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Department of Transportation

ACCOUNTS RECEIVABLE

Department are billed and collected timely and appropriately.

AUTHORITY:

Sections 20.23(3)(a), 334.048(3) Florida Statutes

REFERENCES:

Article 7, Section 10, Constitution of the State of Florida

Chapter 69I-21.003, Florida Administrative Code (F.A.C.)

Rule 14-116.002, Florida Administrative Code (F.A.C.)

Section 1.01(8), F.S.

Section 17.04, F.S.

Section 17.20, F.S.

Section 20.03(2), F.S.

Section 215.34, F.S.

Section 280.02, F.S.

Section 334.03, F.S.

Section 334.187, F.S.

Section 339.55, F.S.

Title 23 United States Code (U.S.C.) § 601

Submission and Recovery of Property Damage Claims, (Procedure No. 225-085-002)

Locally Funded Agreements Financial Provisions and Processing, (Procedure No. 350-020-300)

Receipt Processing, (Procedure No. 350-080-300)

Audit Process for Professional Services Consultants and Contracts,
(Procedure No. 375-030-004)

Errors, Omissions, and Contractual Breaches by PE's on Department Contracts,
(Procedure No. 375-020-010)

Mobile Equipment Procedures Manual, (Procedure No. 400-000-001)

Public Transportation Vehicle Leasing, (Procedure No. 725-030-001)
Loans to Airports, (Procedure No. 725-040-055)
Disbursement Handbook for Employees and Managers

PURPOSE:

To define requirements for all obligations of funds due to the Department of Transportation (Department), to set forth guidelines for establishing, billing, reporting and maintaining the Department's accounts receivables, and to ensure all funds due to the

SCOPE:

All offices of the Department that enter into agreements for funds due to the Department or that have the responsibility for billing and/or collecting monies owed to the Department.

DEFINITIONS and ACRONYMS:

ARI: Accounts Receivable Invoicing

ARS: The Accounts Receivable Section, located in the Department's Office of Comptroller, General Accounting Office

CFO: Chief Financial Officer for the State of Florida

DFS: Department of Financial Services

DMS: Department of Management Services

DOO: Disbursement Operations Office

Entity: An organization outside of the Department, including Governmental entities and the private sector

FLAIR: Florida Accounting Information Resource

FM: Financial Management System

GAO: General Accounting Office

Governmental Entity: *Section 334.03(11), F.S.*, defines a governmental entity as a unit of government, or any officially designated public agency or authority of a unit of government, that has the responsibility for planning, construction, operation, or maintenance or jurisdiction over transportation facilities; the term includes the Federal Government, the state government, a county, an incorporated municipality, a

metropolitan planning organization, an expressway or transportation authority, a road and bridge district, a special road and bridge district, and a regional governmental unit.

LFA: Locally Funded Agreement

LOC: Letter of Credit

Local Government: *Section 334.03, F.S.*, defines a local government as a unit of government with less than statewide jurisdiction, or any officially designated public agency or authority of such a unit of government, that has the responsibility for planning, construction, operation, or maintenance of, or jurisdiction over, a transportation facility; the term includes, but is not limited to, a county, an incorporated municipality, a metropolitan planning organization, an expressway or transportation authority, a road and bridge district, a special road and bridge district, and *Section 1.01(8), F.S.* defines a public body to include counties, cities, towns, villages, special tax school districts, special road and bridge districts, bridge districts, and all other districts in this state. district, and a regional governmental unit.

OGC: Office of the General Counsel

OOC: Office of Comptroller

OOC-GAO: Office of Comptroller, General Accounting Office

OWP: Office of Work Program & Budget

PCM: Project Cost Management Subsystem of the Financial Management System

PE: Professional Engineer

PFO: Project Finance Office

ROW: Right of Way

RWMS: Right of Way Management System

SBA: State Board of Administration

SIB: State Infrastructure Bank

State Agency(ies): Any agency included under *Section 20.03(2), F.S.*, the Office of the Governor, the Cabinet, and all Cabinet Agencies.

TRIP: Transportation Regional Incentive Program

BACKGROUND:

Receivables may be created when:

1. The Department enters into an agreement with another entity whereby the entity agrees to pay the Department a sum of money for services or for use of Department property.
2. The Department becomes a recipient of a grant from a state, federal, or local governmental entity whereby the funds are to be received at a future date in time.
3. The Department pays expenses for, or on behalf of, another entity and that entity is required to reimburse the Department.
4. Other circumstances or occurrences resulting in another entity being obligated to pay a sum of money to the Department at a future date.

Examples of the most common receivables are as follows:

1. LFAs
2. Grants
3. SIB Loans
4. Dishonored Checks
5. Damaged Property Claims
6. ROW Leases
7. Errors, Omissions, and Contract Breaches
8. Contract Overpayments
9. In-Kind Service Agreements
10. Judgments/Court Ordered Restitutions
11. Vegetation Mitigation
12. Sale of Mobile Equipment
13. Aviation Loans

REPORTING RESPONSIBILITIES

The responsibility for reporting any receivable to the ARS begins with the person that is aware of the receivable, and at a minimum includes the following: all cost center managers; attorneys; project managers; and contract managers.

1. LOCALLY FUNDED AGREEMENT (LFA) ACCOUNTS

1.1 The Department enters into LFAs with other entities for the purpose of using combined efforts to do a specified project (e.g., road construction, utility projects, etc.).

1.2 All LFA's requiring a deposit of funds must comply with ***Procedure No. 350-020-300, Locally Funded Agreements Financial Provisions and Processing.***

1.3 After all reviews and approvals, it is the district's responsibility to forward the executed LFA, **Agreement Summary Sheet (Form No. 350-020-03)**, and **Three Party Escrow Agreement** (if applicable) to the OOC-GAO, Attn: LFA Section, MS 42B.

1.7 ESTABLISHING A LFA ACCOUNT

1.7.1 Copies of all executed LFAs (boilerplate or OOC approved), when the entity is paying the Department, must be sent by the originating office to the OOC-GAO, Attn: LFA Section, MS 42B.

1.7.2 Once received by the LFA Section, the information contained within the LFA and the Agreement Summary Sheet is entered into the ARI system. The ARI system establishes an account under the name and address of the participant listed on the LFA.

1.7.3 Upon entry of the required data, the ARI system assigns a unique sequential account number.

1.7.4 After entering the LFA in the ARI system, the account is set up in the LFA system by entering the ARI account number and financial project number. The LFA system is used for summary information from the ARI system, such as amount billed to date by financial project number within an account number. The LFA system pulls this information directly from the ARI tables. The LFA system is also used to provide information from FM that is not in the ARI system such as the project description, Work Program Fund Code, and total expenditures by financial project number.

1.8 RECORDING LFA ACCOUNTS RECEIVABLE

1.8.1 LFA accounts receivable are entered into the ARI system by the LFA Section in accordance with the amounts specified in the LFA. Each night, the ARI system creates the required FLAIR entries.

1.8.2 Most commonly, receivables are established as costs are incurred on the projects described in the LFA. These costs are calculated using various methods, depending upon the type of project and the provisions of the LFA. These methods are described below.

1.8.2.1 On a monthly basis, the LFA Section receives a system-generated Monthly Billing Report to determine cost incurred or work performed to date. The Monthly Billing Report compares month-to-date and life-to-date revenue and expenditures and is used to determine any additional reimbursable costs. The Monthly Billing Report is analyzed by project against the PCM screens for accuracy. The LFA Section also requests construction estimates and costs from the district offices for projects when the LFA Section cannot determine the amount of costs incurred by the participants.

1.8.2.2 The construction estimates provide an itemized listing of services performed or goods purchased for a given project, including bid item numbers, quantities, price per quantity, and total cost to date per bid item.

1.8.2.3 The LFA Section reviews PCM to verify the reimbursable costs to the Department pursuant to the LFA. Construction estimates and the OWP Financial Management Item Segment Overview System are utilized to ensure specific agreement compliance and verify project status.

1.8.2.4 Based on information contained in the estimates and/or other sources, reimbursable costs are calculated by the LFA Section and entered into the ARI system.

1.9 LFA ACCOUNT BILLINGS

1.9.1 LFA accounts are billed in accordance with the terms specified in the LFA. If the agreement does not specify a billing frequency, the LFA Section bills the account monthly, provided additional costs have been incurred since the previous bill.

1.9.2 The participant(s) are required to submit a deposit of cash and/or LOC. Note: Pursuant to Rule **14-116.002, F.A.C.** if a LOC is requested, it must be in the best interest of the Department and must be approved by the Department's Comptroller before it is issued, pursuant to **Section 334.187, F.S.** When a LOC is used, at least 10 percent of the deposit must be in the form of cash. When a LOC is involved, the participant is invoiced. If the deposit is all cash, the Department draws on the deposit for reimbursement of costs incurred under the LFA.

1.9.2.1 If the deposit is held in escrow by the DFS, the Department sends a letter to the DFS requesting a transfer of funds from the escrow account to the appropriate Department fund. The two funds used are the State Transportation Trust Fund and the Turnpike General Fund.

1.9.2.2 If the deposit includes at least 10 percent cash and at least 90 percent LOC, an invoice is produced from the ARI system for the reimbursement of costs incurred under the LFA. If payment is not received within thirty calendar days, and the Department's Comptroller or designee approves, the LFA Section will draw on the LOC pursuant to the LOC agreement.

1.9.3 Occasionally, the costs of a project under the LFA will exceed the deposit provided. If this occurs, the LFA Section establishes a receivable in the ARI system and notifies the district contact person that additional funds are required for the project. The district is responsible for collecting enough additional funds to complete the project. If requested by the district, the LFA Section will generate an invoice for the balance due. The LFA Section monitors accounts monthly to ensure adequate deposits are maintained. If the participant does not pay the additional funds within the specified time period, the LFA Section will notify the district that funds have not been received, and if

invoiced, will send the participant a past due notice. See **Section 18** for actions on collecting delinquent accounts.

1.10 LFA ACCOUNT FINALIZING, CLOSING AND REFUNDING

1.10.1 Account Finalizing

1.10.1.1 An LFA will be finalized when all work is complete and the final payment has been made to the contractor/consultant.

1.10.1.2 For construction projects, the Final Estimates Office forwards a copy of the construction final estimate with the identification of the LFA final costs to the LFA Section who reviews it for compliance with the LFA.

1.10.1.3 If the LFA is not for a construction project, the final cost is determined when final payment has been made on the contract, all encumbrances have been released, and/or the district notifies the LFA Section the work is complete, and all costs have been applied in PCM.

1.10.1.4 Based on information received from the Final Estimates Office and information obtained from PCM, the total reimbursable costs are calculated by the LFA Section, and verified against the total billed to date and reviewed and approved by the project manager. If additional funds are required from the participant, the LFA Section establishes an accounts receivable in the ARI system and generates an invoice for the balance due. The LFA Section notifies the district and requests its assistance in obtaining additional funds. If the participant does not pay the bill within the specified time period, the LFA Section sends the participant a past due notice. See **Section 18** for actions on collecting delinquent accounts.

1.10.2 Account Closing

1.10.2.1 An LFA account may be closed for various reasons. Most commonly it is closed upon the completion of a project or cancellation/termination of the LFA by either party. Depending upon the terms of the LFA, a refund may be due to the participant upon project completion or contract cancellation.

1.10.2.2 If the closing LFA has a LOC and all of the participant's financial obligations have been satisfied pursuant to the LFA, the original LOC is returned to the issuing financial institution by the Department's Comptroller or designee.

1.10.3 Refunds

1.10.3.1 Refunds are processed in the following manner:

The LFA Section sends a letter to the DFS requesting that a refund be issued for a specified amount. This letter shall include the address where the warrant is to be mailed

by the DFS. The LFA Section also sends a letter to the participant notifying them that a refund request has been sent and payment will be forthcoming. That letter includes the date of the LFA, project description, the ARI account number, the financial project number, the amount of the advance deposit, including interest, the total project cost, the amount of the refund, and a contact name and number in the LFA Section.

1.10.3.2 The processing of refunds takes approximately fifteen calendar days.

1.10.3.3 Along with the letter sent to the participant, the LFA Section sends a copy of the LFA, the estimate, and other supporting documentation (if needed).

2. GRANT ACCOUNTS

The Department may become the recipient of grants from other state, federal or local government entities. When this occurs, the Department establishes an accounts receivable account to track costs and monitor the receipt of payments under the grant.

2.1 ESTABLISHING A GRANT ACCOUNT

2.1.1 When an office in the Department becomes a grant recipient, the office receives grant documents from the grantor setting forth the terms of the grant and the grant amount.

2.1.2 Offices within the Department receiving grant documents must submit a copy to the GAO ARS, MS 42B, within fifteen calendar days of receipt.

2.1.3 The ARS inputs the information contained in the grant into the ARI system to establish a grant account.

2.2 RECORDING GRANT ACCOUNTS RECEIVABLE

2.2.1 Grant accounts receivables are recorded into the ARI system by the ARS in accordance with amounts and percentages specified by the grant and contract documents received.

2.2.2 Funds received under a grant can only be used for specific projects or activities. Depending upon the terms of the grant, grant receivables are often recorded as costs are incurred by the Department for projects or activities that are reimbursable under the grant.

2.2.3 The ARS calculates costs on specific projects based upon specialized reports and PCM which contain costs that are reimbursable under the grant.

2.2.4 Using the established ARI account number, the ARS enters the amount of costs that are reimbursable under the grant into the ARI system.

2.3 GRANT ACCOUNT BILLINGS

Grant accounts receivables are billed in accordance with the terms of the grant document. If the grant document does not specify a billing frequency, the ARS bills the grant monthly, or more often if determined necessary by the ARS based on the total amount of the additional costs incurred since the previous bill. Grants are also billed more frequently as the grant reaches their expiration date. Copies of billings are provided to offices within the Department that receive the grants. These offices review the billings and notify the ARS of any discrepancies or changes.

Grant accounts receivables may be billed in the following manner:

- By an invoice generated from the ARI system and is mailed to the grantor by the ARS.
- By a manual invoice on a form provided by, or in a format prescribed, by the grantor.
- Through the Internet, if the office receiving the grant has a system set up to accept and process electronic billings.

2.4 CLOSING GRANT ACCOUNTS

The accounting records for grant accounts are closed by the ARS when reimbursement for all costs incurred under the grant have been received, or when the grant is canceled by the grantor. The ARS monitors payments to ensure all monies have been received before the account is closed. In addition, the ARS works with other offices within the Department that maintain grant information to determine that all costs incurred have been reimbursed. These offices also notify the ARS when a grant has been canceled.

3. STATE INFRASTRUCTURE BANK (SIB) LOAN

The State Infrastructure Bank (SIB) is a revolving loan and credit enhancement program consisting of two separate accounts. The federally-funded account is capitalized by federal money matched with state money as required by law, and the state-funded account is capitalized by state money and bond proceeds. The money is held on account with the DFS. The Secretary, or designee, approves SIB loan awards.

3.1 The PFO forwards agreements to the ARS within fifteen calendar days of execution.

3.2 The ARS sets up a unique account in the ARI system for each agreement received.

3.3 Expenditure reports are run monthly out of PCM to determine the amount of funds to be drawn from the DFS account to reimburse the Department for costs incurred. Loans are either advanced or made on a reimbursement basis depending on the type of loan.

3.4 When Federal, State, or Hurricane Emergency SIB loans are due from borrowers other than the districts, an invoice is prepared by the ARS and sent to the borrower.

When the money is received for the Federal SIB loans, the ARS sends the repayment to the DFS. State or Hurricane Emergency SIB loan repayments are made directly from the borrower to the SBA because of bond requirements. See **Section 18** for actions on delinquent accounts for any repayments that are not received from the borrower.

3.5 Every fiscal year the ARS determines how much the districts owe for their loans. This amount is sent to the PFO for verification. Once approved, the ARS sends the repayment to the DFS for Federal SIB loans to be deposited in the Federal SIB Escrow account. For State SIB loans, the PFO will submit an invoice to the district. The district will submit the request for a warrant. The warrant is to be deposited with the SBA. Once the current year debt service obligation has been satisfied, the SBA transfers any excess revenue to the DFS to be deposited into the State SIB Recycle escrow account.

4. DISHONORED CHECKS

4.1 All checks that are dishonored by the payee's bank are returned to the GAO, Cashier's Office. The Cashier's Office forwards the check to the ARS who will research to determine the type of receivable for which the payment was made.

4.2 The ARS will enter the dishonored check information into the ARI NSF database.

4.3 With the exception of ROW lease payments, the ARS will send a letter notifying the payee of the dishonored check, the total amount due, including the dishonored check fee, stating that payment is due within thirty days of the date of the letter. See **Section 6.4** for actions taken on dishonored checks for ROW lease accounts.

4.4 The ARI NSF database is monitored monthly for accounts meeting the criteria for submission to the collection agency. See **Section 18** for actions to collect delinquent accounts.

5. DAMAGED PROPERTY ACCOUNTS

The Department routinely enters into agreements for the reimbursement of costs to repair Department property damaged by motorists.

The OGC creates the agreement and is responsible for collecting payments due to the Department pursuant to the agreement. If the damaged property claim requires a payment plan, the receivable and payments are tracked by the ARS through the ARI system. (See **Procedure No. 225-085-002, Submission and Recovery of Property Damage Claims** for more information concerning the handling of Damage Claims.)

5.1 ESTABLISHING A DAMAGED PROPERTY ACCOUNT

Damaged property accounts are established in the ARI system when a signed promissory note is received by the ARS from the OGC. The note will include the account name, address, and claim number. The ARS establishes the account under the

customer's name and address. The ARS maintains a spreadsheet of all damaged property claims associated with a signed promissory note.

5.2 RECORDING DAMAGED PROPERTY ACCOUNTS RECEIVABLE

The promissory note in **Section 5.1** also provides the balance due and scheduled payment amounts. The ARS enters the monthly payment amount on the terms screen in ARI and records a receivable for the balance due in the ARI system.

5.3 DAMAGED PROPERTY ACCOUNT BILLINGS

5.3.1 Invoices are prepared monthly, or more often if determined necessary. Invoices are mailed by the ARS to the customer.

5.3.2 Payments are received by the GAO, Cashier's Office and posted to the applicable account. The ARS advises the GAO, Cashier's Office as to how, or to which accounts, payments should be posted when there is any doubt or question. The ARS determines this information by looking up accounts and contacting customers as necessary. Once the appropriate account is determined, the ARS provides the account number for identification. All checks are secured by the GAO, Cashier's Office until they are ready to be processed.

5.3.3 The ARS sends a monthly spreadsheet, with a listing of all active claims, to the OGC. See **Section 18** for actions to collect delinquent accounts.

6. RIGHT OF WAY LEASE ACCOUNTS

6.1 The Department enters into leases with entities to rent Department owned buildings or property on the Department's right of way.

6.2 The district office that originates the lease is responsible for collecting rents due to the Department, pursuant to the lease agreement.

6.3 LEASE AGING REPORT

On the first business day of each month, the ARS pulls the **Lease Aging Report** from the RWMS. The ARS uses this report to monitor the lease payments and to request additional follow up actions when necessary. The report includes the following:

- The name of the Lessee.
- The terms of the lease, including the amount and frequency of payments, and the period covered by the lease.
- The amount due and the amount paid.

- Whether the account is current or past due, the number of days payment is past due, and the actions taken by the district to collect any past due amounts. See **Section 18** for further actions on collecting delinquent accounts.

6.4 DISHONORED CHECKS FOR RIGHT OF WAY LEASE ACCOUNTS

6.4.1 The Central Office ROW is notified when a check is returned as dishonored for a ROW lease account.

6.4.2 The Central Office ROW will seek reimbursement for the dishonored check, including the dishonored check fee, and will keep the ARS informed of all collection attempts.

6.4.3 The Central Office ROW will notify the ARS when reimbursement is received and will forward the replacement check to the GAO, Cashier's Office with a copy of the replacement check and supporting documentation to the ARS.

6.4.4 Any reimbursements not received within ninety days from the date the check was returned as dishonored will be forwarded to the ARS. See **Section 18** for further actions on collecting delinquent accounts.

7. ERRORS, OMISSIONS, AND CONTRACTUAL BREACHES

7.1 Procedure No. 375-020-010, Errors, Omissions, and Contractual Breaches by PE's On Department Contracts, describes the process of identifying, investigating, and documenting errors, omissions, and contractual breaches. Refer to **Section 24** for additional details on recovery, litigation, tracking and training. **Section 28.1** of the procedure requires the Design Project Manager (Construction Project Manager for Consultant Construction Engineering and Inspection issues) to provide documentation to the ARS for all funds to be recovered.

7.2 The ARS maintains a schedule of all receivables related to the above-referenced procedure.

7.3 The ARS will enter the information into the ARI system and establish an account for the consultant.

7.4 For accounts with lump sum payments, the ARS will generate an invoice from the ARI system, and mail it to the consultant upon request from the Design Project Manager or Construction Project Manager.

7.5 For accounts with payment plans, an invoice will be generated and mailed out monthly.

7.6 If the payment has been received, the ARS will ensure the payment is posted to the ARI system.

7.7 If the ARS has not received payment within sixty calendar days of the invoice, the ARS contacts the Design Project Manager or Construction Project Manager. See **Section 18** for actions on collecting delinquent accounts.

8. CONTRACT OVERPAYMENTS

8.1 Procedure No. 375-030-004, Audit Process for Professional Services Consultants and Contracts describes the process that will be used to conduct post audits of Department projects, and determine the dollar amount of claims that are to be charged to consultants for overpayments.

8.2 If the audit findings indicate the consultant was overpaid, and the contracting office accepts the findings, the contracting office prepares a **Notice of Contract Overpayment** (notice). The notice gives the consultant thirty calendar days to submit a rebuttal, with documentation, or submit payment within sixty calendar days. A copy of the notice, the **Office of Inspector General Memorandum** and the **Final Audit Report** is provided to the ARS.

8.3 The ARS maintains a schedule of all receivables related to the above-referenced procedure.

8.4 The ARS enters the information into the ARI system and establishes an account for the consultant. If the ARS has not received payment within sixty calendar days, the ARS contacts the contracting office to determine if the payment or rebuttal has been received.

8.4.1 If the payment has been received, the ARS ensures the payment is posted to the ARI system.

8.4.2 If a rebuttal was received, the ARS will maintain periodic contact with the contracting office as to the status of the rebuttal.

8.4.3 If neither a payment nor a rebuttal has been received, the ARS generates an invoice from the ARI system and mails it to the consultant. The invoice is payable within thirty calendar days from the date of the invoice.

8.4.4 If the consultant does not pay within thirty calendar days from the date of the invoice, the contracting office will be notified. See **Section 18** for actions to collect delinquent accounts.

9. SERVICES IN-KIND AGREEMENTS

Procedure No. 375-020-010, Errors, Omissions, and Contractual Breaches By PE's on Department Contracts, allows the Department to accept services in-kind from a consultant/contractor, in lieu of money, as restitution for damages. Services In-Kind Agreements can also occur when a contract overpayment has occurred, or if the vendor did not adequately perform the scope of services in the contract, and the Department determines this method of compensation to be in the best interest of the parties involved. The following processes are to be followed for Services In-Kind Agreements:

9.1 The appropriate Central Office or district personnel shall determine the scope of equivalent services that will satisfy the consultant's/contractor's obligation to reimburse the Department for restitution of damages, or to meet the requirements of the original scope of services.

9.2 The Services In-Kind Agreement must include a Comptroller Review signature block, and must be approved by the Comptroller, or designee, before execution.

9.3 The appropriate Central Office or district personnel will notify the ARS within fifteen calendar days of execution of the Services In-Kind Agreement and provide the following information:

- A copy of the executed agreement.
- The original contract number.
- The original Financial Project number should be used on all non-federal contracts. The responsible district or Central Office personnel should work with the OOC's Federal Aid Section and the OWP's Federal Aid Section to determine the appropriate Financial Project number to be used if the original contract was federally funded.

9.4 The ARS will record the appropriate accounting transaction in the Department's accounting records to establish the services in-kind receivable.

9.5 The appropriate district or Central Office personnel will monitor and document the receipt of services in-kind, and will submit copies of invoices, and any other supporting documentation used, in satisfying the services in-kind to the DOO for review and audit in accordance with ***Disbursement Handbook for Employees and Managers***.

9.6 The DOO will forward the invoices, and supporting documentation, to the ARS after the review and audit has been completed.

9.7 The appropriate district or Central Office personnel will notify the ARS when the consultant's/contractor's obligation to provide services in-kind has been satisfied.

9.8 The ARS will verify that all audited invoices, and supporting documentation, satisfying the services in-kind have been received, and will record the appropriate accounting transaction to reverse the services in-kind receivable.

9.9 See **Section 18** for actions on collecting delinquent accounts.

10. JUDGMENTS/COURT ORDERED RESTITUTIONS

The Department has accounts receivables for court ordered restitutions. Restitution can be for criminal activities related to fraud, theft, accidents, etc.

10.1 The OGC forwards the paperwork to the ARS within fifteen calendar days of execution for judgments, or upon receipt of the court documentation for court ordered restitutions.

10.2 The ARS analyzes the ***Judgment and Restitution Order, Plea Agreement***, and/or other documents for payment terms.

10.3 The ARS enters the information into the ARI system to establish an account.

10.4 The current amount of the receivable is entered into ARI system. If payment is not received within sixty calendar days of the due date, the ARS notifies the OGC. See **Section 18** for actions on collecting delinquent accounts.

10.5 If there is a long term receivable, a unique general ledger code will be set up and the amount will be booked directly to FLAIR.

10.6 A schedule of all accounts is kept by the ARS.

10.7 For financial statement purposes, at fiscal year end, each account is analyzed for the amount that needs to be moved from long term in FLAIR to current in the ARI system.

11. VEGETATION MITIGATION

Outdoor advertising companies with signs along the Department's right of way may want to remove trees from around their signs without waiting to replant in the same area. The Environmental Management Office allows sign companies to provide funds to the Department so that the Department can landscape areas other than where the companies' signs are located.

11.1 The districts collect the funds and sends them to the ARS. The ARS has set up one account in the ARI system for each district. Deposits go into these accounts and are set up as security. When the districts use the money, the ARS creates a receivable and revenue for that project in the ARI system. The revenue will show in PCM because the project number is used.

11.2 The ARS then draws down the deposit to cover the receivable balance.

11.3 Semiannually, in December and at fiscal year end, the ARS contacts the Environmental Management Office to obtain a list of all vegetation mitigation projects to ensure the ARS is aware of all active projects.

12. SALE OF MOBILE EQUIPMENT

The State Maintenance Office sells used equipment that is no longer needed by the Department. Refer to ***Procedure No. 400-000-001, Mobile Equipment Procedures Manual***.

12.1 Funds for equipment that is picked up and sold by DMS, before or at auction, are journal transferred to the Department by DMS. The ARS does not set up receivables for these transactions.

12.2 When equipment is sold directly from the holding unit before DMS picks it up, the district forwards the payment to the OOC-GAO, Cashier's Office for processing (refer to ***Procedure No. 350-080-300, Receipt Processing***). As a check, the Central Maintenance Office also sends a copy of the sale to the ARS when received. These transactions are rare.

12.2.1 The ARS adds the sale to a schedule. If payment is not received within thirty calendar days an account is set up in the ARI system. In addition, the ARS notifies the district to assist in collection efforts. See ***Section 18*** for actions on delinquent accounts.

13. AVIATION LOANS

The Department's Aviation Office provides loans to commercial airports and offers various special type loans. Reference ***Procedure No. 725-040-055, Loans to Airports***.

13.1 The State Aviation Manager, or the manager's designee, forwards a copy of each district's schedule to the ARS within 15 days of receiving all loan reimbursement schedules from the districts. An example of the schedule can be found in ***Procedure No. 725-040-055, Loans to Airports***.

13.2 The ARS combines all of the District schedules into one master schedule.

13.3 The ARS verifies the expenditures in PCM, and, if discrepancies are found, the ARS notifies the district and asks for an explanation.

13.4 The ARS increases or decreases the long term receivable in FLAIR as required. No information is entered into the ARI system.

13.5 The ARS e-mails a copy of the master schedule to the Central Aviation Office prior to June 30th of each year for review and update.

13.6 If a scheduled repayment is not received, a letter is to be sent to the airport sponsor by the District Aviation Office. See **Section 18** for actions on collecting delinquent accounts.

14. MISCELLANEOUS ACCOUNTS

Occasionally, receivables other than the ones described in previous sections may also be established. These types of receivables are relatively infrequent and often involve a unique set of circumstances. The ARS must be notified of all miscellaneous accounts receivable agreements.

14.1 If the originating office would like the ARS to maintain the receivable, it must contact the GAO-ARS at 850-414-4867, or MS 42B. The ARS will inform the office of what information is required.

14.2 In such cases, the ARS establishes an account, the customer is invoiced, and the account is monitored, as appropriate, given the set of circumstances.

14.3 The ARS will monitor any accounts receivable maintained outside of the GAO ARS to ensure that all payments are received in a timely manner and that further collection action is taken, if necessary, as outlined in **Section 18**.

14.4 **Section 15** provides instructions on how to handle receivables outside the ARS.

15. RECEIVABLES NOT PROCESSED BY THE ARS

With the approval of the ARS, some receivables are maintained and collected outside the GAO-ARS. For approval, contact the GAO ARS at 850-414-4867, or MS 42B. The ARS will add the receivable to the spreadsheet of receivables not maintained by the ARS, and will monitor these accounts for prompt payment. The following is a guide for those scenarios.

15.1 Customers should be invoiced within thirty calendar days of the transaction. Attachment A contains a sample of an invoice. This exact format does not have to be used; however, we recommend the language therein be included. A copy of the invoice must be provided to the ARS. The ARS must be notified when payment is received.

15.2 If payment has not been received within thirty calendar days of the invoice date, a past due notice should be sent immediately. Attachment B contains a sample past due notice. This exact format does not have to be used; however, we recommend the language therein be included. A copy of the past due notice must be provided to the ARS. The ARS must be notified when payment is received.

15.3 The ARS must be notified if payment has not been received within fifteen calendar days of the past due notice. The ARS will then proceed with collection activities as outlined in **Section 18**.

16. ACCOUNT CLOSINGS AND REFUNDS

16.1 CLOSING AN ACCOUNT

A receivable account is moved from active status to closed status in the ARI system when the account has been paid in full, or upon receipt of write-off approval from the DFS.

16.2 REFUNDS

16.2.1 The ARS may determine that a refund is due as a result of an overpayment, or other valid reasons.

16.2.2 All requests for refunds must be submitted by the customer in writing.

16.2.3 If it is determined that a refund is due, the ARS completes **Form No. 350-080-14, Application for Refund of a Deposited Receipt**. Detailed instructions for completing this form can be found in **Procedure No. 350-080-300, Receipt Processing**.

16.2.4 The ARS forwards the **Application for Refund of a Deposited Receipt** form to the Cashier's Office for processing. The Cashier's Office, in turn, forwards the request to the DOO for payment and delivery of warrant to the customer.

16.2.5 The ARS sends a letter to the customer, which states the amount of the refund, and informs the customer that payment will be remitted within fifteen calendar days.

17. COLLECTING DELINQUENT ACCOUNTS

17.1 Section 17.20, F.S., states that each agency shall be responsible for exercising due diligence in securing full payment of all accounts receivable and other claims due the state. The ARS is responsible for ensuring that the Department is exercising due diligence in securing full payment of all receivables due to the Department.

17.2 The following steps are to be taken to secure full payment on all accounts receivable:

17.2.1 A past due notice will be sent thirty days after the original due date by the office responsible for the receivable.

17.2.2 Subsequent past due notices, or additional collection attempts, as deemed appropriate, will be sent by the office responsible for the receivable if payment has not

been received after sixty days from the original due date, and then again after ninety days if payment has not been received.

17.3 Section 17.20, F.S., states that no later than one hundred twenty days after the date on which the account or other claim was due and payable, and after exhausting other lawful measures available to the agency, each agency shall report the delinquent accounts receivable to the appropriate collection agency for further action.

17.3.1 With the exception of the offices that have been granted authority to submit their past due receivables to the State's collection agency, the office responsible for the receivable will forward the supporting documentation for the receivable and copies of all collection attempts, to the ARS for any receivable that is not paid in full within ninety days from the original due date.

17.3.2 The ARS will submit the past due receivable to the State's collection agency in accordance with the requirements in **Section 17.20, F.S.**

17.4 Section 17.20, F.S., allows agencies that have delinquent accounts receivable, which accounts are of such a nature that it would not be appropriate to transfer collection of those delinquent accounts to the collection agency within one hundred twenty days after the date they are due and payable, to request in writing a different period of time for transfer of collection of such accounts.

The Department has been granted the following exemptions: accounts related to utility relocations, contract overpayments, and damage claims that are under financial hardship situations may be retained at the Department for two hundred forty days before assigning the debt to a collection agency.

17.5 The receivable will be submitted to the DFS as a potential write-off once the receivable has been determined to be uncollectible according to the guidelines in **Section 19** of this procedure.

18. WRITE-OFF OF ACCOUNTS RECEIVABLE

18.1 In some cases, after exercising due diligence to collect money due to the Department, the GAO-ARS may determine that the outstanding balance, or a portion of the outstanding balance, on an account should be submitted to the DFS for potential write-off. This is done in accordance with **Rule 69I-21.003, F.A.C.**

18.2 To request a write-off, the ARS provides the DFS with information on accounts that have been returned by the collection agency and have been deemed uncollectible, requesting permission to write-off the charges.

18.3 The DFS has the option of approving the request for write-off, or making additional efforts to collect the amount due.

18.4 If the write-off request is approved, the DFS sends written notification to the GAO-ARS granting authority to write-off the receivable. Receivables can only be written off in the amount specified by the DFS.

18.5 Amounts approved for write-off are deducted from the Department's accounts receivable records by using the write-off function in the ARI system. The ARS is responsible for performing this function.

18.6 If the accounts receivable is recorded outside of the ARI system, the ARS will adjust the Department's accounts receivable record by entering the appropriate transaction in FLAIR.

19. ANNUAL REPORTING REQUIREMENTS

19.1 Pursuant to **Section 17.20(4), F.S.**, beginning October 1, 2010, and each October 1 thereafter, the Department is required to submit a report to the President of the Senate, the Speaker of the House of Representatives, and the CFO. The report must contain data as of June 30 of the preceding fiscal year and include the following information:

19.1.1 A detailed list and total of all accounts that were referred for collection, the status of such accounts, including the date referred, any amounts collected, and the total that remains uncollected.

19.1.2 A list and total of all delinquent accounts that were not referred to a collection agency, the reasons for not referring those accounts, and the actions taken by the Department to collect.

19.1.3 A list of all accounts or claims, including a description and the total amount of each account or claim, written off or waived by the Department, for any reason, during the prior fiscal year, the reason for being written off, and whether any of these accounts continue to be pursued by a collection agent.

19.2 The ARS will be responsible for completing and submitting the annual report and submitting for the Secretary's review and signature before submitting the report to the President of the Senate, Speaker of the House of Representatives, and CFO by October 1 each year.

20. TRAINING

No training is required by this procedure.

21. FORMS

No forms required by this procedure.

Reference **Section 15.1**

ATTACHMENT A

(Invoice)

Today's Date

INVOICE

Company Name

Attn: Accounts Payable (or name)

Address

City, State Zip

Re: Account Number or Other Identifying Information

Dear Sir or Madam:

The above referenced account for (brief description of transaction) is past due. Payment in the amount of \$XXX.XX, payable to the Florida Department of Transportation, should be remitted no later than (date, 15 calendar days from the date on this letter). Please reference the above account information on your response so that we can properly post your payment. Failure to make payment could result in your account being referred to our legal office or to a collection agency.

If you have any questions, please contact (name) at (phone number).

Please remit payment to: Florida Department of Transportation
Attn: Name
Address
City, State Zip

Sincerely,

Name

Title

Reference **Section 16**

ATTACHMENT B

(Past Due Notice)

Today's Date

NOTICE OF PAST DUE ACCOUNT

Company Name

Attn: Accounts Payable (or name)

Address

City, State Zip

Re: Account Number or Other Identifying Information

Dear Sir or Madam:

The above referenced account for (brief description of transaction) is past due. Payment in the amount of \$XXX.XX, payable to the Florida Department of Transportation, must be remitted no later than (date, 15 calendar days from the date on this letter). Please reference the above account information on your response so that we can properly post your payment. Failure to make payment could result in your account being referred to our legal office or to a collection agency.

If payment has already been sent, please disregard this letter. If you have any questions, please contact (name) at (phone number).

Please remit payment to: Florida Department of Transportation
Attn: Name
Address
City, State Zip

Sincerely,

Name

Title