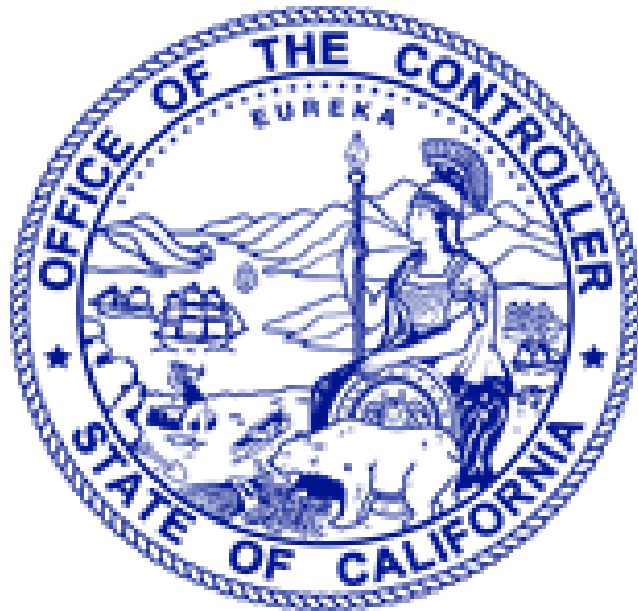


Electronic Claim Submission Requirements



State Controller's Office
Division of Audits

State Controller

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The following documents can be accessed on the State Controller’s Office website at https://www.sco.ca.gov/sco_elec_claim_submission_reqts_manual.html:

- Warrant EBCDIC File Record Layout
- Warrant ASCII File Record Layout
- Electronic Fund Transfer EBCDIC File Record Layout (Mainframe environment – packed fields available)
- Electronic Fund Transfer ASCII File Record Layout (PC environment – no packed fields)
- Data Exchange File EBCDIC and ASCII File Record Layouts
- Data Element Description for Warrant EBCDIC File Record Layout
- Data Element Description for Warrant ASCII File Record Layout
- Data Element Description for Electronic Fund Transfer EBCDIC File Record Layout
- Data Element Description for Electronic Fund Transfer ASCII File Record Layout

INTRODUCTION

This manual provides agencies with the information necessary to request electronic claim processing. Automating an agency's claim payment process increases efficiency and results in a quicker turn-around time for payments.

Various divisions within the State Controller's Office (SCO) are involved in the electronic claim process.

Division of Audits

The Electronic Data Processing Audits Bureau has these responsibilities:

- Auditing claims submitted electronically to ensure the legality and propriety of payments.
- Reviewing electronic payment systems of submitting agencies, and re-evaluating system enhancements and modifications. Performing post-payment reviews.
- Determining whether the agency is eligible to submit claims electronically.
- Gaining knowledge and understanding of the agency's system.
- Determining the degree of risk associated with the agency's internal control structure.
- Determining the audit information needed from the agency to support the payment request.
- Determining whether the agency's electronic file format is compatible with the SCO's electronic claims system.
- Determining the computer edits needed to audit the payments.

Information Systems Division

The Information Systems Division has two responsibilities:

- Performing routine production jobs and work orders by the Production Operations unit, within the Technical Services Bureau.
- Assisting with production tests by the Business Systems Bureau, within the Information Systems Division.

Administration and Disbursements Division

The Disbursements Bureau has three responsibilities:

- Receiving the STD. 218 Claim Schedule and related electronic claim file from various agencies, and initiating the electronic claim process for warrant and Electronic Fund Transfer (EFT), by the Data Control unit in Disbursements.
- Printing and releasing warrants and EFT remittance advices.
- Posting warrant and fiscal information.
- Performing post issuance processes.

If you have any questions about the electronic claim process or the information in this document, please contact EDP Audits at (916) 327-4336.

GOVERNMENTAL RULES AND REGULATIONS

The State Administrative Manual, the California Code of Regulations, Government Code, and the California Constitution contain general requirements for accepting electronic claim files. Pursuant to [State Administrative Manual \(SAM\) Section 8422.203](#), the SCO will consider electronic submission for claims with the following characteristics:

- Large volume of payees (approximately 100 claims per claim schedule is generally considered the minimal volume to render an electronic claim cost-beneficial);
- Similar in nature or purpose; and
- Subject to repetitive handling and processing.

[Information Security \(Office of Information Security and Privacy Protection, SAM, Section 5300\)](#) – Information security means the protection of information and information systems, equipment, and people from a wide spectrum of threats and risks. [Government Code Section 11549](#) provides the California Information Security Office with certain authority and responsibilities.

[Definitions \(SAM, Section 5300.4\)](#) – each state entity shall use the information security and privacy definitions issued by the CISO in implementing information security and privacy policy in their daily operations.

[Information Security Monitoring \(SAM, Section 5335\)](#) – each state entity is responsible for continuous monitoring of its networks and other information assets for signs of attack, anomalies, and suspicious or inappropriate activities.

[Information Asset Management \(SAM, Section 5305.5\)](#) – states that in order to provide for the proper use and protection of information assets, the value and level of protection needed must be clearly specified and understood.

[Accounts outside the Treasury System and Collateral Requirements \(SAM, Sections 8002\)](#) – each state entity is responsible for requesting approval from the Department of Finance to open a zero balance account (ZBA) outside the Treasury.

[California Code of Regulations, Title 2, Division 2, Chapter 1, Article 3, Section 622.1](#) describes additional requirements for the submission of claims recorded electronically.

Government Code Sections [925.6](#) and [12410](#) – specifically provide the statutory authority for the SCO to audit claims presented for payment.

[Government Code Section 26903](#) – requires the SCO to send a notice to county auditors when payments are transmitted to county treasurers, or to entities required to deposit receipts with county treasurers.

[California Constitution](#) Article XVI, Section 7 – Money may be drawn from the Treasury only through an appropriation made by law and upon a Controller's duly drawn warrant.

COSTS ASSOCIATED WITH THE ELECTRONIC CLAIMS PROCESS

EDP Audits and the Disbursements Bureau incur costs associated with the implementation and ongoing production of electronic claims. These costs are recovered through Interagency Agreements between the SCO and the implementing agency.

The areas requiring reimbursement are:

- Preliminary Review

Determine eligibility of program payments for electronic claim processing. Review laws, rules, and regulations related to the program. Plan development and implementation of the electronic claim process. Consult with the agency's program and technical staff, in addition to the agency's third-party vendors regarding the SCO's electronic claim requirements.

- Project Development – Interface Design

Review proposed detailed system data modifications and system controls. Review and document system transactions and controls. Determine what audit information is needed for payment validation.

- Project Development – Interface Integration

Develop code and/or scripts and data tables for specialized audit edits needed to verify and ensure the legality and validity of claim payment files.

- Project Testing – Format and Acceptance

Determine compatibility of the agency's files through format and acceptance testing. Verify that all modifications pass testing protocols and meet required functionality. Review payment records and remittance advice records. Review issues with the agency, and work with the agency to resolve them.

- Production Costs

Develop statistical data to determine the associated costs for processing warrant and EFT payments on an annual basis.

ELIGIBILITY AND ADDITIONAL INFORMATION FOR REQUESTING ELECTRONIC CLAIM PROCESSING

The SCO created an implementation questionnaire to provide the general eligibility requirements for electronic claims processing. Requesting agencies must submit the questionnaire to the SCO to initiate the implementation process.

For additional information required to initiate an implementation and assist in understanding the process, please contact EDP Audits at (916) 327-4336 to request:

- Implementation Questionnaire
- Implementation Timeline
- Electronic Claim Process Flow

If requesting EFT payments, agencies will also be responsible for the following:

- Establishing a Zero Balance Account (ZBA) – Pursuant to [SAM Section 8002](#), submit a letter to DOF (Attachment 5) requesting approval for opening an account outside of the State Treasury to receive returned funds from banks. The SCO will open ZBAs at SCO-contracted banks on behalf of agencies to return funds to the State Treasury. Once DOF approves the request, a copy of the approval memo must be forwarded to the Disbursements Bureau;
- Completing the Form W-9 (Request for Taxpayer Identification Number and Certification) – Pursuant to [Internal Revenue Code section 31.3406\(h\)-3](#), this form is required by SCO-contracted banks to establish ZBAs;
- Completing a Customer Identification Questionnaire – Pursuant to [section 326 of the USA Patriot Act](#), this questionnaire is required by SCO-contracted banks to establish ZBAs;
- Enrolling payees for EFT;
- Collecting, maintaining, and updating payee banking information;
- Processing pre-notification (PreNote) files;
- Resolving all returned funds and notification of changes in a timely manner;
- Creating EFT payment schedules; and
- Creating and maintaining an internal distribution list for email communications.

SYSTEM DOCUMENTATION

Agencies must submit their payment system documentation or make it available to EDP Audits prior to implementation of the proposed electronic payments. This documentation allows EDP Audits to review the payment system control environment and verify that agencies have sufficient controls to ensure that claim payments are legal and proper. Documentation will also be used to facilitate audits of the data submitted to support the claims.

The documentation should cover both automated and manual processes related to the electronic claims. Documentation, at a minimum, must contain the following:

- Narrative description of procedures used in the claim process
- System Flowcharts
- Criteria used for determining payee eligibility
- Methods used to compute the amounts to be paid to eligible payees
- Automated and manual methods used to prevent erroneous claims, including duplicate claims
- Automated system edits and audits of transactions that produce the claims
- Standards and procedures for system changes
- Narrative description of error correction processes
- Inventory and narrative description of relevant forms and reports, and their use in the payment system and claim approval process
- Master file layouts, record descriptions, and data dictionary
- Systems test plans that include descriptions of agency procedures, time schedules, and staff assigned to unit testing, system testing, user testing, and testing by the Disbursements Bureau and EDP Audits
- References to applicable state and federal laws and regulations
- Contracts with vendors for claim processing, if any
- Audit reports by state and/or federal agencies and private audit firms

ELECTRONIC CLAIM FILE SPECIFICATIONS

This section explains the specifications required for electronic claim processing. Failure to meet these specifications may result in delayed implementation of electronic claim files or termination of electronic claim privileges.

SCO offers two payment methods: warrant and EFT. Examples of file record layouts and data element descriptions for warrant and EFT input files are available on the State Controller's Office website at https://www.sco.ca.gov/sco_elec_claim_submission_reqts_manual.html. ASCII file format is recommended.

Electronic claim files will be processed on an IBM mainframe. Secure file transfer protocol (SFTP) and Resource Access Control Facility (RACF) access is required for all file transmissions.

The SCO creates a data exchange (DEX) file that contains warrant numbers (or print control numbers for EFT payments), payment issue dates, and payee information. An email notification will be sent to the submitting agency; it is that agency's responsibility to retrieve the DEX file. Output formats and data element descriptions for DEX files are also available on the SCO website.

A description of the claim file specifications follows.

- Electronic claim files will be processed on an IBM mainframe; therefore, standard IBM operating system header and trailer labels are required. Agencies submitting files created by non-IBM systems must use IBM standard format for header and trailer labels. Some conversion may be necessary.
- ASCII electronic claim files must be a fixed-record length of 8006. Dollar amount fields require a decimal point.
- EBCDIC file layout, an accepted alternative format, is a mainframe file format which allows numeric fields to be packed. EBCDIC electronic claim files must be variable-length, with a maximum record size of 7992.
 - The first four bytes of each record must identify the length of the record.
 - Files created by IBM operating systems will automatically append the four-byte length descriptor. The four-byte length descriptor must be added to files created with non-IBM operating systems.
- The SCO will reject any electronic claim file that does not process properly. If this happens, the agency must submit a corrected file and revised claim schedule. Attachments 3A and 3B contain the SCO system edits for production of warrants and EFT payments. We recommend that you incorporate the applicable edits into your agency's payment claim submission system to avoid delay of payments. We may also develop specialized edits to analyze payment data unique to each agency.
- All alpha characters in payment files must be in all capital letters ("ALL CAPS").
- The portion of the Detail Record and Remittance Advice Records entitled "Audit Information" is reserved for capturing additional data to support each payment. EDP Audits will determine the information required upon submission of the data and supporting documentation specified above, and prior to the submission of electronic claim files.
- Files must be in the following order:
 1. File Header Record
 2. Claim Header Record
 3. Detail Warrant or Detail Payment Record

4. Secondary Payee Record
5. Detail Remittance Advice (RA) Statement Record (Print Record – Lines 01 to 42)
6. Detail Remittance Advice (RA) Statement Record (Non-Print Record – 98 Lines)
7. Claim Total Record
8. File Total Record

The records will be sequenced by *Record Code* (bytes 1 and 2), *Claim Number* (bytes 3 and 4), *Record Type* (bytes 5 through 7), *ZIP Code* (bytes 8 through 16), *Payee Identification* (bytes 17 through 26), *Sequence Number* (Bytes 27 through 32), *Line No* (Bytes 33 and 34), and *Det-Amt-Ind* (byte 35). For multiple warrants or EFT payments to the same payee, you may use incremented sequence numbers to indicate proper record order.

Detail Warrant Record or Detail Payment Record (EFT)

The Detail Warrant Record/Detail Payment Record provides information about payees. Payee information includes Payee Name, Address, and Payment Amount. Detail Warrant/Detail Payment Records are identified by *Line-No* (bytes 33 and 34) with a value of “00”.

Detail RA (Printed)

- The Detail RA can be used by the submitting agency to describe the payment to the payee. At minimum, agencies are required to provide agency program and contact information in the Detail RA fields. Additional information, such as summary payment information, can also be added.
 - SCO offers print suppression for agencies that choose not to issue RAs; however, files must still include the agency program and contact information in the RA area.
- The *Line-No* (bytes 33 and 34) will be populated with values between “01” and “42” in ascending order. Submitting agencies will be able to describe the payment to payee in bytes 53 through 114 for ASCII, or bytes 46 through 107 for EBCDIC.

Detail RA (Non-Printed)

This is used for large volume of claims/invoices related to one payment (more than 40 claims/invoices per payment).

Submitting agencies must provide supporting audit information for each warrant or EFT payment listed in the file. EDP Audits and the submitting agency will collaborate to determine what audit information is required in the file.

File layout:

- *Sequence Number* (bytes 27 through 32) must be the same ID used in the Detail Warrant Record or Detail Payment Record, to match the specific payment to the audit information in the non-printed RA.
- *Line-No* (bytes 33 and 34) must be populated with “98”
- *Det-Amt-Ind* (byte 35) must be populated with a “1”, which indicates that a dollar amount is present.
 - All records with the same *Sequence Number* and a *Det-Amt-Ind* of “1” will be totaled and matched to the Detail Warrant Amount or Detail Payment Amount.
- Audit information will begin in the *RA-Audit-Info* field (byte 53 for ASCII-formatted files, and byte 46 for EBCDIC-formatted files).

Address Format

- The *ZIP Code* field is nine bytes long. If only the five-digit ZIP code is available, left-justify the ZIP code in the field; do not zero-fill the remaining four bytes. Use zeros in the *ZIP Code* field only if the ZIP code is unavailable, or if the address is foreign. Do not include the ZIP code as part of the address field on the Detail Warrant or Detail Payment Record.
- The next-to-last line of the destination address should contain the street, rural route, or post office box number, followed by an apartment number, unit, office, or multi-dwelling number.
- The last line of the destination address should contain the city and approved two-letter state abbreviation. If the destination address is a foreign country, the country's name must appear in full on the last line.

Foreign Address Example:

| | |
|------------------------|--|
| <u>Payee Name:</u> | Name of payee |
| <u>Address Line 1:</u> | Street address or Post Office Box number |
| <u>Address Line 2:</u> | Continuation of street address or Post Office Box number (if needed) |
| <u>Address Line 3:</u> | City or town name, other principle subdivision (i.e., province, state, and county), postal code or delivery zone number |
| <u>Address Line 4:</u> | Country name (in English) |

For Canada, the country name and postal code are interchangeable. One should be placed on the last line, and the other should be placed after the city and provincial name.

- Do not enter the ZIP code in the destination address.
- Punctuation is not required.
- Place one or two spaces between words.
- Except for the state abbreviation, spell out all words. If you must use abbreviations, use only those approved by the United States Postal Service.
- The United States Postal Service Publication 28 provides information about approved address formatting.

General Format

- Sort electronic claim files in strict ZIP code order.
- Individual warrant or EFT payments cannot exceed \$99,999,999.99. Payments greater than this amount must be divided into multiple payments.
- For EFT payment files, the *Total Claim Amount* in the Claim Total Record cannot exceed \$9,999,999,999.99.
- The Secondary Payee Record in the electronic file are not required, but are available to requesting agencies. The Secondary Payee Record permits compliance with [GC section 26903](#), which requires that notice be sent to county auditors when payments are transmitted to the county treasurer or deposited in the county treasury.
- Characters with diacritical marks **ñ, é, ë, and ò** are not available. Never submit “null characters” (hexidecimal 00) in a print field (see Attachment 4 for a list of available characters).
- Agencies must submit wet-signature claim schedule forms (see Attachments 1A and 1B) to the SCO Disbursements Bureau's Data Control Unit to support each electronic claim file. Agencies that submit electronic claims for multiple programs must clearly identify the program on the claim schedule form.

- The claim schedule number in the file must be identical to that on the claim schedule form, including leading and trailing zeros or blanks. The letter “O” cannot be used in a claim schedule number. A non-match between the claim schedule form and the information in the file will cause a critical error; no payments will be issued. Claim schedule numbers cannot be repeated within the same calendar year.
- The fund code on the claim schedule must match the fund code in the EDP Audits’ file of agencies approved to submit electronic claims. Any changes to the appropriation information must be submitted in writing to EDP Audits two weeks prior to the change.

FILE TRANSFER REQUIREMENTS AND ACCESS

- Agencies are responsible for having FTP experts to ensure FTP connectivity and file submission to the SCO mainframe during testing and production. Agencies are responsible for ensuring that the payment file(s) are correctly transmitted to the SCO.
- Figure 1 on the next page illustrates a proxy server that provides additional security for FTP/Transport Layer Security (TLS) traffic. This proxy server forwards FTP/TLS requests to the SCO mainframe.
- SCO only supports FTP/TLS file transfer protocols, also known as FTPS, through the proxy server. It does not support SFTP, also known as SSH.
- Users requiring FTP access must request a User ID from the SCO. To request a User ID, provide the following information:
 - Name (including middle initial)
 - Phone number
 - Email address
 - Type of access (test and/or production access)

Secure FTP for the SCO Mainframe

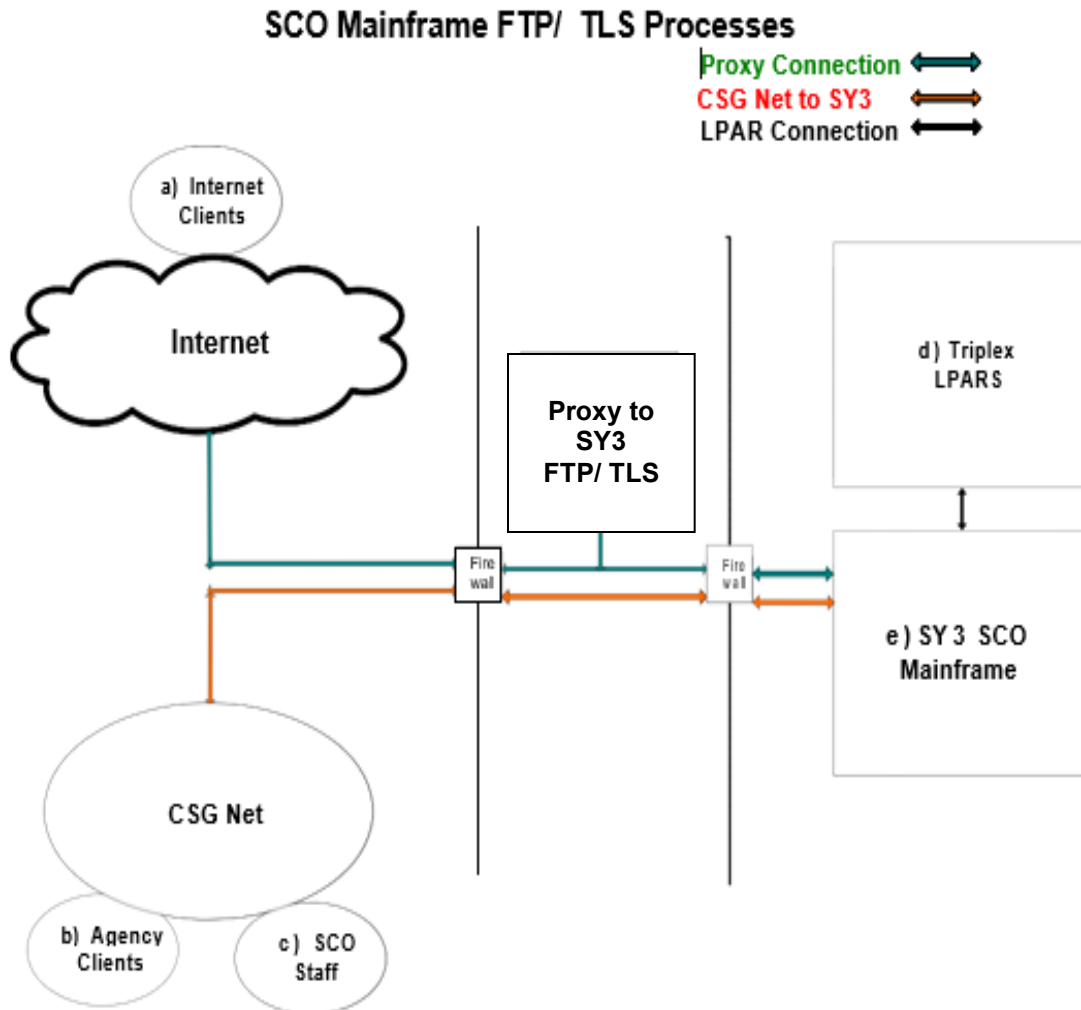


Figure 1

FILE TESTING

Prior to accepting production files, EDP Audits and Disbursements Bureau will perform tests on agency files (both warrant and EFT) to determine their compatibility with the SCO's Electronic Claims Payment Systems. Testing will include a minimum of one Format and one Acceptance Test. All test files must contain all approved "audit information" as specified by EDP Audits.

The first file submitted is the *Format Test*, which contains a small volume of test transactions. This data may be programmer-created test data, and will be used to determine format compatibility.

Once the agency has provided a successful Format Test file, the agency will submit an *Acceptance Test* file. This file must be a representative volume test of "live" data that has been created through the actual edits and audits of the agency's production claim system, and must be subject to all agency payment controls. To allow sufficient testing within our processes, EDP Audits must receive the acceptance test at least four weeks prior to the desired implementation of the payment production process.

Agencies must provide a STD. 218 Claim Schedule (Attachments 1A and 1B) with each test file. The STD. 218 must include the following:

- Agency and appropriation information
- Test file name
- File record counts and amounts
- "TEST" written conspicuously on a blank area of the form
- Signature of an authorized representative

Agencies may email their claim schedules to EDP Audits representatives.

EDP Audits will provide the results of each test to submitting agencies within seven to ten working days of receiving the test files. Once testing has concluded, agencies are required to provide Management Representation Letters detailing system assurances made during the course of compatibility testing (see Attachment 2 for an example of a Management Representation Letter).

Approval/Disapproval of Electronic Claim Processing

After a requesting agency submits the required Management Representation Letter, EDP Audits will provide approval or disapproval in writing. The requesting agency's final approval from EDP Audits will be based on the agency's timely submission of required documents, review of the requested system documentation, and verification of the system's controls as documented. If approved, the Acceptance letter will include the date on which the agency can begin submitting payment files.

PRODUCTION

Claim Schedule Requirements

Agencies must submit wet-signature claim schedules to the SCO for payment of their electronic claims. The required forms, STD. 218ET for warrants (see Attachment 1A) and STD. 218DD for EFT (see Attachment 1B), are available on the Department of General Services (DGS) website at <https://www.dgsapps.dgs.ca.gov/osp/StatewideFormsWeb/Forms.aspx>.

Submitting STD. 218 Claim Schedules:

- Within the Sacramento area: place in a yellow canvas/plastic bag to distinguish from the manual claim schedule process.
- Outside Sacramento: place in a separate envelope or include a cover sheet “Attention: Data Control” to distinguish from the manual claim schedule process.
- Before submitting a claim schedule with a payment file for processing, agencies must ensure that:
 - Funding is available;
 - The claim schedule contains certification language from the California Code of Regulations, Section 624;
 - Individual payments do not exceed \$99,999,999.99; and
 - The claim schedule includes a wet-signature by authorized agency staff identified on the AUD 15 (5-72) Claim Schedule Signature Authorization card on file with the SCO. Claim Schedule Signature Authorization cards are available upon request.

Special Handling Process:

- Emergency payments, extenuating circumstances, and unusual transaction types may require that warrants be hand delivered to payees by the department, rather than mailed to payees by the SCO. Special handling requests will be kept to a minimum and will be approved only when absolutely necessary.
- The STD. 8 Special Handling Request form must accompany a STD. 218ET if the Disbursements Bureau is to release warrants to an authorized agency representative or authorized agency-contracted courier. The STD. 8 is available on the DGS website at <https://www.dgsapps.dgs.ca.gov/osp/StatewideFormsWeb/Forms.aspx>.

Expedite requests are not permitted for Electronic Claims due to the 3-day turnaround expedited nature of these claims.

File Requirements

Input files must adhere to the agreed-upon/approved file requirements to ensure successful processing of the payment files. Files that cannot be successfully processed must be corrected and resubmitted. All files must:

- Include the agreed-upon audit data;
- Reconcile with the claim schedule information;
- Adhere to the agreed naming convention;
- Be submitted by the agency’s authorized FTP submitter; and
- Provide a separate audit file if the audit information is not in the payment file.

Pre-Payment Audits

Prior to payments being issued EDP Audits will perform program-specific edits to determine whether any payments that require further research. These payments will be submitted to the agency for further review. If it is determined that a payment should not be released, EDP Audits will request that the payment be pulled and redeposited into the fund from which it was drawn.

Manual Post-Issuance Processes

Contact the Disbursements Bureau in case of:

- Lost or stolen warrants
- Undeliverable warrants returned to SCO
- Damaged or replacement warrants
- Stop payments, requiring a STD. 435 form

Post-Payment Reviews

In accordance with [GC section 12410](#), the Controller has the authority to “audit the disbursement of any state money, for correctness, legality, and for sufficient provisions of law for payment.” EDP Audits will perform post-payment reviews of previously processed claims to ensure compliance with agency program criteria. Original supporting documentation used to create the electronic files submitted to EDP Audits will be reviewed for legality and validity.

SYSTEM CHANGES AND REQUIREMENTS

If any changes are made to an agency's payment system, or other systems used for capturing and storing program data or for processing and submitting payment files, the agency must contact EDP Audits prior to implementation of these changes.

- System changes include system enhancements and upgrades, change notifications, system development-enhancements, server upgrades, and FTP client software or connectivity changes. These changes may require additional Interagency Agreements to cover costs associated with testing.
- EDP Audits will request new system documentation to determine whether the changes will affect the electronic claims files.
- EDP Audits will require testing at least 60 days prior to implementation of these changes.

Failure to notify EDP Audits may result in suspension of payment file processing.

ATTACHMENT 1A – WARRANT CLAIM SCHEDULE (STD. 218ET)

**USE THIS CLAIM SCHEDULE TO SUBMIT DATA
 ON ELECTRONIC FILE ONLY**

(Do not write in this space)

| | | | | | | | |
|----------------------|---------------|------|----------------|-----|-----|---------|----------|
| PAYABLE FROM | FUND | SUB | FUND NAME | | | | |
| | AGENCY NUMBER | | AGENCY NAME | | | | |
| APPROPRIATION | STAT. YR | METH | REFERENCE/ITEM | SEQ | FFY | CHAPTER | STATUTES |
| | PURPOSE | | | | | | |

DATE FILED

| FED. CATALOG NUMBER | SCO PROJ. | CATEGORY | PGM | BLE | COMP | TASK | GENERAL LEDGER | RECEIPT OBJECT | F/S | AMOUNT | DESCRIPTION |
|---------------------|-----------|----------|-----|-----|------|------|----------------|----------------|-----|--------|-------------|
| | | | | | | | | | | | |
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| | |
|------------------------------|----------|
| SCHEDULE NUMBER | |
| AUDIT CODE | SCH TYPE |
| PRINT WARRANT DATE | |
| ISSUE WARRANT DATE (REQUEST) | |
| BEGINNING WARRANT NUMBER | |
| END WARRANT NUMBER | |
| ISSUES | |
| VOIDS | |

| | |
|--------------------|--------------|
| TOTAL OF SCHEDULE | |
| NUMBER OF WARRANTS | |
| DATA SET NAME | RECORD COUNT |

INTERNAL AGENCY USE

(AFFIX LABEL HERE)
 DATE ISSUED (ACTUAL)
 CONTROLLER'S WARRANT NUMBERS

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. That the respective amounts and payees included in this claim have been recorded on that certain electronic file identified in the within schedule. That a written reproduction, listing each payee and the amount of payment, was prepared from said file and will be retained as a part of the official records of said state agency, or the information so provided will be retained electronically. That the respective amounts, payees, and totals are true and correct as set forth on said electronic file and in said written reproduction, or retained on the electronic file. The original claim documents, or reproductions thereof, have been retained and are maintained in a manner that will enable verification of the propriety of the amounts claimed. That payments are properly payable to each and all of the claimants as contained therein, and that such payments are authorized in the amounts, for the period, and to the respective payees as indicated therein under all governing laws and regulations. That I have not violated any of the provisions of Section 1090 to 1096, inclusive, Government Code.

| | |
|---|------------|
| SIGN. | CALC. |
| PURCH. | CONTR. |
| CORRECTIONS ENTERED | |
| AUDITED | APPR. PAY. |
| F/A BAL OK | WARR. OK |
| REPORTABLE PAYMENTS PER S.A.M. 8422.190 | |
| NUMBER | |
| AMOUNT | |
| TOTAL SUBJECT TO USE TAX | |

| | | |
|------------------------|-------|-------------|
| SIGNED | TITLE | DATE SIGNED |
| APPROVED (if required) | | |

ATTACHMENT 1B – EFT CLAIM SCHEDULE (STD. 218DD)

ATTACHMENT 2 – MANAGEMENT REPRESENTATION LETTER

(AGENCY LETTERHEAD)

_____, Bureau Chief
FI\$Cal & Information Technology Audits Bureau
Division of Audits
State Controller's Office
P.O. Box 942850
Sacramento, CA 94250-5872

Date:

Dear Ms./Mr. _____:

In connection with your testing of the electronic claims for the [_____] Program, we confirm, to the best of our knowledge and belief, the following representations made to your staff during the course of the file compatibility testing:

1. We are responsible for the accurate recording of payment data in our system and the accurate presentation of this data transferred from our system into the electronic claim.
2. We have made available to you the applicable:
 - a. System records and related data
 - b. Information regarding changes in the accounting system or program control procedures pertinent to the [_____] Program
3. We have no knowledge of any:
 - a. Fraud, allegations of fraud, or suspected fraud, involving management or employees who have significant roles in the system of accounting/program controls or financial/program management,
 - b. Fraud, allegations of fraud, or suspected fraud, involving other employees that could have a material impact on the [_____] Program, and
 - c. Communications from the regulatory agencies concerning non-compliance with, or deficiencies in accounting, reporting, and/or management practices that could have a material effect on case/payment records, claims, and related reports.
4. There are no violations of laws or regulations that could have an effect on the accurate presentation/reporting of claims and reports.
5. There are no material transactions that have not been properly recorded in the accounting records and related reports.
6. We have complied with all aspects of contractual agreements that would have a material effect on the claims and related data/reports in the event of noncompliance.
7. No events occurred subsequent to the date of our claims testing that would require adjustments to our system and related data/reports.

(Name of Responsible Management Official)

(Title)

ATTACHMENT 3A – SCO WARRANT EDITS

Warrant File Critical Edits (Will cause program to abort)

Edit Criteria

Agency code is equal to spaces or is alphabetic.

Agency code is not in valid range of “0000” through “9999”.

Fund code is equal to spaces or is alphabetic.

Fund code is equal to all zeros.

Claim ID is equal to spaces.

Claim schedule number is equal to spaces.

Claim schedule number is equal to all zeros.

Agency code and claim ID are not on header authorization file (H/A).

Issue date is equal to or less than current date.

Claim amount is equal to spaces.

Claim amount is equal to all zeros.

Tape number is equal to spaces or is all zeros.

Record ID is not “00HDR”, “99EOF”, or record code is not “05”.

Record code is “05” but record type is not “001”, “010”, or “100”.

Record code is “05” but claim header is not “01” through “99”.

Record code is “05” but line number is not “00” through “42”.

Line number is “00” but detail amount indicator is not “1” or “2”.

Warrant File Edits (May produce valid claim record depending on severity level)

| <u>Severity Level (Condition Code)</u> | <u>Edit Criteria</u> |
|--|--|
| 04 | Payee zip code missing (address edit specified on H/A). |
| 04 | Payee ID missing. |
| 08 | Payee address missing. |
| 08 | Missing name in auditor's notification record. |
| 08 | Missing address in payee auditor's notification record. |
| 12 | Invalid IRS reportable code (not "0", "1", or "2"). |
| 12 | IRS information invalid or missing (valid reportable code but reportable amount, payee ID or pay code in error). Blank if reportable code is "0" |
| 12 | Bank code invalid or missing (valid code = "A" through "Z"). |
| 12 | Remittance advice (R/A) amount field not numeric (edit only if R/A amount indicator="1") |
| 12 | Payee warrant amount not within acceptable range (per H/A). |
| 12 | Sum of R/A amount fields does not equal payee warrant amount (edit only if R/A amount indicator = 1"). |
| 16* | Payee name missing. |
| 16* | Payee record missing (detail payment record). |
| 16* | Payee warrant amount is negative. |
| 16* | Payee warrant amount is not numeric (replaced with zero). |
| 16* | Duplicate remittance advice line. |
| 16* | Claim contains R/A records but H/A file specifies warrant-only stock (per H/A form type). |
| 16* | H/A file specifies warrant-remittance-advice stock but no R/A's found (per H/A form type). |
| 16* | Payee claim number not equal to claim number in claim header record. |
| 16* | Payee zip code not in ascending sequence – required for this claim (per H/A zip edit). |
| 16* | Duplicate claim schedule number (claim schedule number already on claim master file as processed). |
| 16* | Fund code does not match the fund code in the file of approved agencies submitting electronic claims per H/A file. |

| <u>Severity Level (Condition Code)</u> | <u>Edit Criteria</u> |
|--|--|
| 16* | Claim out of balance (claim total record counts and amounts do not agree with program totals). |
| 16* | File out of balance (file total record counts and amounts do not agree with program totals). |
| 16* | Warrant amount over \$99,999,999.99 |
| 16* | Duplicate daily claim number |
| 16* | Warrant amount not equal to RA records |
| 16* | Total warrant amount not equal to total RA records |
| 16* | RA amount in print RA records not equal to payment amount |
| 16* | Accumulated RA amount in print RA records not equal to total claim amount |
| 16* | Zero/no pay indicator with warrant amount |
| 16* | Missing audit data RA record(s) with warrant amount |
| 16* | RA amount in audit data RA records not equal to pay amount |
| 16* | Accumulated RA amount in audit data RA records not equal to total claim amount |

NOTE: * = Entire payment file will not be processed

ATTACHMENT 3B – SCO EFT EDITS

EFT File Critical Edits (Will cause program to abort)

Edit Criteria

Record ID is not “00HDR”, “99EOF”, or record code is not “05”.

Agency code and claim ID are not found in Header Authorization File.

System Identification is not “EFTTC”.

Control card issue date is equal to or less than system date.

Number of claim records does not match number of control card records.

Fund code is not found in Header Authorization File.

Record code is “05” but record type is not “001”, “010”, or “100”.

Claim schedule number is equal to spaces (invalid schedule number).

Claim ID is equal to spaces or an invalid Claim ID per H/A file.

Claim amount is equal to spaces.

EFT File Edits (May produce valid claim record depending on severity level)

| <u>Severity Level (Condition Code)</u> | <u>Edit Criteria</u> |
|--|--|
| 04 | Invalid line number for credit transaction. |
| 04 | Invalid payment amount indicator for credit transaction. |
| 04 | No statement records for credit transaction requiring statements. |
| 04 | Accumulated statement payment amounts not equal to credit detail payment amount. |
| 04 | Invalid line number for statement (not greater than previous valid statement). |
| 04 | Invalid payment amount indicator for statement detail (not “0” or “1”). |
| 04 | Invalid payment amount for statement (should be zero when indicator is “0”). |
| 04 | Invalid payment amount for statement (must be > zero when indicator is “1”). |
| 04 | Payment amount is below the minimum allowed amount. |
| 04 | Payment amount is above the maximum allowed amount. |
| 04 | Invalid ZIP code – ZIP code missing. |
| 04 | Invalid ZIP code – ZIP code must be zero when no edit is performed. |
| 04 | Invalid ZIP code – ZIP code must not be less than previous detail. |
| 04 | Invalid ZIP code – ZIP code may not be zero when edit is performed. |
| 04 | Invalid ZIP code – ZIP code not numeric |
| 04 | Invalid payee ID number (spaces) |
| 04 | Invalid payee address (address 1, 2, 3, and 4 are spaces) |
| 04 | EFT name description is blank in Header Authorization File. |
| 04 | Incorrect Suppression Indicator |
| 08 | Invalid transaction code – valid codes: credits (22, 32), prenotes (23, 33). |

EFT File Edits (May produce valid claim record depending on severity level)

| <u>Severity Level (Condition Code)</u> | <u>Edit Criteria</u> |
|--|--|
| 08 | Invalid payment amount (non-numeric) for credit transaction. |
| 08 | Invalid payee name (spaces). |
| 08 | Invalid transit routing code. |
| 08 | Invalid check digit. |
| 08 | Invalid bank number. |
| 16* | Invalid payment amount for credit transactions <0 (must be 0 or positive). |
| 16* | Payment amount is above the NACHA maximum allowed amount. |
| 16* | Accumulated detail payment amount not equal to claim trailer payment amount. |
| 16* | Accumulated detail payment amount not equal to control card schedule amount. |
| 16* | Claim trailer payment amount not numeric. |
| 16* | Accumulated detail count not equal to claim trailer payment record count. |
| 16* | Claim trailer payment count not numeric. |
| 16* | Accumulated statement count not equal to claim trailer RA record count. |
| 16* | Claim trailer RA record count not numeric. |
| 16* | File total record count not equal to file trailer total record count. |
| 16* | File trailer total record count not numeric. |
| 16* | Accumulated claim count not equal to file trailer claim count. |
| 16* | File trailer claim count not numeric. |
| 16* | Accumulated detail count not equal to file trailer payment record count. |
| 16* | File trailer record payment record count not numeric. |
| 16* | Accumulated statement count not equal to file trailer RA record count. |

EFT File Edits (May produce valid claim record depending on severity level)

| <u>Severity Level (Condition Code)</u> | <u>Edit Criteria</u> |
|--|--|
| 16* | File trailer RA record count not numeric. |
| 16* | Accumulated payment amount not equal to file trailer total payment amount. |
| 16* | File trailer total payment amount not numeric. |
| 16* | Claim contained invalid record number – not in sequence with previous valid claim. |
| 16* | Claim contained no detail records. |
| 16* | File contained no claim records. |
| 16* | File total is above the NACHA maximum allowed amount. |
| 16* | Payment amount not equal to 98 RA records. |
| 16* | Total payment amount not equal to total 98 RA records. |
| 16* | Payment amount not equal to RA records. |
| 16* | Total payment amount not equal to total RA records. |

NOTE: * = Entire payment file will not be processed

ATTACHMENT 4 – SCO AVAILABLE PRINTER CHARACTERS

SCO ALLOWABLE PRINTER CHARACTERS

Table B-1. Business Print Cartridge, CVC 18

| HEXADECIMAL CODE | LOADING SEQUENCE | SYMBOL | SYMBOL DESCRIPTION | SYMBOLS PER ARRAY |
|------------------|------------------|--------|--------------------|-------------------|
| 4B | 1 | . | Period (full stop) | 1 |
| 50 | 2 | & | Ampersand | 1 |
| 6C | 3 | % | Percent | 1 |
| 5C | 4 | * | Asterisk | 1 |
| 4C | 5 | < | Less than | 1 |
| 4E | 6 | + | Plus | 1 |
| 6B | 7 | , | Comma | 1 |
| 5B | 8 | \$ | Dollar sign | 1 |
| 7B | 9 | # | Number sign | 1 |
| 7C | 10 | @ | Commercial at | 1 |
| 61 | 11 | / | Slant (solidus) | 1 |
| 60 | 12 | - | Hyphen (minus) | 1 |
| F0 | 13 | 0 | Numeric zero | 1 |
| F1 | 14 | 1 | Numeric one | 1 |
| F2 | 15 | 2 | Numeric two | 1 |
| F3 | 16 | 3 | Numeric three | 1 |
| F4 | 17 | 4 | Numeric four | 1 |
| F5 | 18 | 5 | Numeric five | 1 |
| F6 | 19 | 6 | Numeric six | 1 |
| F7 | 20 | 7 | Numeric seven | 1 |
| F8 | 21 | 8 | Numeric eight | 1 |
| F9 | 22 | 9 | Numeric nine | 1 |
| C1 | 23 | A | Uppercase A | 1 |
| C2 | 24 | B | Uppercase B | 1 |
| C3 | 25 | C | Uppercase C | 1 |
| C4 | 26 | D | Uppercase D | 1 |
| C5 | 27 | E | Uppercase E | 1 |
| C6 | 28 | F | Uppercase F | 1 |
| C7 | 29 | G | Uppercase G | 1 |
| C8 | 30 | H | Uppercase H | 1 |
| C9 | 31 | I | Uppercase I | 1 |
| D1 | 32 | J | Uppercase J | 1 |
| D2 | 33 | K | Uppercase K | 1 |
| D3 | 34 | L | Uppercase L | 1 |
| D4 | 35 | M | Uppercase M | 1 |
| D5 | 36 | N | Uppercase N | 1 |
| D6 | 37 | O | Uppercase O | 1 |
| D7 | 38 | P | Uppercase P | 1 |
| D8 | 39 | Q | Uppercase Q | 1 |
| D9 | 40 | R | Uppercase R | 1 |
| E2 | 41 | S | Uppercase S | 1 |
| E3 | 42 | T | Uppercase T | 1 |
| E4 | 43 | U | Uppercase U | 1 |
| E5 | 44 | V | Uppercase V | 1 |
| E6 | 45 | W | Uppercase W | 1 |
| E7 | 46 | X | Uppercase X | 1 |
| E8 | 47 | Y | Uppercase Y | 1 |
| E9 | 48 | Z | Uppercase Z | 1 |
| ARRAY SIZE | | | | 48 |

ATTACHMENT 5 – ZERO BALANCE ACCOUNT REQUEST LETTER

Example

(AGENCY LETTERHEAD)

Department of Finance
Fiscal Systems and Consulting Unit
IMMS A-15
915 L Street, 9th Floor
Sacramento, CA 95814

Date:

Re: Request for a Bank Account outside the Centralized State Treasury System (SCO Contracted Bank)

Dear _____:

[*Agency name*] requests approval from the Department of Finance to establish a Zero Balance Account (ZBA) outside the Centralized State Treasury System. The ZBA will be used for processing returned and reversed EFT (Electronic Fund Transfer) payments for the [*name of program*] Program through the State Controller's Office more efficiently.

1. Justification: [*agency name*] needs to provide a ZBA payment system for SCO to process returned and reversed EFT payments.
2. Name and location of bank:
[*Name of SCO-contracted bank*]
[*Address of SCO-contracted bank*]
3. Legal name of the department and official designation of the ZBA:
[*Agency name*]
[*ZBA name*]
4. The bank is insured by the Federal Deposit Insurance Corporation.
5. No interest will be earned and moneys will be transferred by the account daily.
6. No withdrawals will be made from the ZBA.

[*Agency name*] is working to implement this process for returned and reversed EFT payments by **MM/DD/YYYY**. [*Agency name*] cannot proceed until DOF grants approval for the ZBA. Any assistance in expediting this request would be greatly appreciated.

If you have any questions regarding this request, please contact me by telephone at [(xxx) xxx-xxxx] or email at [*email address*].

Sincerely,

Name _____
Title _____

cc:

ATTACHMENT 6 – FILE NAMING CONVENTIONS

File Naming Conventions for test and production

The asterisk (*) in the file name stands for a date – file date or file transfer date

- = DMMDDYYA (DATE NODE)
- = D(Date Element)MM(MonthMonth)DD(DayDay)YY(YearYear)A(Cycle-A is always assigned for the first file of a given day)

Test File Naming Conventions:

Claim Payment files from agency to SCO:

EFT files

PS.DEVL.DISB.FTP.*(SCO TRACKING CODE).EFT

PS.DEVL.DISB.FTP.*(SCO TRACKING CODE).PRENOTE

PS.HIPAA.FTP.*(SCO TRACKING CODE).EFT

WARRANT Files

PS.DEVL.DISB.FTP.*(SCO TRACKING CODE).WARRANT

PS.HIPAA.FTP.*(SCO TRACKING CODE).WARRANT

RETURN/DEX Files for agency:

DEX File Retrieval

A Data Exchange File (DEX file) provides payment information, including warrant number and issue date, is available for agency retrieval. Agency is required to create and maintain an internal distribution list for email communications. The agency has 30 days to retrieve the DEX file from the SCO system, after which the file will expire and no longer be available.

CO.ELECCLMS.FTP.*(WARRANT TRACKING CODE).DEX

CO.ELECCLMS.FTP.*(EFT TRACKING CODE).DEX

Production File Naming Conventions:

Claim Payment files from agency to SCO:

EFT files

PD.EFTCLMS.FTP.(agency acronym)*(SCO TRACKING CODE).INPUT

PD.EFTCLMS.FTP.(agency acronym)*(SCO TRACKING CODE).PRENOTE

PD.HIPAA.FTP.(agency acronym)*(SCO TRACKING CODE).INPUT

WARRANT Files

PD.CFISPIT.FTP.(agency acronym).*(SCO TRACKING CODE).INPUT

PD.HIPAA.FTP.(agency acronym).*(SCO TRACKING CODE).INPUT

RETURN/DEX Files for agency:

DEX File Retrieval

A Data Exchange File (DEX file) provides payment information, including warrant number and issue date that is available for agency retrieval. Agencies are required to create and maintain an internal distribution list for email communications. Agencies have 30 days to retrieve DEX file from the SCO system, after which the file will expire and no longer be available.

PD.CFIS.FTP.(agency acronym).*(WARRANT TRACKING CODE).DEX

PD.CFIS.FTP.(agency acronym).*(EFT TRACKING CODE).DEX