

FINANCE PROCEDURES

**SECTION 26: FINANCE PROCEDURES
TABLE OF CONTENTS**

PAYMENT PROCEDURES

| | | |
|----|--|-----------|
| 1. | -Payment Authorization | Page 26-3 |
| 2. | -Payment for Orders | Page 26-3 |
| 3. | -Payment Limits | Page 26-4 |
| 4. | -Payment of Interest on Overdue Invoices | Page 26-4 |
| 5. | -Refund Procedures | Page 26-5 |
| 6. | -Advanced Payments | Page 26-5 |

MISCELLANEOUS TRANSACTIONS

| | | |
|----|-----------------------------|-----------|
| 7. | -Miscellaneous Transactions | Page 26-5 |
| 8. | -Procedure for Group I | Page 26-7 |

SECTION 26: FINANCE PROCEDURES

PAYMENT PROCEDURES

26.0 Payment Authorization

- 26.0.1 To initiate payment for a received order from an outside vendor, the department will complete an approval E-form thru the OnBase Imaging System and route it back to Finance. The E-form will include quantities, dollar amounts to pay and other pertinent information.
- 26.0.2 For fixed asset acquisitions, the department must also prepare and submit a FIXED ASSET ACQUISITION form to Finance at the time payment is authorized.

26.1 Payment for Orders

- 26.1.1 Upon receipt of an invoice or payment request, Finance will process it for payment in accordance with the appropriate procedure for processing invoices.
- 26.1.2 All payments will be charged against the purchase order encumbered for the order and/or contract.
- 26.1.3 If a purchase order has been closed before the final delivery or payment, a department may have it re-opened by preparing and submitting an Order Revision.
- 26.1.4 It shall be County policy that vendors should mail original invoices directly to Finance or make arrangements to have the invoices e-mailed. Exception: invoices for contracted construction and/or professional services.
- 26.1.5 If vendor invoices, credit memos, monthly statements, or such are inadvertently mailed to a department, the department should promptly forward them to Finance. Department should inform vendor of correct mailing address to send invoices to.
- 26.1.6 Finance will maintain all invoices on file for use in processing payments for orders.
- 26.1.7 Payment checks will normally be issued by Finance on Tuesday. Emergency check runs are done as needed.

- 26.1.8** To have a check issued for an order, the e-form/payment request and invoice must normally be submitted to Finance by 4:00pm on the preceding Tuesday via OnBase and/or stamped into Finance.

26.2 Payment Limits

- 26.2.1 Finance may not make any payments on any purchase that exceeds the payment limit on a purchase order or the contract amount on a contract.
- 26.2.2 For a purchase order only, the amount of the purchase order plus 20% or \$500.00, whichever is less, is the payment limit.
- 26.2.3 For a contract, the contract amount plus contract change orders is the firm payment limit.
- 26.2.4 When an excess payment over the payment limit or contract amount is invoiced by the vendor, Finance will notify the department concerned by sending invoice back in OnBase with a note.
- 26.2.5 If the department wishes to pay the excess amount, it must prepare and submit an Order Revision. Unit prices cannot be changed on quoted items.
- 26.2.6 After the purchase or contract amount have been increased to the appropriate figure for the higher than expected invoice, Finance may then make payment up to the appropriate amount.
- 26.2.7 If the purchase order contract amount is not increased, Finance may make payment only up to the originally authorized payment limit or contract amount.

26.3 Payment of Interest on Overdue Invoices

- 26.3.1 In accordance with Florida Statute 218.75, to authorize the payment of interest to the County's vendors on overdue invoices, object code 7225 – Vendor Late Payment Interest has been established for this purpose.
- 26.3.2 The Clerk of Circuit Court Finance Division has the authority to pay interest charges on any invoice that is over 45 days old when these charges are requested by the vendor.
- 26.3.3 A disputed invoice over 45 days old will not be considered delinquent if written notification explaining the dispute is sent to the vendor and Finance. The aging of the invoice in this case stops on the date of dispute notification and begins again upon resolution of the dispute.

- 26.3.4 If interest charges exceed \$500.00 over the original purchase order amount, it will not require an order revision to be processed.

26.4 Refund Procedures

- 26.4.1 When a refund is due a vendor for the overpayment of fees, non-attendance at a County sponsored function, or other similar reason, the refund procedure should be utilized.

- 26.4.2 Refund Payment Request form should be completed with the following information:

- Amount of refund due
- Vendor name and Vendor number
- Account string(s) where money is available for refund
- Reason for refund
- Name of contact person in case additional information is required

- 26.4.3 The request must be signed by a department director, division director or designee.

- 26.4.4 Receipts and any other pertinent paperwork should be attached to the report.

- 26.4.5 The entire request for refund package should be mailed to Finance for processing.

26.5 Advanced Payments

- 26.5.1 Finance has the authorization to make advance payments on behalf of the County for goods and services, including, but not limited to, maintenance agreements and subscriptions, for advance payments of invoices submitted. Per Florida Statute 28.235.

MISCELLANEOUS TRANSACTIONS

26.6 Miscellaneous Transactions

- 26.6.1 There are certain transactions which are unique in nature, and therefore, cannot be handled through competitive bargaining and negotiations. Miscellaneous transactions may be entered by direct voucher as specified in the JDE/Lee County Finance Training Manual for Accounts Payable. These transactions shall be referred to as Miscellaneous Transactions, and shall be grouped as follows;

26.6.2 Group I:

- The acquisition of real property, such as land, easements, right-of-way, existing buildings, structures, or improvements, resulting from negotiations and approved by the Board.
- The payment of court ordered fines and judgments, resulting from litigation the County is a party to.
- Refunds of current or prior year revenues charged against budgetary accounts.
- Grant disbursements to federal, state, or local government agencies, or to private groups or agencies.
- Disbursements to County officers of funds budgeted for their requisition and use.
- Aid disbursements for Federally Funded employment and training program participants, housing and rental subsidies, or welfare and medical assistance.
- Any exceptional disbursement as authorized by the Board.

26.6.3 Group II:

- The payment of court ordered fees, or fees and costs incurred pursuant to S.27.54(3) and certified by the Public Defender as being useful and necessary in the preparation of a criminal defense, resulting from the judicial process, processed by the Clerk of the Court or the Court Administrator's Office, and recorded against the budget for such fees. For such fees, the County is merely the public taxing agency responsible for supporting the judicial system.
- Cash transfers and investment transactions for fiscal management purposes, processed through Finance, and against general ledger accounts.
- The payment of accrued or current liabilities already charged against the budget, processed through Finance, and recorded against general ledger accounts.

- Debt service payments processed by Finance and charged against budgetary accounts. These payments are non-departmental and are based upon a scheduled payment cycle approved by the Board. Finance was designated to handle the requests in order to assure the monies are available and the bond covenants are met.
- Bank charges which are netted from the amount of interest the County earns on its surplus cash. The reduced interest earnings are then distributed to all of the County's funds based upon their cash balances for the time the interest was earned. The result is all the funds bear the cost of the County's banking activity.
- Interfund or interdepartmental transfers or reimbursements within or among County departments including indirect costs.

26.7 Procedure for Group I

26.7.1 Group I miscellaneous transactions are paid by Direct Voucher and will be processed as follows:

- Acquisition of real property –There must be backup showing approval by the Board.
 - Grant disbursements to private groups or agencies – there must be grant agreement approval by the Board and the grantee. **Such a grant agreement will be treated the same as a contract.**
 - Miscellaneous transactions under Board level authorization – the authorization levels for purchases under Board level authorization in this manual are also applicable.
 - Miscellaneous transactions of Board level authorization – authorization is required by approval of the Board.
 - Payment of court ordered fines or judgments – in addition to proper authorization; the submitting department must indicate the case title and number on the Direct Voucher.
- Afterward, to request payment for the miscellaneous transaction, the responsible department will complete an on-line e-form for the transaction. Appropriate supporting documentation must also be submitted.

- After receipt of the e-form with the supporting documentation, and after appropriate pre-audit review, Finance will prepare the disbursement for the miscellaneous transaction. The disbursement will be charged against the encumbered purchase order approved for the miscellaneous transaction.
- Multiple disbursements for a miscellaneous transaction are permitted; however, a separate e-form must be submitted for each disbursement up to the total amount encumbered.