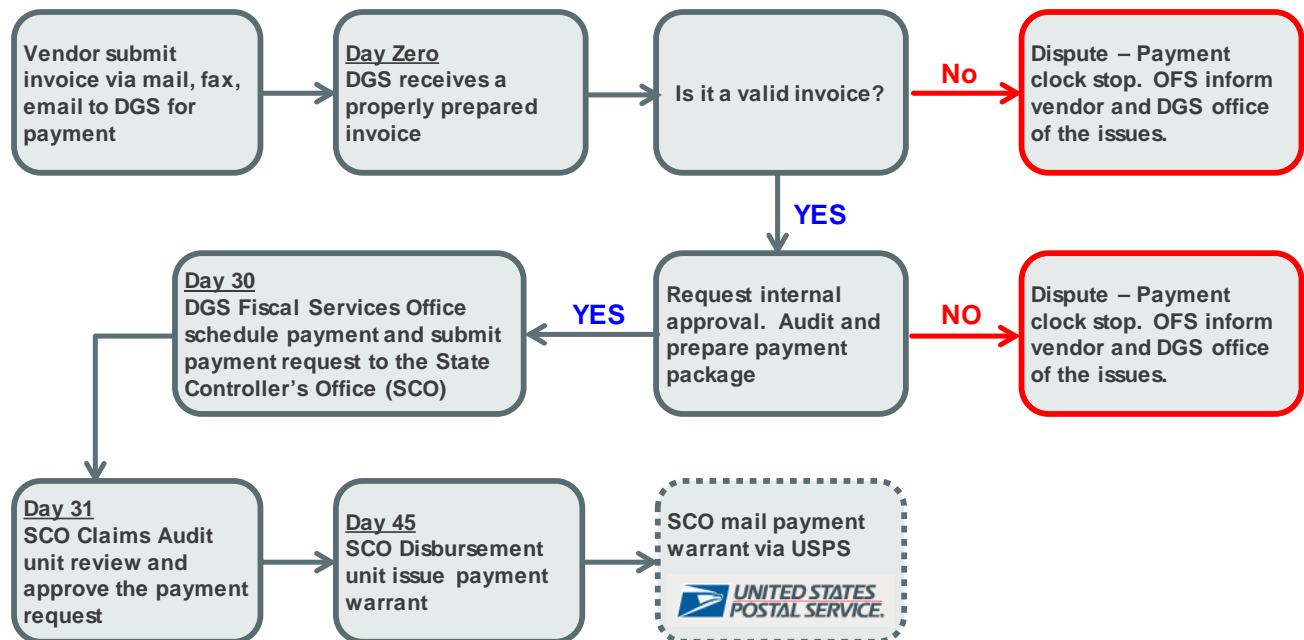
Day Zero - The date of receipt of an undisputed invoice by department personnel [GC 927 & 927.4]

End - The date warrant is issued. On disputed invoices, the payment clock stop on the day of the dispute is being issued, and resume on the day that PSAS is being notified on dispute is being resolved.

## Incorrect Invoices and Disputes

Any invoices with incorrect or missing information will be returned to the vendor with a dispute notice that explains why the invoice cannot be processed. This contributes to streamlining the invoice verification and payment process to benefit DGS vendors.

## Invoice Workflow



## **When do penalties begin accruing? Is there a minimum penalty payment?**

Penalties begin on the day after payment due date per contract. If no payment term stated in contract, penalties begin on the 46th day after receipt of invoice. State agencies make no penalty payment if the amount of the penalty is \$10.00 or less [GC 927.6(a)] on certified businesses; \$100.00 or less [GC 927.6(b)] on all other businesses.

## **How to Inquire Payment Status and When to Contact?**

We understand how important for vendors to get pay on time; however, we may not have the payment information available if vendors contact us too soon. The earliest time we can locate payment information in the system is 30 days after the receipt date. For invoice payment inquiries, general accounts payable questions and concerns, please contact us:

By E-mail: [OFSPSASPaymentInquiries@dgs.ca.gov](mailto:OFSPSASPaymentInquiries@dgs.ca.gov)

By Phone: 1(866) 767-5956

Be sure to allow sufficient time for a payment to be received. The date of a payment is the date that the State Controller's Office (SCO) prints the payment warrant. SCO mails the warrant on the same day or the next business day. It may also take several days for the mail to arrive.

If a payment warrant has been generated for three weeks but not received, payee should reach out to us. We will request the check status and copy of a cashed check from SCO. It is important to confirm the "Remit to Address" to ensure that the payment is being mailed to the correct address, or to determine if a modification to the address is required. If the address is incorrect, OFS can request that the check be reissued, or request the check be reissued once an address has been updated.

## **How to Update Remittance Address?**

It is important to keep your address up to date. Please notify us the change of address right after the move, or in advance with the start date. If you have pending payment, please let us know to check the payment status. We accept business correspondence via mail or email. Vendors may be asked to complete the STD204 Payee Data Record form base on the Vendor ID status in our system.

If you prefer a remittance address different from your tax-reporting address, please complete the STD204 and specify the remittance address that DGS will use for your company.

## **How to Update Your Business Name?**

Please notify us the change of business name right away, or in advance with the start date. If you have pending payment, please let us know to check the payment status. We accept business correspondence via mail or email. Please also complete the STD204 Payee Data Record form.

## Where to Send the Change Request?

By Mail: Department of General Services  
Office of Fiscal Services – PSAS  
707 3<sup>rd</sup> Street, MS 413  
West Sacramento, CA 95605

By Email: [OFSPASPaymentInquiries@dgs.ca.gov](mailto:OFSPASPaymentInquiries@dgs.ca.gov)

Office of Fiscal Services Disbursement Unit handles the changes.