

Exhibit B
Budget Detail and Payment Provisions

A. Invoicing and Payment

1. In no event shall the Contractor request reimbursement from the State for obligations entered into or for costs incurred prior to the commencement date or after the expiration of this Agreement.
2. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the Budget Line Item amounts specified in Attachment I of this Exhibit.
3. Invoices shall include the Agreement Number and shall be submitted electronically to CTCPIinvoices@cdph.ca.gov, not more frequently than monthly in arrears.
4. Invoices shall:
 - a. Be prepared on Contractor letterhead and signed by an authorized official, employee or agent certifying that the expenditures claimed represent activities performed and are in accordance with Exhibit A, Attachment I, Detailed Scope of Work.
 - b. Bear the Contractor's name and agreement number as shown on the Contract.
 - c. Identify the billing and/or performance period covered by the invoice.
 - d. Itemize costs for the billing period in the same or greater level of detail as indicated in this agreement. Subject to terms of this agreement, reimbursement may only be sought for those costs and/or cost categories expressly identified as allowable and approved by CDPH.
5. The amounts payable under this agreement shall not exceed: \$1,800,000.00.

B. Budget Contingency Clause

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
2. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

C. 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.

D. Timely Submission of Final Invoice

1. A final undisputed invoice shall be submitted for payment no more than *ninety (90)* calendar days following the expiration or termination date of this agreement, unless a later or alternate deadline is agreed to in writing by the program contract manager. Said invoice should be clearly marked "Final Invoice", indicating that all payment obligations of the State under this agreement have ceased and that no further payments are due or outstanding. The State may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written State approval of an alternate final invoice submission deadline.
2. The Contractor is hereby advised of its obligation to submit to the State, with the final invoice, a completed copy of the "Contractor's Release (Exhibit F)".

E. Expense Allowability / Fiscal Documentation

1. Invoices, received from the Contractor and accepted for payment by the State, shall not be deemed evidence of allowable agreement costs.
2. Contractor shall maintain for review and audit and supply to CDPH upon request, adequate documentation of all expenses claimed pursuant to this agreement to permit a determination of expense allowability.
3. If the allowability of an expense cannot be determined by the State because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles or practices, all questionable costs may be disallowed and payment may be withheld by the State. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.

F. Recovery of Overpayments

1. Contractor agrees that claims based upon the terms of this agreement or an audit finding and/or an audit finding that is appealed and upheld, will be recovered by the State by one of the following options:
 - a. Contractor's remittance to the State of the full amount of the audit exception within 30 days following the State's request for repayment;
 - b. A repayment schedule agreeable between the State and the Contractor.
2. The State reserves the right to select which option, as indicated above in Provision F, Paragraph 1, will be employed and the Contractor will be notified by the State in writing of the claim procedure to be utilized.
3. Interest on the unpaid balance of the audit finding or debt will accrue at a rate equal to the monthly average of the rate received on investments in the Pooled Money Investment Fund commencing on the date that an audit or examination finding is mailed to the Contractor, beginning 30 days after Contractor's receipt of the State's demand for repayment.

4. If the Contractor has filed a valid appeal regarding the report of audit findings, recovery of the overpayments will be deferred until a final administrative decision on the appeal has been reached. If the Contractor loses the final administrative appeal, Contractor shall repay, to the State, the over-claimed or disallowed expenses, plus accrued interest. Interest accrues from the Contractor's first receipt of State's notice requesting reimbursement of questioned audit costs or disallowed expenses.

G. Progress Payment Withholds

1. In accordance with the PCC Section 12112, the state shall withhold, from the total amount or from the invoiced payment amount to the Contractor, an amount equal to ten percent (10%) of the payment. Such retained amount shall be held by the State and only released to the Contractor upon the States Project Representative/Contract Manager determining that the Contractor has satisfactorily completed all of the required services related to the services within the scope of work.
2. Progress payments may not be made more frequently than monthly in arrears for work performed and costs incurred in the performance of the Agreement. In the aggregate, progress payments may not exceed 90 percent of the total agreement amount, regardless of agreement length.
3. Ten percent (10%) may be withheld by CDPH from each invoice submitted for reimbursement, under the following conditions:
 - a. For services and costs associated with contractor and/or subcontractor performance that is considered to be of an ongoing nature or performed continuously throughout the term of the Agreement.
 - b. For individual services associated with a specific agreement deliverable that has not yet been received or completed in its entirety.
 - c. For individual and/or distinct tasks, work plans, or project activities that have not yet been completed in their entirety.

4. Release of Amounts Withheld

As individual and/or distinct tasks, services, work plans, or project activities are completed in their entirety by either the Contractor or Subcontractor and any scheduled/required deliverables or reports are delivered to CDPH then any funds so withheld may be released to the Contractor upon acceptance and/or acknowledgement that all such items have been completed to the full satisfaction of CDPH.

5. Payment Requests Excluded from the 10 Percent (10%) Withhold

Ten percent (10%) payment withholds shall not be applied to reimbursements or periodic payment requests for direct costs associated with equipment purchases, media buys, operating expense items, and other procurements not directly associated with the Contractor's personal performance.

H. Travel and Per Diem

Any reimbursement for necessary travel and per diem shall, unless otherwise specified in this Agreement, be at the rates currently in effect, as established by the California Department of Human Resources ([CalHR](#)). If the CalHR rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary. No travel outside the state of California shall be reimbursed without prior authorization from the CDPH. Verbal authorization should be confirmed in writing. Written authorization may be in a form including fax or email confirmation.