# BUDGET DETAIL AND PAYMENT PROVISIONS

## Invoicing and Payment

1. The maximum amount payable under this Agreement shall not exceed $\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
2. For services satisfactorily rendered, and upon receipt and approval of the invoice(s), Covered California agrees to pay the Contractor in arrears for said services at the rates listed on Exhibit B, Attachment 1 – Cost Worksheet.

**Under this agreement, there will be no separate reimbursement for overtime or travel expenses. All costs associated with hourly rates or deliverables must incorporate any travel or overtime expenses, as these will be considered part of the overall cost.**

1. The Contractor shall submit invoices for work performed in triplicate every 30 calendar days not more frequently than monthly in arrears by mail or email to:

Covered California

Attn: Accounting

1601 Exposition Blvd.

Sacramento, CA 95815

[CCInvoices@covered.ca.gov](mailto:CCInvoices@covered.ca.gov)

Invoices shall:

1. Be prepared on agency/company letterhead. If invoices are not on agency/company letterhead, invoices must be signed by an authorized official, employee, or agent certifying that the expenditures claimed represent actual expenses for the service performed under this Agreement.
2. Bear the Contractor’s name as shown on the Agreement.
3. Bear the Agreement number or purchase order number as shown on the Agreement.
4. Identify the billing or performance period, or both, covered by the invoice.
5. Itemize the costs for the billing or performance period, or both, in the same or greater level of detail as indicated in this Agreement. Only those costs and/or cost categories expressly identified as allowable in this Agreement may be reimbursed.
6. Be supported by a brief progress report which summarizes both completed tasks and work in progress toward all contract deliverables, and includes timesheets to account for hours worked on each task during the billing or performance period, or both. All costs listed on the invoice require supporting documentation. Covered California will not approve and will dispute invoices that do not meet these requirements.
7. Invoices shall only be submitted for goods and services that are received, with exception of software subscriptions which can be billed one year in advance.
8. Any invoices submitted that do not meet the requirements of this Exhibit may be returned to the Contractor for re-processing, which will restart the prompt payment clock. For the purposes of financial reporting and accurately reflecting liabilities and obligations, Contractor may be required to furnish, upon request, an estimate of services that have been rendered but not yet invoiced. This aims to ensure transparency and facilitate comprehensive financial planning and analysis.

4. Covered California will make payments via the State Controller’s Office’s (SCO) paper warrant sent via regular mail. In the event of a missing warrant, Covered California will not reissue a payment until the State Treasurer’s Office and SCO has confirmed the original payment has been canceled.

## Qualified Health Plan (QHP) Assessment Contingency Clause

If the collection of fees assessed from QHPs are collectively not sufficient to provide the funds for this program, Covered California shall have the option to either cancel this Agreement with no liability occurring to Covered California or offer an agreement amendment to the Contractor to reflect the reduced amount.

## Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with section 927. The "Prompt Payment Clock," as referred to in this Agreement, commences from the time an invoice is received by the point of contact in Section A.3 above. To start the Prompt Payment Clock, the invoice must be received during standard business operating hours, which are Monday through Friday, 8:00 AM to 5:00 PM Pacific Time, excluding state-recognized holidays.

All calculations of due dates and late payment penalties, per the Prompt Payment Act, will be based on these requirements.

## Review

Covered California reserves the right to review service levels and billing procedures as they impact charges against this Agreement.

## Final Billing

Invoices for services must be received by Covered California within 30 days following each State fiscal year or 30 days following the end of the contract term, whichever comes first. The final invoice must include the statement “Final Billing.” On or before the date the final invoice is submitted for payment, every Designated Filer in the Contractor’s group must electronically file a Leaving Office Statement of Economic Interest (Form 700) with Covered California’s electronic filing system. The final invoice will not be considered complete or accurate until a Leaving Office Form 700 for all Designated Filers has been electronically filed. Further, a final invoice submitted without all of the required Form 700 filings will automatically be considered a “disputed” invoice. Disputed invoices are not subject to Government Code section 927 prompt payment requirements until the dispute is resolved.

## Nonresident Tax Withholding

Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have seven percent of their total payments withheld for state income taxes. However, no withholding is required if total payments to the payee are $1,500 or less for the calendar year.