

**STATE OF FLORIDA
DEPARTMENT OF CITRUS
LAKELAND, FLORIDA**

CONTRACT AGENCY FISCAL POLICY

PURPOSE AND RESPONSIBILITY

In order to comply with Florida Statutes, the Department of Citrus has established fiscal policies and procedures to be used by all agencies under contract with the Department for advertising and promotional activities, and public relations activities. This fiscal policy is based on two primary principles:

1. State records must include sufficient supporting documentation that the charge is correct and that authorized activities actually took place and/or deliverables were received before payment is made. (Advance payment will be made only in certain instances and requires prior written authorization by the Executive Director or designee.)
2. Upon payment to an Agency, the State must be legally absolved of further liability. In case of default in payment by an Agency, the State of Florida must not be in jeopardy of double liability.

A. PURCHASE ORDER OR CONTRACT/COST ESTIMATE

Before the Agency is authorized to commence work on any project on behalf of the State of Florida, the Department of Citrus must issue a signed purchase order or contract.

1. Agency cost estimates must be used when there is an approved contract, which authorizes them. The cost estimate must be signed by an authorized representative of the Agency before submission to the Department of Citrus for approval. No work can begin until after the cost estimate is signed by both Agency and the Department of Citrus Project Manager and appropriate Marketing Director. For budgetary and policy review purposes, the Comptroller must sign all cost estimates. The Comptroller's signature is not required for work to begin. The contract Agency must be aware that the Department is not liable to reimburse any expense incurred prior to signed approval on cost estimate.

STATE OF FLORIDA
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APPROVING, PROCESSING AND PAYING VENDOR INVOICES

(For purchases other than State of Florida Purchase Card Purchases)

The Department of Citrus must file all invoices approved for payment with the Bureau of Auditing within 20 calendar days after receipt of the invoice, and receipt, inspection and approval of the merchandise/service. This includes the necessary lead time to allow for mailing, weekends, holidays, etc.

A. INVOICE REQUIREMENTS

1. Invoices for commodities must clearly reflect a description of the item or items, number of units and cost per unit. Numerical code descriptions alone will not be accepted.
2. Invoices for contractual services must clearly reflect the services/deliverables that were provided. Invoices for fixed unit rate contracts must show the number of units and cost per unit. Invoices for contracts paid out on a reimbursement basis or a fixed rate for a specific time period, e.g. quarterly, monthly etc. must be supported by documentation (such as a progress report) that clearly reflects the services /deliverables provided during the invoice period.
3. No balances for prior purchases will be paid unless supported by an invoice.
4. A statement will not be paid unless it can be clearly shown that the vendor intended it to be used as an invoice.
5. All invoices shall be in accordance with Section 215.422, F.S., and the rules set forth in Rule 69I-24, F.A.C.
6. Acronyms and non-standard abbreviations for programs or organizational units within an agency should not be used in the supporting documentation unless an explanation is also included.

B. WHO CAN RECEIVE A VENDOR INVOICE

All vendors are to send invoices directly to:

1. Lakeland Office
2. Lake Alfred Office
3. Gainesville Office

C. RECEIVING DATE OF INVOICE

1. When the invoices are received in any of the above-mentioned offices, **they must be stamped the date received.** Stamp all copies.
2. This becomes the beginning of the 20-day period allowed to process the invoice for payment unless D.1. is later.

D. RECEIVING AND INSPECTION DATES OF MERCHANDISE/SERVICES

1. Indicate the date the merchandise/service was received and inspected by the Department of Citrus in the space provided on the date stamp.
2. If the receiving date of the merchandise/service is after the invoice receiving date stamped on the invoice, this will become the beginning of the 20-day period allowed to process the invoice for payment.

E. SUBMITTING INVOICE FOR PAYMENT

1. The original invoice and one copy* (*only if invoice is \$10,000 or greater) must be submitted to Accounting for payment. If the original invoice is not available, the following statement must be placed on the face of the invoice:

"Original invoice not available. Agency records show that this obligation has not been previously paid."

This statement must be signed by appropriate personnel.

2. All invoices must be submitted with supporting documentation sufficient for pre-audit. This would include, but not be limited to: copy of the purchase order, method of procurement (sole source, bid recap) if applicable, third-party vendor invoices, and any schedules supporting the charges. If the purchase order or contract stipulates that payment is to be

made following receipt of a report, a copy of the report should be attached. If the report is large in volume, a statement that the report has been received and approved may be placed on the invoice and only the first page or two attached to the invoice.

3. It is imperative that the approving department indicate the purchase order/contract number, vendor ID number, and the account number to be charged on the face of the original and all copies of the invoice. The invoice must be approved by processing personnel in the space provided on the date stamp. The staff member with authority to approve the invoice for payment must sign a statement indicating they have reviewed the expenditure(s) and agree that goods/services were received in accordance with purchase authorizations.

The cost estimate, using the standard Department of Citrus format plus addendum, purchase order, or contract must clearly define

- a. Program objectives
- b. Strategies
- c. Detailed tactics
- d. Deliverables
- e. Detailed budgets
- f. Affiliate-provided services
- g. Bid/sole source requirements for expenditures \$25,000 or greater
- h. Advance payment requests
- i. Other information as requested by the Department.

Generally, overhead costs such as telephone, facsimile, shipping, travel, and other administrative costs are not reimbursable. If overhead costs are an integral part of the program costs they must be clearly identified on the cost estimate.

If project costs or program requirements change from the original estimate, Agency cost estimates must be revised, signed by Agency, and submitted for written approval. The revision addendum must include:

- i. The reason for the revision
- ii. Changes in costs, and details
- iii. Tactic changes, if applicable
- iv. Changes to deliverables
- v. Changes to competitive bid requirements, if applicable

While the total of an approved cost estimate cannot be exceeded, line items within may be redistributed without a formal revision. Cost estimate revisions must be approved by the Project Manager and the appropriate Marketing Director prior to incurring any additional costs. For budgetary and policy review purposes, the Comptroller must sign all revisions.

Each revision must include not only the current changes, but also the history of all previous revisions as noted on the addendum.

2. Agency cost estimates for media
 - a. An authorization to buy cost estimate should be prepared by the Agency, and approved by the Project Manager and the appropriate Marketing Director to authorize the Agency to negotiate buys and placement of media for retail promotions. A cost estimate number will be assigned to this authorization to buy. Total budget should be referenced with a note on the authorization to buy cost estimate that each placement must be preceded by a revised cost estimate authorizing details—the amount and the media schedule—of the actual purchase.
 - b. The revised cost estimate (buy summary) to authorize the detailed placement of media should be prepared by the Agency and approved by the Agency, Project Manager, and the appropriate Marketing Director prior to committing the funds to the vendor. This estimate should document the placement goals, strategies, markets, and audience, used for the proposed media buys. This is the supporting document for the competitive bid.
 - c. The Agency must provide the DOC with an ongoing Media Estimate Summary showing balances uncommitted.
 - d. Media cost estimates may be revised as needed during the year allowing for budget changes, opportunistic buys, schedule changes, etc. Each revision must include a detailed explanation.
 - e. In the event that media buys for a new fiscal year must be negotiated prior to the beginning of the new year, a cost estimate to authorize the buy can be issued prior to the approval of the new fiscal year budget. Approval by the Citrus Commission is also required.

The Department of Citrus will assume no financial responsibility for any commitments that are not properly authorized in accordance with the above requirements.

B. COMPETITIVE BIDS

In order to assure that services obtained are in the best interest of the Department and consistent with the concept of arms' length transactions, competitive bids are required.

1. Purchases under \$25,000 require informal bids. Documentation of the informal bids must be maintained by the Agency, to be made available upon request.
2. Purchases of \$25,000 or greater require formal bids. Requests for proposals must relate back to the deliverables in the cost estimate. At least two written proposals and/or bids must be received by the Agency. A Bid Recap must be completed, including the following:
 - a. Documentation of the competitive bid process.
 - b. Disclosure of affiliations of all third-party vendors.
 - c. Agency's recommendation.
 - d. Justification of lowest bid is not recommended.
 - e. Justification to award bid if only one vendor has responded to competitive bid announcement.

The Department of Citrus contract manager must review and approve all required bid recaps prior to awarding the bid. All supporting bid documentation must be maintained by the Agency for audit, and made available to the Department upon request.

3. Purchases of \$50,000 or greater require, in addition to the formal bid process, a written agreement with the third-party vendor. A copy of this agreement must be submitted to the Project Manager.

All bid documents must be translated into English prior to submission to the Department.

The Department reserves the right to acquire goods and services through the Department's purchasing department.

Procurements with affiliates and assumed-name companies must be bid through the competitive process.

4. In rare instances goods or services may be available only through one third-party vendor. A full justification must be approved by the Project Manager and Marketing Director prior to award of the contract.

5. Florida-Based State-Certified Minority Vendors

Whenever possible, Florida-based firms should be solicited. The use of state-certified minority vendors is strongly encouraged. The Agency is required to submit a monthly Minority Vendor Spending report, along with copies of the certified minority vendor invoices.

C. INVOICE DOCUMENTATION

To assure uniformity, each Agency invoice for services or goods purchased on behalf of the Department must reference the cost estimate, contract, or purchase order, which authorizes the charge, relate directly to the deliverables, and be supported by:

1. Time and material charges
2. Copy of vendor's invoice and receipts, where applicable
3. Proof of performance, as detailed in sections E-I
4. Evidence of payment to vendor by the Agency. If the payment is over \$2,000 (two thousand U.S. dollars), proof of payment as indicated by a signed notation on the face of the invoice by Agency accounts payable staff is required.
5. Travel reimbursements should be submitted on invoices separately from other program expenses. When Travel is authorized, Agency must submit a "State of Florida Voucher for Reimbursement of Travel Expenses" form for each traveler. The form must
 - a. Be completed electronically
 - b. Fully justify all miscellaneous charges reflected on hotel bills (See Fiscal Policies #304 & #305)
 - c. Have all detailed receipts attached

- d. Have an original signature, title, and date signed

Two (2) sets of invoices and documentation must be submitted monthly as work progresses, not to exceed sixty (60) days after completion of approved activities. Failure to comply may result in denial of payment for expenditures incurred by the Agency.

All invoices and supporting documentation must be translated in English prior to submission to the Department.

State of Florida rules require that cash discounts be taken when provided in the terms of the invoice.

In the event that an incomplete Agency invoice is received by the Department, the Agency will be notified through the use of a "Request for Additional Information" form. Failure to submit the requested documentation within thirty (30) days could result in nonpayment of the pending invoice.

D. CERTIFICATION FORWARD

Expenses for activities or services completed by June 30th of each year for which payment has not yet been made should be certified forward so they can be reflected in the appropriate fiscal year. Only those activities or services performed during the months of May and June may be certified forward.

The Agency will be notified by the Department as to the dates information must be received for fiscal year-end closing. It is the responsibility of the Agency to furnish those amounts to be certified forward for each cost estimate. Failure to notify the Department of those amounts may result in nonpayment of Agency expenditures.

E. NETWORK/SPOT TELEVISION AND RADIO

NETWORK: Agency cost estimates must include media schedules listing the programs during which Department of Citrus advertising is being shown by program name, rate per program, and dates to be shown.

SPOT: Agency cost estimates must include media schedules listing the markets, station name, number of spots, and costs.

If the network invoice does not detail the name of each program, rate per program, and date of showing, it will be necessary for the Agency to attach a statement as to exactly what the invoice covers. This detail must reconcile to the program as listed on the approved cost estimate.

F. MAGAZINES

Agency cost estimates must include the publication name, insertion date, space, and cost.

Agency invoices must be supported by a copy of the magazine's invoice and a copy of the tear sheet showing ad and date.

G. NEWSPAPERS

Agency cost estimates must include media schedules listing newspaper name, insertion date, size of ad, and cost per ad. Agency invoices must be supported by newspaper invoices and tear sheets showing ad and date.

H. PRODUCTION

Agency cost estimates must include an itemized list of all production costs anticipated for project completion.

Payments made by the Agency to other vendors for art work, film production, etc., will require a copy of the vendor's invoice, a sample of the work completed and detailed receipts (where applicable). If the payment is over \$2,000 (two thousand U.S. dollars), proof of payment as indicated by a signed notation on the face of the invoice by Agency accounts payable staff is required.

If the Agency has been given prior authorization via cost estimate or purchase order to be reimbursed for internal charges (i.e. xerox copies, messenger service, postage, etc.), those charges must be supported by internal records.

If services were performed by personnel employed by the Agency (or associated through a subsidiary arrangement) and charges is not a part of the basic fee,

1. The cost estimate and bid process must specifically authorize this arrangement, and

2. The invoice must be supported by time and material charges and/or copies of competitive prices, when applicable.

I. PUBLIC RELATIONS RELATED CHARGES

Agency cost estimates must clearly state all work to be performed for that cost estimate and the total of all costs associated with that work. Internal charges if allowed, such as xerox copies, phone charges, postage should be documented in the cost estimate and supported by internal records.

Payments made by the Agency to other vendors for goods and services will require a copy of the vendor's invoice and detailed receipts (where applicable). If the payment is over \$2,000 (two thousand U.S. dollars), proof of payment as indicated by a signed notation on the face of the invoice by Agency accounts payable staff is required. If services were performed by personnel employed by the Agency (or associated through a subsidiary arrangement) and charges are not a part of the basic fee,

1. The cost estimate and bid process must specifically authorize this arrangement, and
2. The invoice must be supported by time and material charges and/or copies of competitive prices, when applicable.

J. AGENCY COMMISSION OR FEE

The basis for computation and mode of payment will be specifically identified in the purchase order or contract and is not a part of this Fiscal Policy.

K. AUDIT

Agency will be subject to audit at Florida Department of Citrus discretion. In addition, Department Accounting staff will conduct an audit of third-party vendor invoices on an annual basis as follows:

1. Agency will be notified of selected invoices.
2. Agency must submit detailed supporting documentation for each invoice within specified period of time.

3. Department staff will review documentation for compliance with state rules and cost estimate details.
4. Department will notify Agency of Audit results.

L. FINANCIAL STATEMENTS

Each Agency shall provide the Department's Inspector General, at no expense, a copy of their financial statement as prepared by their independent CPA firm as requested for audit purposes.

**STATE OF FLORIDA
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STATE PURCHASING CARD

The State of Florida has implemented a system of procurement using VISA credit cards issued by Bank of America. The Department of Citrus participates in this program in order to streamline the purchase of small dollar items and repeat purchases such as air travel and rental vehicles. The State Purchasing Card functions as any other credit card; the merchant is paid directly by Bank of America who is then reimbursed by the State of Florida. All charges made are applied directly to the appropriate budget. No purchase order is required.

A. PURCHASING CARD RESTRICTIONS

The purchasing card can be used for the acquisition of and/or payment for commodities and contractual services that do not exceed \$75,000 in a state fiscal year and/or actual travel expenses which are 100 percent reimbursable to the traveler pursuant to Chapter 112.061, F.S. Unless otherwise stated herein, purchasing card transactions are subject to the same purchasing and disbursement rules and regulations as any other agency purchase and disbursement.

1. The following transactions are **never** allowed:
 - a. Cash advances
 - b. Cash credit for returns
 - c. Personal purchases, including meals and auto fuel
 - d. Moving expenses
 - e. Trade meals
2. Card limitations are tailored to each card issued:
 - a. Allowable merchant categories are restricted.
 - b. Each single transaction amount is capped.
 - c. The number of transactions and the total amount charged per day is controlled.
 - d. The number of transactions and the total amount charged for month/cycle is controlled.

B. CARDHOLDER RESPONSIBILITIES

Purchasing card transactions must be supported by itemized merchant/vendor sales receipts (i.e., purchase documentation that identifies items purchased and amount paid for each item). **Receipts must be signed and dated by the cardholder** to indicate delivery, inspection and acceptance of the goods or services. A cardholder's signature and date shall be sufficient for statutory and administrative compliance with Chapter 215, F.S.

1. Ensure security of the card and the card number:
 - a. Only the person named on the front of the card may use the card.
 - b. The card must be protected just as a personal credit card would be.
 - c. Lost or stolen cards must be immediately reported to: Bank of America at 1-800-449-2273, and Card Administrator at FDOC headquarters (Comptroller)
 - d. The Card Administrator must be notified when employment is terminated.

2. Follow all Department purchasing rules:
 - a. Travel requires prior written approval from the Executive Director or his designee.
 - b. Capital equipment may be purchased only by the DOC Purchasing Department, ensuring adherence to all other purchasing rules for purchasing equipment.
 - c. State contracts must be used if available.
 - d. Purchases must be made from Certified Minority Businesses when possible.
 - e. Exemptions from State sales tax must be requested when purchasing within the State of Florida.

3. All card transactions must be valid Department of Citrus purchases.

4. Documentation must be provided in a timely manner. Detailed receipts must be mailed to Accounting.

5. Each cardholder must sign a Cardholder Agreement:
 - a. Prospective cardholders must attend a training session before a card is issued.
 - b. The Cardholder Agreement acknowledges that the cardholder has attended training and understands the purchasing card requirements.
 - c. The Agreement outlines the disciplinary action for intentional misuse or abuse of the card, up to and including:
 - 1) Termination of employment
 - 2) Prosecution by the State of Florida
 - 3) Prosecution by Bank of America for personal liability

C. HOW TO USE THE PURCHASING CARD

1. Allowable group expenditures:

- a. TRAVEL
Airline tickets, hotels, car rental, taxi fares, parking, tolls, registration fees, and incidental supplies. Accident insurance of \$500,000 is standard on all airline tickets.
 - b. GENERAL
Building, office and scientific research supplies and services, plus all TRAVEL group allowables.
 - c. PURCHASING
Services and products as authorized under current purchasing rules, plus all TRAVEL group allowables.
2. It is the cardholder's responsibility to obtain the vendor's Federal I.D. number (FEID). Whenever this number cannot be obtained, the Agency Purchasing Card Administrator must be notified. The steps taken by the cardholder to obtain the FEID must be documented and kept with the applicable transaction's receipt.
 3. All purchases in the State of Florida are exempt from Florida State Sales Taxes; the tax exemption number is embossed on the Purchasing Card. However, Department of Financial Services does not believe it is cost effective for an agency to seek a credit from the vendor/merchant for the Florida Sales and Use Tax charged when the amount is \$100 or less.
 4. Transactions made in person:
 - a. Present the Purchasing Card when making the purchase.
 - b. Review the cash register receipt for accuracy.
 - c. Sign the receipt.
 - d. Safeguard the receipt and forward it to Accounting.
 - e. Reflect travel-related transactions on the reverse side of the travel voucher.
 - 1) Do not include the amount on the front of the voucher, instead type "pcard" in that location.
 - 2) Inadvertent charges made in error to the purchasing card must be listed in the section for non-reimbursable items.
 5. Transactions made by telephone:
 - a. Verify that the charge will not be billed until the goods are shipped.
 - b. Request that the sales receipt be sent directly to the cardholder.
 - c. Shipping and delivery charges must be included in the original charge.

- d. A back-ordered item cannot be charged to the Purchasing Card until the item is shipped.
 - e. Safeguard the receipt when received and forward it immediately to Accounting.
6. Transactions made through the Internet:
- a. Use good judgment to determine that the company is reputable.
 - b. Ensure that the card number is encrypted.
 - c. If the card number is not encrypted, the card number should be given to the vendor by telephone.
7. Credits:
- a. Never accept a cash credit for returned or damaged goods.
 - b. The vendor must issue a credit through the purchasing card.
 - c. Each credit will show as a subsequent transaction.
 - d. Forward the credit receipt to Accounting.
8. Disputed Invoices:
- a. Contact the vendor for resolution.
 - b. If unable to resolve, complete a Statement of Disputed items.
 - 1) Fax a copy of the completed form to Bank of America at 1-800-410-6455.
 - 2) Mail the original immediately to the DOC Purchasing Card Administrator.

D. PAYMENT OF PURCHASE CARD TRANSACTIONS

Each card is assigned an approver/payer group prior to issue. Cardholder must remit signed receipts to their assigned approver in a timely manner. Each transaction must be processed through the FLAIR system within ten (10) days of the transaction being added to the system approver file.

E. PAYMENT OF AIRFARE WHEN TRAVELER IS NOT CARDHOLDER

Bureau of Auditing has authorized the use of the State of Florida Purchasing Card held by one cardholder to facilitate payment of airfare of other authorized employees. The Department of Citrus has authorized the use of several designated cardholder's purchasing cards for the payment of another authorized employee's air travel in order to facilitate the timely payment to certified minority business vendors. The following guidelines must be followed:

1. Continuous authorization is given specified cardholders in management positions.
 - a. Cardholder must personally provide the card number to the travel agent making arrangements, along with a list of employees authorized to use the card for air travel.
 - b. Traveler's responsibilities:
 - 1) The traveler must complete the Request for Travel Approval and secure the proper approval.
 - 2) Upon confirmation of travel plans, a copy of the itinerary along with a copy of the approved travel request must be forwarded to accounting staff responsible for payment of travel expenditures.
 - c. Approver/Payer's responsibilities:
 - 1) Approver/Payer will process the transaction when it appears on the FLAIR purchasing card screen and after proper documentation has been received.
 - 2) Approver/Payer will correct the organization and object code when necessary.
 - d. Reconciliation of these air fare charges will follow same producers as all other purchasing card transactions.

F. RECONCILE PURCHASING CARD TRANSACTIONS

The Purchasing Card transactions will be reconciled on a monthly basis by accounting staff. Upon receiving the "Purchasing Card Reconciliation Report", all receipts are to be matched up to each charge. On completion of the matching process, the Assistant Financial and Accounting Director will review report for legitimacy of expenses.

G. RESPONSIBILITIES OF CARD ADMINISTRATOR

The Comptroller is the designated Purchasing Card Administrator. The Administrator coordinates, monitors, and oversees the purchasing card program, ensuring that key controls are in place and are operating as designed. The Administrator also has the responsibility for establishing and maintaining the cardholder profile within the Purchasing Card Module which contains all the information about the card holder.

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STATE PURCHASING CARD

ADDENDUM FOR ACCOUNTING USE ONLY

Special authorization for purchasing card use can be given for special events following guidelines agreed upon by Administration or:

- A. In the case of a special event such as the National Sales Meeting, a promotional tour, or other usage having approval of the program administrator, a cardholder must be designated by the program administrator as the responsible cardholder for the event.
- B. The procedures for card usage for that event must be approved by the program administrator and provided to the Purchasing Director and accounting staff responsible for payment of the transactions.

Example of National Sales Meeting procedures:

- 1. The responsible cardholder is named.
- 2. Travel guidelines must be established, including authorized travelers and travel agent, the dates and destinations of travel, and any pricing limitations. These guidelines must be provided to the travel agent and to accounting staff as documentation to pay.
- 3. Communications between the cardholder and travel agent must establish authority of the agent to use the card.
- 4. Accounting staff will be required to correct the organization and object code when necessary.
- 5. Reconciliation of charges will follow normal purchasing card procedures.