REFERENCE GUIDE FOR **STATE EXPENDITURES**

DIVISION OF ACCOUNTING AND AUDITING
BUREAU OF AUDITING

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LAST UPDATED: 10/2022

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THE REFERENCE GUIDE FOR

STATE EXPENDITURES

INTRODUCTION

AUTHORITY

Article IV, Section 4(c), of the Constitution of the State of Florida states, "The Chief Financial Officer shall serve as the Chief Fiscal Officer of the State and shall settle and approve accounts against the State."

The powers and duties of the Chief Financial Officer (CFO) are set forth in Chapter 17, Florida Statutes (F.S.). Section 17.03(1), F.S., requires that the CFO of this State, using generally accepted auditing procedures for testing or sampling shall examine, audit, and settle all accounts, claims, and demands against the State.

Section 17.29, F.S., gives the CFO the authority to prescribe rules he or she considers necessary to fulfill his or her constitutional and statutory duties, which include but are not limited to, procedures or policies related to the processing of payments from any applicable appropriation.

OVERVIEW

MISSION OF THE BUREAU OF AUDITING

The mission of the Bureau within the Department of Financial Services (DFS) is to provide reasonable assurance to the taxpayers of Florida that funds disbursed from the State Treasury are valid obligations of the State and are in general compliance with applicable laws and rules.

PURPOSE

The purpose of this manual is to provide state agencies guidance regarding the requirements applicable to the disbursement of funds from the State Treasury, regardless of the payment methods (warrant, EFT, PCard). This reference guide does not cover all possible situations; some will need to be addressed on a case-by-case basis through consultation with the Bureau of Auditing.

DEFINITIONS

Accountholder - an employee filling an FTE or OPS position within a state agency for whom an account is established by the Card Provider upon request by the Scoped Administrator through Works. An Accountholder is designated and authorized by the state agency to be the sole user of an assigned Purchasing Card to make purchases within preset limits, on behalf of the state agency; appointed officers and others not on an entity's payroll, are non-employees, and must not be issued a PCard.

Accountable Plan - an arrangement that reimburses an employee for business expenses.

Actual Point of Origin - the geographic location where the travel begins.

Agency Head - with respect to an agency headed by a collegial body, the executive director or chief administrative officer of the agency.

Agreements - for the purpose of this document, agreements include Purchase Orders, Memorandums of Understanding (MOU), Memorandums of Agreement (MOA), Contracts, Grants, etc.

Appropriation - a legal authorization to make expenditures for specific purposes within the amounts authorized in the appropriations act.

Approved Operating Budget or Approved Budget - the plan of operations consisting of the original approved operating budget and statement of intent.

Artist - an individual or group of individuals who profess and practice a demonstrated creative talent and skill in the area of music, dance, drama, folk art, creative writing, painting, sculpture, photography, graphic arts, craft arts, industrial design, costume design, fashion design, motion pictures, television, radio, or tape and sound recording, or in any other related field.

Authorized Person (Section 112.061 Travel):

1) A person other than a public officer or employee as defined herein, whether elected or commissioned or not, who is authorized by an agency head to incur travel expenses in the performance of official duties.

2) A person who is called upon by an agency to contribute time and services as consultant or adviser.

3) A person who is a candidate for an executive or professional position

Best Value - the highest overall value to the State based on objective factors that include, but are not limited to, price, quality, design, and workmanship.

Bureau - the Bureau of Auditing within the Department of Financial Services (DFS).

Carry forwards - the undisbursed release balance of any authorized appropriation, except an appropriation for fixed capital outlay, for any given fiscal year remaining on June 30 of the fiscal year shall be carried forward in an amount equal to the incurred obligations. Any such incurred obligations remaining undisbursed on September 30 shall revert to the fund from which appropriated and shall be available for re-appropriation by the Legislature.

Commodity - any of the various supplies, materials, goods, merchandise, food, equipment and other personal property, including a mobile home, trailer or other portable structure with floor space of less than 5,000 square feet, purchased, leased or otherwise contracted for by the State and its agencies. "Commodity" also includes interest on deferred-payment commodity contracts approved pursuant to s. 287.063, F.S., entered into by an agency for the purchase of other commodities. However, commodities purchased for resale are excluded from this definition. Further, a prescribed drug, medical supply or device required by a licensed health care provider as a part of providing health services involving examination, diagnosis, treatment, prevention, medical consultation or administration for clients at the time the service is provided is not considered to be a "commodity." Printing of publications shall be considered a commodity if procured pursuant to s. 283.33, F.S., whether purchased for resale or not.

Common Carrier - train, bus, commercial airline operating scheduled flights or rental car of an established rental car firm.

Compensation - the total amount paid for professional services.

Competitive Sealed Bids, Competitive Sealed Proposals, or Competitive Sealed Replies - the process of receiving two or more sealed bids, proposals or replies submitted by responsive vendors and includes bids, proposals or replies transmitted by electronic means in lieu of or in addition to written bids, proposals, or replies.

Competitive Solicitation or Solicitation - an invitation to bid (ITB), a request for proposals (RFP), or an invitation to negotiate (ITN).

Chief Financial Officer or Department - the State of Florida, Department of Financial Services or its head, the Chief Financial Officer, and the terms shall have the same meaning and be used interchangeably.

Conference - the coming together of persons with a common interest or interests for the purpose of deliberation, interchange of views or for the removal of differences or disputes and for discussion of their common problems and interests. The term also includes similar meetings such as seminars and workshops, which are large formal group meetings that are programmed and supervised to accomplish intensive research, study, discussion and work in some specific field or on a governmental problem or problems. A conference does not mean the coming together of agency or interagency personnel.

Continuing Appropriation - an appropriation automatically renewed without further legislative action, period after period, until altered or revoked by the Legislature.

Contractor - a person who contracts to sell commodities or contractual services.

Contractual Service - the rendering by a contractor of its time and effort rather than the furnishing of specific commodities. The term applies only to those services rendered by individuals and firms who are independent contractors, and such services may include but are not limited to: evaluations; consultations; maintenance; accounting; security; management systems; management consulting; educational training programs; research and development studies or reports on the findings of consultants engaged there under; and professional, technical, and social services. "Contractual service" does not include any contract for the furnishing of labor or materials for the construction, renovation, repair, modification or demolition of any facility, building, portion of building, utility, park, parking lot or structure or other improvement to real property entered into pursuant to Chapter 255, F.S., and rules adopted there under.

Convention - an assembly of a group of persons representing persons and groups, coming together for the accomplishment of a purpose of interest to a larger group or groups. A convention does not mean the coming together of agency or interagency personnel.

Cost Analysis – an agency's documented review in accordance with s. 216.3475, F.S., of a provider's detailed budget to determine that all costs are reasonable, necessary and allowable by state law. A cost analysis is to be completed for service agreements in excess of Category Two, which are awarded on a non-competitive basis.

Digital Signature – a type of electronic signature that encrypts documents with electronic codes that are difficult to duplicate the approval of payments.

Disbursement - the payment for an expenditure.

Emergency Notice - notification of less than twenty-four (24) hours prior to scheduled departure.

Emergency Situation - circumstances in which there is an immediate danger or a threat of immediate danger to the public health, safety, or welfare or of other substantial loss to the State requiring emergency action.

Exceptional Purchase - any purchase of commodities or contractual services excepted by law or rule from the requirements for competitive solicitation including, but not limited to, purchases from a single source; purchases upon receipt of less than two responsive bids, proposals, or replies; purchases made by an agency, after receiving approval from the department, from a contract procured, pursuant to s. 287.057(1), (2), or (3), F.S., by another agency; and purchases made without advertisement in the manner required by s. 287.042(3)(b), F.S.

Expenditure - the creation or incurring of a legal obligation to disburse money.

Expense - the appropriation category used to fund the usual, ordinary, and incidental expenditures by an agency or the judicial branch, including such items as commodities, supplies of a consumable nature, current obligations, and fixed charges, and excluding expenditures classified as operating capital outlay. Payments to other funds or local, state, or federal agencies may be included in this category.

Extension - an increase in the time allowed for a contract period due to circumstances which, without fault of either party, make performance impracticable or impossible, or which prevent a new contract from being executed, with or without a proportional increase in the total dollar amount, with any increase to be based on the method and rate previously established in the contract.

FACTS Contract Summary Form – A DFS Summary of Contractual Services Agreement/ Purchase Order Form that is used to summarize the terms and conditions of a contract, grant agreement or purchase order.

Florida Accountability Contract Tracking System (FACTS) – Section 215.985, Florida Statutes requires the Department of Financial Services to provide the capability for State Agencies to report their contracts to the public in one central location. FACTS is the application that provides this function.

Firm - any individual, firm, partnership, corporation, association or other legal entity permitted by law to practice architecture, engineering or surveying and mapping in the State.

Fixed Capital Outlay (FCO) - an appropriation category for the purchase of real property (land, buildings, including appurtenances, fixtures and fixed equipment, structures, etc.), including additions, replacements, major repairs and renovations to real property which materially extend its useful life or materially improve or change its functional use and including furniture and equipment necessary to furnish and operate a new or improved facility, when appropriated by the Legislature in the fixed capital outlay appropriation category.

Foreign Travel - travel outside the United States.

Invitation to Bid (ITB) - a written solicitation for competitive sealed bids. The ITB is used when the agency is capable of specifically defining the scope of work for which a contractual service is required or when the agency is capable of establishing precise specifications defining the actual commodity or group of commodities required. A written solicitation includes a solicitation that is electronically posted.

Invitation to Negotiate (ITN) - a written solicitation for competitive sealed replies to select one or more vendors with which to commence negotiations for the procurement of commodities or contractual service. The ITN is used when the agency determines that negotiations may be necessary for the State to receive the best value. A written solicitation includes a solicitation that is electronically posted.

Invoice - a written document submitted to a purchaser showing the quantity, price, terms, nature of delivery and other particulars of goods or services sold or services rendered.

Legislative Budget Request (LBR) - a request to the Legislature, filed pursuant to s. 216.023, F.S., or supplemental detailed requests filed with the Legislature, for the amounts of money such agency or branch believes will be needed in the performance of the functions that it is authorized, or which it is requesting authorization by law, to perform.

Meal Allowance - the amount authorized by s. 112.061(6)(b), F.S., for each meal during the travel period.

Merchant - a vendor who accepts the State of Florida Purchasing Card.

Most Economical Class of Transportation - the class having the lowest fare available.

Most Economical Method of Travel - the mode of transportation (state-owned vehicle, privately-owned vehicle, common carrier, etc.) designated by an agency head in accordance with criteria prescribed by s. 112.061(7), F.S.

My Florida Market Place (MFMP) - the State of Florida's centralized electronic procurement system which interchanges payment data with FLAIR daily.

Non-Business Day - for a public officer or employee, a weekend or an authorized state holiday; for an authorized person, it means a day on which such person was not scheduled to be performing service or contributing time to an agency.

Officer or Public Officer - an individual who in the performance of his or her official duties is vested by law with sovereign powers of government and who is either elected by the people or commissioned by the Governor and has jurisdiction extending throughout the State, or any person lawfully serving instead of either of the foregoing two classes of individuals as initial designee or successor.

Official Headquarters - the geographic location specified by s. 112.061(4), F.S.

Operating Capital Outlay (OCO) - an appropriation category for the purchase of equipment, fixtures and other tangible personal property of a non-consumable and nonexpendable nature, the value or cost of which is $ 5,000 or more and the normal expected life of which is one (1) year or more, and hardback bound books that are circulated to students or the public, the value or cost of which is $25 or more, and hardback-covered bound books, the value or cost of which is $250 or more.

Pay and Charge - a transaction which is vouchered in favor of a vendor for payment and in FLAIR lists the individual(s) to whom the expenses are being attributed as a sub-vendor.

Per Diem Rate - the amount authorized by s. 112.061(6)(a), F.S.

Personal Time - the time outside the regular work hours of a business day, a non-business day or a day for which the officer or employee had prior approval for a leave of absence.

Person with Disabilities - any person diagnosed as having a physical disability, including but not limited to blindness, or the loss of one or more life functions leaving that person mobility impaired (or sensory impaired) requiring the use of trained animal companions or prosthetic equipment including, but not limited to, crutches, walkers, canes, or wheelchairs.

Perquisites - those things, or the use thereof, or services that confer on the officers or employees receiving them a benefit that is in the nature of additional compensation, or that reduce to some extent the normal personal expenses of the officer or employee receiving the same. The term includes, but is not limited to, such things as quarters, subsistence, utilities, laundry services, medical service, and the use of state-owned vehicles for other than state purposes.

Point of Origin - the geographic location of a traveler's official headquarters or the geographic location where travel begins, whichever is lesser distance from the destination. (Refer to Attorney General Opinion 75 275)

Professional Services - pursuant to s. 287.055, F.S., those services within the scope of the practice of architecture, professional engineering, landscape architecture or registered surveying and mapping, as defined by the laws of the State, or those performed by any architect, professional engineer, landscape architect, or registered surveyor and mapper in connection with his or her professional employment or practice.

Purchasing Card (PCard) - restricted use, non-revolving credit card that is issued to an Accountholder by the Contractor, is controlled by the Card Account created by the Scoped Administrator and which creates a liability against an Agency's Corporate Account.

Purchasing Card Charge - a purchase, credit, accounting correction, or other activity associated with any Card Account which creates a liability against an Agency's Corporate Account.

Renewal - contracting with the same contractor for an additional contract period after the initial contract period, only if pursuant to contract terms specifically providing for such renewal.

Request for Information (RFI) - a written request made by an agency to vendors for information concerning commodities or contractual services. Responses to these requests are not offers and may not be accepted by the agency to form a bidding contract.

Request for Proposals (RFP) - a written solicitation for competitive sealed proposals. The request for proposals is used when it is not practicable for the agency to specifically define the scope of work for which the commodity, group of commodities or contractual service is required and when the agency is requesting that a responsible vendor propose a commodity, group of commodities or contractual service to meet the specifications of the solicitation document. A written solicitation includes a solicitation that is electronically posted.

Responsible Vendor - a vendor who has the capability in all respects to fully perform the contract requirements and the integrity and reliability that will assure good-faith performance.

Responsive Bid, Responsive Proposal or Responsive Reply - a bid, or proposal or reply submitted by a responsive and responsible vendor, which conforms in all material respects to the solicitation.

Responsive Vendor - a vendor that has submitted a bid, proposal or reply that conforms in all material respects to the solicitation.

State Term Contract - a term contract that is negotiated and executed by the Department of Management Services and that is used by agencies and eligible users pursuant to s. 287.056, F.S.

Term Contract - an indefinite quantity contract to furnish commodities or contractual services during a defined period.

Travel Day - a period of 24 hours consisting of four quarters of 6 hours each.

Travel Period - a period of time between the time of departure and time of return.

Voucher - a standard Florida Accounting Information Resource (FLAIR) voucher schedule as prescribed by the Chief Financial Officer, complete with invoices and such other supporting documentation necessary to authenticate the recording of a transaction into the accounting records of an agency which will also serve as an official request by an agency to the Bureau of Auditing for a payment in satisfaction of an obligation incurred by an agency.

Works – an internet-based application hosted and maintained by Bank of America (the State of Florida purchasing card provider). The application is used by State agencies to administer card maintenance and transaction approval with daily file interchanges to FLAIR.

ADVANCE PAYMENTS

ADVANCES PURSUANT TO SECTION 215.422(15), F.S.

Advance payments may be made under s. 215.422(15), F.S., and Rule 69I-40.120(3), F.A.C., in accordance with the following:

1) Advance payment may be made for **maintenance agreements, software license agreements, and subscriptions** that meet one of the following criteria:

   - Advance payment will result in a savings to the State that is equal to or greater than the amount the State would earn by investing the funds and paying in arrears.

   - The goods or services are essential to the operation of a state agency and are available only if advance payment is made.

Prior approval of the Bureau of Auditing is not required for advance payments made for maintenance agreements, software license agreements, and subscriptions that are equal to or less than the threshold of Category Two as defined in s. 287.017, F.S., and meets one of the above criteria. The payment request must document that the payment meets one of the above criteria.

Prior approval of the Bureau of Auditing is required for advance payments made for **maintenance agreements, software license agreements, and subscriptions** that exceed the threshold of Category Two as defined by s. 287.017, F.S.

Requests for advance payment approval must include information indicating that the payment meets one of the above criteria and that the agency has complied with applicable procurement requirements.

2) Advance payment may be made for **all other goods and services if approved in advance by the Bureau of Auditing**. Criteria for approval includes:

Advance payment will result in a savings to the State that is equal to or greater than the amount the State would earn by investing the funds and paying in arrears.

OR

The goods or services are essential to the operation of a state agency and are available only if advance payment is made.

Requests for advance payment approval must include information indicating that the payment meets one of the above criteria and that the agency has complied with applicable procurement requirements.

Purchasing Card Transactions – Advances

Purchasing cards **may be** used for advance payments in accordance with the above criteria.

ADVANCES PURSUANT TO SECTION 216.181(16), F.S.

Section 216.181(16), F.S., provides for advances for program startup or advances for contracted services to governmental entities and not-for-profit organizations. The amount that may be advanced shall not exceed the expected cash needs of the contractor or recipient within the initial three months. Thereafter, disbursements shall only be on a reimbursement basis. Advance payments may be made for cost-reimbursement and fixed-price contracts.

Agencies specifically authorized by the General Appropriations Act to make advance payments and wishing to advance beyond the initial three months expected cash needs must request a waiver from the Bureau of Auditing. The request for waiver must include:

1) The appropriation line item number.

2) Justification for advancing funds beyond the three months' expected cash needs.

The waiver request should be sent to Bureau of Auditing, Department of Financial Services, 200 East Gaines Street, Tallahassee, Florida 32399-0355 for approval

prior to submitting for payment. The waiver request will then be forwarded to the appropriations committees of both houses of the Legislature for consultation and comments. The Legislature has fourteen days to respond to the request. The agency will be notified in writing of the approval or disapproval of the request. If approved, a copy of the approval must be submitted with the payment request.

Purchasing Card Transactions – Advances

Purchasing cards **may not** be used to make advance payments allowed under s. 216.181(16) (b), F.S.

AGREEMENTS

AMENDMENTS

Agreements (Purchase Order, two-party written agreement) may be amended by executing a written amendment issued prior to the expiration of the agreement. Amendments are effective on the date of execution.

Pursuant to s. 215.425, F.S., additional compensation is prohibited after the services are rendered or the contract is made. If the total amount of a fixed unit rate agreement is being increased and the unit rate remains the same, then it can be assumed that the provider will be performing additional units of service. All other agreements must clearly show the additional services that will be provided. **The method of procurement for additional services in excess of Category Two must be documented and provided to the Bureau upon request.**

RENEWALS

Renewals must be executed prior to the expiration date of the agreement and must have all the same terms and conditions of the original agreement. Renewals are contingent on **satisfactory performance evaluation** and may be renewed for a period that may not exceed three years or the term of the original contract, whichever is longer.

If the goods or services are purchased as a result of a competitive solicitation, the renewal price must be specified in the bid, proposal or reply.

Note: Agreements procured as an emergency or single source may not be renewed.

EXTENSIONS

Extensions can be for up to six months with all the same terms and conditions of the original agreement. The extension must be signed prior to the expiration date of the agreement. There can be only one extension of an agreement unless the failure to meet the terms of the agreement is due to events beyond the control of the provider of the goods or services.

AGREEMENTS FOR SERVICES

Agreements for services are used to purchase time and effort rather than commodities. These agreements may be in the form of: Purchase orders, Memorandums of Understanding (MOU), Memorandums of Agreement (MOA), Contracts, Grants, etc.

- Contractual service agreements are between the State and a vendor. For more information, see "**Agreements for Services – Vendor.**"
- Grant agreements are between the State and a recipient or sub-recipient and are funded with an award of Federal or State Financial Assistance. For more information, see "**Agreements for Services - Recipient/Sub-recipient.**"
    - » When Federal Financial Assistance is involved, State agencies use the criteria established in the Code of Federal Regulations Title 2, Part 200 to determine whether the agreement is with a vendor or a sub-recipient.
    - » When State Financial Assistance is involved, State agencies use the Florida Single Audit Checklist for Non-State Organizations - Recipient/Sub-recipient vs. Vendor Determination form to determine whether the agreement is with a vendor or recipient. The checklist is available at https://apps.fldfs.com/fsaa/links.aspx.

AGREEMENTS FOR SERVICES – FEDERAL AND STATE FINANCIAL ASSISTANCE RECIPIENT/SUB-RECIPIENT

Recipient/Sub-recipient agreements must contain the following:

Scope of Work – A scope of work that clearly establishes the tasks that the recipient or sub-recipient is required to perform.

Deliverables – Specific quantifiable units of deliverables that must be received and accepted in writing by the agency before payment. Each deliverable must be directly related to the scope of work and must specify the required minimum level of service to be performed and the criteria for evaluating the successful completion of each deliverable.

NOT ALWAYS A DELIVERABLE

Status or Progress Reports are sometimes confused with deliverables. Reports alone may not necessarily be a deliverable, but the means of attesting to the minimal level of service provided during the reporting period (payment period). On the contrary, a report could be a deliverable. For example, reports that provide conclusions on research, engineering, auditing, or consulting could be a deliverable.

Documentation Requirements – the documentation required to evidence the completion of all required tasks specified in the agreement.

Financial Consequences – Financial consequences that apply if the recipient or sub-recipient fails to perform the minimum level of service required by the agreement. The provision can be excluded from the agreement only if financial consequences are prohibited.

Allowable Costs – funds may only be expended by the recipient or sub-recipient for allowable costs resulting from obligations incurred during the specified agreement period.

Unobligated funds – the balance of any unobligated funds which have been advanced or paid by the State Agency that must be refunded.

Excess Funds – the balance of any excess funds where the recipient or sub-recipient was not entitled to that must be refunded to the State Agency.

ADDITIONAL PROVISIONS

As s. 216.311, F.S., provides that an agency may not enter into an agreement to spend funds in excess of appropriations, the language required in s. 287.0582, F.S., must be included in agreements funded by federal and/or state financial assistance, where applicable.

The standard audit language specified in Rule 69I-5.006(3), F.A.C., must be included in the agreement. This language is available at: https://apps.fldfs.com/fsaa/links.aspx.

If the recipient agreement is procured under s. 287.057, F.S., then the requirements under "Agreements for Services - Vendors" will also apply.

FEDERAL FINANCIAL ASSISTANCE

Agreements with recipients and sub recipients of Federal Financial Assistance must require:

a. Compliance with the Code of Federal Regulations Title 2, Part 200

b. A grant may be charged only allowable costs resulting from obligations incurred during the specified funding period.

c. Any balance of unobligated cash that has been advanced or paid that is not authorized to be retained for other projects must be refunded to the federal government.

d. Any funds paid in excess of the amount to which the recipient is finally determined to be entitled, under the terms and conditions of the award, constitutes a debt to the Federal government.

STATE FINANCIAL ASSISTANCE

Agreements with recipients and sub recipients of state financial assistance, even if awarded on a fixed price basis, must require:

a. Compliance with s. 215.971, F.S.

b. Expenditures of state financial assistance be in compliance with laws, rules and regulations applicable to expenditures of State funds, including, but not limited to, the Reference Guide for State Expenditures.

AGREEMENTS FOR SERVICES – VENDORS

Vendor agreements in excess of Category Two must meet the requirements of s. 287.058, F.S., including but not limited to the following:

Scope of Work – A scope of work that clearly establishes the tasks that the vendor is required to perform.

Deliverables – Specific quantifiable units of deliverables that must be received and accepted in writing by the agency before payment. Each deliverable must be directly related to the scope of work and must specify the required minimum level of service to be performed and the criteria for evaluating the successful completion of each deliverable.

NOT ALWAYS A DELIVERABLE

Progress and Status reports are sometimes confused as being deliverables. Reports alone may not necessarily be a deliverable, but the means of attesting to the level of services provided during the reporting period (payment period).

In some instances, a report could be a deliverable. These would includeauditing, consulting and research reports that are used to provide conclusions to interested parties.

Documentation Requirements – the documentation required to evidence the completion of all required tasks specified in the agreement.

Financial Consequences – An agreement must contain financial consequences in the event that the vendor fails to perform in accordance with the agreement.

Section 287.058 (1), F.S., authorizes the use of a purchase order for contractual services, if the provisions of paragraphs (a)-(i) are included in the purchase order or solicitation. The purchase order must include an adequate description of the services, the contract period, and the method of payment.

In lieu of printing the provisions of paragraphs (a)(c) and (g) in the contract document or purchase order, agencies may incorporate the requirements of paragraphs (a)-(c) and (g) by reference.

VENDOR AGREEMENT LESS THAN CATEGORY TWO

Contractual services agreements for Category Two or less must be evidenced by a written agreement or a purchase order. The written agreement or purchase order must contain sufficient detail for a proper audit, must be signed by purchasing

or contracting personnel acting on behalf of the agency, and may contain the provisions and conditions provided in s. 287.058 (1), F.S.

ADDITIONAL REQUIREMENTS FOR AGREEMENTS CROSSING FISCAL YEARS

Provision of s. 287.0582, F.S. - Contingency Provision "The State of Florida's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Legislature" - This provision is required for any agreement that crosses fiscal years. If an agreement is to be paid from a continuing appropriation (such as FCO), this provision is not applicable. However, it is the agency's responsibility to identify the payment as coming from a continuing appropriation.

ADDITIONAL REQUIREMENTS FOR AGREEMENTS SIGNED AFTER START OF SERVICES

Section 287.058 (2), F.S., requires that both parties shall sign a written agreement or contract prior to the rendering of the services for contractual service agreements costing in excess of Category Two threshold except in the case of a valid emergency as certified by the agency head. The certification of an emergency must be prepared within thirty (30) days after the contractor begins rendering the service and must state the particular facts and circumstances which precluded the execution of the written agreement prior to the rendering of the service.

If the agency fails to have the contract signed by the agency head and the contractor prior to rendering the contractual service, and if an emergency does not exist, the agency head must, no later than 30 days after the contractor begins rendering the service, certify the specific conditions and circumstances to DMS as well as describe actions taken to prevent recurrence of such noncompliance.

Noncompliance with these requirements will necessitate that the agency and the contractor enter into a settlement agreement. See "**Settlement of Claims against the State.**"

PURCHASING CARD TRANSACTIONS – SERVICES

Agencies may use the purchasing card for service direct billings that do not exceed $75,000 in a State fiscal year. The provisions of ss. 287.057 and 287.058, F.S., must be documented in the agency's files. The purchasing card system cannot be used to sub-divide purchases to circumvent State purchasing laws.

Section 287.058(4), F.S., stipulates that procurement of contractual services of the value of the threshold amount included in s. 287.017, F.S., for Category Two or less shall be supported by a written agreement or purchase order. Signed and dated purchasing card receipts meet this requirement for purchases of contractual services for Category Two amounts or less. Purchases exceeding Category Two must be preceded by a contract document, whether by written agreement or purchase order.

AGREEMENTS— CONTRACT REVIEW PROCESS

All executed agreements must be uploaded to FACTS and are subject to review by the Bureau.

The Bureau will focus its review on the scope of work, deliverables, financial consequences, compliance with the state term contract (if applicable) and payment terms as well as the compliance requirements for state and federal financial assistance established by Chief Financial Officer Memorandum No. 1 (2019-20). The Bureau will complete the review and provide its conclusions to the submitting agency. Payments related to an agreement pending review will not be held pending completion of that review.

The Bureau will complete the review and provide its conclusions to the submitting agency through DFS's Contract Audit System (CAS). Agencies will have fourteen (14) days to provide a response to the review. DFS will review agency responses and update the review results accordingly. Failure to respond within the timeline will result in a system finalization of the review. Payments may be delayed on agreements that do not meet the statutory requirements (scope of work, deliverables, financial consequences, etc.). The Bureau may work with the agency in implementing corrective action for those agreements that are deficient.

AMERICANS WITH DISABILITIES ACT

The Americans with Disabilities Act (ADA), PL 101-336, requires that agencies, as employers, make several determinations when an applicant or employee requests "reasonable accommodation" for a disability and provide the "reasonable accommodation." The ADA provides that records related to an individual's disability must be kept confidential. In order to comply with the requirements of the ADA and still maintain some measure of accountability for State funds expended, the need for purchasing items necessary for an agency to comply with the ADA should be documented in the following manner.

When a payment is requested pursuant to the American with Disabilities Act (ADA), the payment request shall include a signed statement from the agency head or designee certifying that:

1. An employee of the agency, an applicant for a position or other covered person has requested a "reasonable accommodation" pursuant to ADA to assist him/her in performing his/her duties, applying for a position or other covered activity.
2. The agency has determined that the individual is a "qualified individual with a disability" as defined in the ADA.
3. The agency has determined that the purchase of the item in question is a "reasonable accommodation" pursuant to ADA for that employee, applicant or person.
4. The agency will maintain all records related to this purchase for seven years and make those records available for review to those persons authorized to review such records.

The ADA provides that records related to an individual's disability must be kept confidential; therefore, payment information related to providing a "reasonable accommodation" shall contain a file number or other code by which the voucher can be readily traced to the confidential records maintained by the agency.

ARTWORK IN STATE BUILDINGS

Section 255.043, F.S., allows for the purchase of artwork for state buildings when included in the appropriation for the original construction of such building in an amount of 0.5 percent of the total appropriations, not to exceed $100,000. Evidence of notification by the agencies receiving original appropriations for construction to the Florida Arts Council must be included with invoices submitted for payment pursuant to this section.

ASSIGNMENT OF PAYMENTS

Pursuant to s. 215.965, F.S., payments due to vendors or employees cannot be assigned by changing the payee's name from ultimate beneficiary to an assignee. However, subject to approval of each individual agency, state warrants may be issued in favor of an employee or a vendor and be delivered to the assignee. Authorization from the payee and agency should be on file prior to payment.

For the majority of vendor contracts the ultimate beneficiary is the vendor supplying the service, but on some contracts, the ultimate beneficiary may be a third party that the vendor owes a legal monetary obligation. In these situations, the contract may be amended to correctly state the party who is the ultimate beneficiary of state funds and the party who will be supplying the services to the State. These cases must be analyzed on a case-by-case basis. Such a contract would have all parties in agreement, especially between the vendor and the third party. The liability of the State should be addressed in the contract by the vendor supplying the service and the ultimate beneficiary. Nevertheless, the best way to handle these situations will be to have the vendor and the third party settle their financial matters between themselves and the State pay the vendor supplying the service.

AWARDS

Awards

When requesting payment for individual awards, each voucher for payment must identify the name(s) of each award recipient.

SATISFACTORY SERVICE AWARDS

Pursuant to s. 110.1245, F.S., each department head is authorized to incur expenditures for giving awards in the following situations:

1. Retiring state employees whose service has been satisfactory may be awarded suitable framed certificates, pins and other tokens of appreciation and recognition. Awards may not exceed $100 each, plus applicable taxes and shipping/handling.
2. Each department head is authorized to incur expenditures to award suitable framed certificates, pins, or other tokens of recognition to state employees who demonstrate satisfactory service in the agency or to the State, in appreciation and recognition of such service. Such awards may not cost in excess of $100 each, plus applicable taxes and shipping/handling.
3. Any appointed member of a state board or commission, whose service to the State has been satisfactory, upon the expiration of the board or commission member's final term in the position may be awarded suitable framed certificates, plaques or other tokens of appreciation and recognition not to exceed $100 each, plus applicable taxes and shipping/handling.

EMPLOYEE GATHERING FOR AWARDS PRESENTATION – STATE OWNED SPACE

While there may be benefits in bringing employees together to witness the presentation of awards, in terms of improved employee motivation and morale, such benefits are often difficult to measure. Agencies are encouraged to consider the full costs of such events against the benefits derived from such costs and reevaluate the decision to hold such events at taxpayer expense. The cost of such a gathering can be calculated in terms of the time involved in such an event and the salaries of the employees participating.

This includes not only the time of those actually attending the event (time spent going to the location of the event, at the event and returning to their workstations), but also the time spent by employees in arranging such events and in notifying employees of the time and location of the event. In addition to the salary (including overtime and compensatory time), there may be costs associated with travel that must be included.

RENTAL SPACE AND TRAVEL COSTS

The cost of renting space for the purpose of gathering employees together for the sole purpose of witnessing the presentation of awards or the travel costs incurred for the sole purpose of attending an awards presentation event are **not allowable state expenditures.** However, travel expenses for award winners to travel to an awards presentation event may be paid by state funds.

VOLUNTEER RECOGNITION

Pursuant to s. 110.503(5), F.S., each department or agency using the services of volunteers is authorized to incur expenditures not to exceed $100 each, plus applicable taxes for suitable framed certificates, plaques or other tokens of recognition to honor, reward or encourage volunteers for their service.

Pursuant to s. 110.504(6), F.S., incidental recognition benefits or incidental non-monetary awards may be furnished to volunteers serving in state departments to award, recognize or encourage volunteers for their service. The awards may not cost in excess of $100 each plus applicable tax.

BAR DUES

If specifically authorized by law, each state agency, at the discretion of the agency head, may expend funds for bar dues and for legal education courses for attorneys employed by the State as legal staff. Attorneys are defined as individuals employed by the State of Florida as a general counsel, deputy general counsel, assistant general counsel, or attorney performing work as legal staff.

Payment for bar dues is limited to The Florida Bar basic annual dues found under the membership fees section of the annual membership form. Payment will not be made for:

- Section or division dues.
- Local bar dues.
- Bar dues applicable to another state or jurisdiction unless the agency can demonstrate that the legal staff's membership is essential to the performance of his or her duties.

See "**Membership**" for additional information.

BUILDING LEASES — PRIVATE SECTOR

Pursuant to ss. 255.25 and 255.254, F.S., any agency requiring lease space must obtain approval from the Department of Management Services (DMS). Agreements for leases should be uploaded in FACTS.

Vouchers for the payment of building leases must include the approved lease number from DMS, if applicable. Leases may not be paid in advance; however, vouchers may be submitted for payment after the 20th of the month for which payment is required.

Prior to leasing buildings that require renovation at state expense, agencies should determine if it is in the best interest of the State to lease the building rather than leasing space that meets the agency's needs. Justification must be maintained by the agency and furnished to the Bureau of Auditing upon request.

PURCHASING CARD TRANSACTIONS – LEASES OF BUILDINGS

Agencies may use purchasing cards for leasing buildings in accordance with the above guidelines.

BUSINESS CARDS

State agencies should review the necessity of business cards for its employees and limit the purchase of business cards to those employees who actually need the cards to carry out their official duties and responsibilities. Gold sealed cards may be purchased for employees filling Selected Exempt, Senior Management and equivalent or higher positions. The more economical one-color cards may be purchased for other employees who need cards.

Payment request for business cards other than the most economical one-color cards must include information showing that the employee for whom the cards are being purchased is filling a Selected Exempt, Senior Management, or equivalent position.

CASH AND BUDGET RELEASE BALANCES

Sufficient cash and release balances must be available prior to posting of vouchers submitted through the Voucher Audit System. Additionally, agencies must ensure that sufficient cash and release balances are available in each appropriate account prior to submission of each payroll.

CELL PHONES AND OTHER MOBILE COMMUNICATION DEVICES

GENERAL

Charges for Universal Service Support (also known as Universal Community Charges or Federal Universal Service Fees) may be paid from state funds. These are NOT taxes; therefore, the State of Florida is not exempt.

The State of Florida and its political subdivisions are exempt from federal communication tax on communications services defined as local telephone services, toll telephone services and teletypewriter exchange services. Federal communication tax included on invoices for such services should be deleted from the invoices prior to processing of payment.

CELLULAR TELEPHONES AND MOBILE COMMUNICATION DEVICES – STATE OWNED

Cellular telephones and other mobile communication devices such as tablets should only be used for conducting official state business when a conventional telephone is not readily available. State agencies should have established internal controls over the use of state-owned or leased cellular telephones and mobile devices to ensure that payments relating to the telephone or device usage serve a specific authorized public purpose. Billing options should be reviewed to determine that the most economical option is selected considering the specific usage requirements of the user.

Personal use of state-owned or leased cellular telephones and mobile devices should be discouraged. State agencies should have established policies and procedures to ensure cellular telephones and other mobile communication devices are being used for state business and not for personal use.

CELLULAR TELEPHONES OR MOBILE DEVICES – PERSONAL

Reimbursement to employees for occasional use of personal cellular telephones or mobile devices to conduct official state business will be made only when substantiated by documentation showing that the call was necessarily made for the official state business of the agency. If the business call or data usage made on the employee's personal cellular telephone or mobile device **does not** result in additional charges to the employee, reimbursement for the business call or data usage is disallowed. However, if the state business call results in additional charges, the employee may be reimbursed up to the per-minute or data usage rate charged, plus applicable taxes, for the excess minutes or data incurred as a result of usage for official state business. Employees will be required to provide a statement certifying that the calls or data usage was necessary and were for official state business. No payment will be made for any portion of the employee's personal monthly charges, taxes on the basic monthly fee, or charges related to obtaining documentation listing individual telephone calls or data usage.

If it is necessary for an employee to consistently use his or her personal cellular telephone or mobile device to conduct the duties and responsibilities of a state agency, then the agency should consider providing these devices.

PURCHASING CARD TRANSACTIONS – MOBILE DEVICES AND CELLULAR TELEPHONES

Agencies may use purchasing cards to pay the monthly usage and airtime fees for state-owned or leased cellular telephones and mobile devices.

If agencies elect to use purchasing cards to pay cellular telephone or mobile device vendors, the payments to the card provider must be paid in full. Reimbursement of personal calls or data usage should be documented and attached to the PCard transaction in Works.

CLAIMS AGAINST THE STATE — LIMITATIONS

Section 95.11(2) (b), F.S., places a **five-year** limitation on legal or equitable actions on a contract, obligation or liability **founded on a written instrument**. Section 95.11(3) (k), F.S., places a **four-year** limitation on actions on a contract, obligation, or liability **not founded on a written instrument**, including an action for the sale and delivery of goods, wares, and merchandise. Any claim exceeding the time limits provided herein shall be considered past the statute of limitations for claims against the State.

Settlement Agreements

See "**Settlement of Claims Against the State**" section

CONTRABAND FORFEITURE ACT

Section 932.704 (7), Florida Statutes, authorizes seizing law enforcement agencies to settle Florida Contraband Forfeiture actions prior to the conclusion of forfeiture proceedings, subject to the settlement agreement being reviewed by the court, a mediator, or arbitrator, unless such review is waived by the claimant in writing.

The following documentation must be attached to the voucher submitted for payment:

1. A copy of the fully executed settlement agreement; and
2. Copies of the following items, as appropriate:
    a. The claimant's written waiver of settlement agreement review
    b. Documentation evidencing the court, mediator, or arbitrator's review of the settlement agreement; and
    c. Documentation evidencing the agreement of the claimant and seizing law enforcement agency for appointment of the mediator or arbitrator.

COST ANALYSIS

All grant agreements and vendor contracts in excess of the threshold amount of Category Two provided in s. 287.017, F.S. awarded on a non-competitive basis must comply with the requirements of s. 216.3475, F.S. Agencies are required to maintain records to support a cost analysis for these agreements. Detailed budgets are required to be submitted by the person or entity awarded a grant or contract and must be reviewed by the agency.

The agency must document its review of the individual cost elements from the submitted budget for allowability, reasonableness, and necessity. The cost analysis form to be used by the agencies is attached to CFOM No. 2, (2019-20).

If an agency desires to use an alternate form, the form must be submitted to the Bureau of Auditing for review and approval prior to its use.

COUNTY HEALTH UNIT TRUST FUND

Pursuant to s. 154.02, F.S., monies of a county health unit trust fund may be expended by the Department of Health for the respective county health departments in accordance with budgets and plans agreed upon by the county authorities of each health unit and the Department of Health. County health units are subject to s. 287.57, F.S., for procurement requirements unless the payment information includes a written certification from the agency stating that county purchasing procedures were followed. The certification must contain a cross reference to the specific sections of the county purchasing procedures being applied.

COURT REPORTER SERVICES

Court reporting services and fees must be in compliance with the procurement requirements of ss. 287.059(14) and (15), F.S.

CREDIT CARD FEES

Annual fees may not be paid to any credit card company.

DEFERRED-PAYMENT COMMODITY CONTRACTS

These purchases must be made in accordance with s. 287.063, F.S. An agency entering into any commodity contract requiring deferred payments and payment of interest must be sent to the Bureau of Financial Reporting for prior approval and pre-audit.

Agencies seeking to finance equipment must use the "Consolidated Equipment Financing Program" (CEFP). Information on this program may be found on the DFS website, https://www.myfloridacfo.com/division/aa/all-forms.

Agencies who would like an exemption from this program must have approval from the Bureau of Financial Reporting Accounting. Chapter 69I-3, F.A.C. provides guidance on the CEFP and exemptions from the program.

Examples of equipment financed through this program are computers, copiers, communication systems, laboratory equipment, medical equipment and printers.

Payments that include interest shall be object coded 610006 (interest), and 620006 (principal).

Universities can also use the CEFP. The CEFP has historically provided more favorable interest rates than what an individual agency could procure in the financial market.

DIGITAL SIGNATURES

Some agencies have automated document workflows with digital signatures that are used as authorizations. A digital signature is a type of electronic signature that encrypts documents with codes that are difficult to duplicate and therefore authenticates the individual performing the authorization as part of voucher processing, the Bureau of Auditing accepts these digital signatures on documents. It is imperative that each agency can attest to the internal controls and authentication of these signatures to ensure the validity of payment requests.

EDUCATIONAL COURSES AND OTHER TRAINING

GENERAL

Section 110.1099, F.S., provides that a state employee may receive a voucher or grant for matriculation fees to attend work-related courses at public community colleges, public career centers, or public universities. State agencies may reimburse an employee for educational courses that are designed to improve the efficiency of an employee when the courses are directly related to the employee's current job duties. All required books associated with the course may also be reimbursed from state funds. Any books purchased with state funds must become the property of the State. Cost for courses that are not in compliance with the statute will not be paid. The invoice for payment must include the improved efficiency or the benefit to the State derived from the course and the position title of the employee.

State agencies may pay for other training that is directly related to an employee's current job duties and is primarily of benefit to the State. The invoice submitted for payment must include the employee's position title and the benefits to the State. Courses designed to obtain a professional designation, a professional license, or professional certification can only be paid by a State agency when expressed statutory authority and/or appropriations exists.

COMMUNITY LEADERSHIP COURSES

Generally, Community Leadership courses do not fall within the statutory duties and responsibilities of state agencies. Therefore, a payment by a state agency for an employee to attend such a course would not be a proper expenditure of state funds.

Various chambers of commerce throughout the State offer training courses. The courses are entitled "Leadership (city or area)." The stated purpose of these courses is to improve the quality, quantity and effectiveness of leadership in the city or area by:

1. Identifying and selecting current and potential leaders from diverse backgrounds.
2. Exposing the participants to social, economic and political issues facing the city or area in order to stimulate their interest in seeking leadership positions within the community.
3. Providing the participants with factual information about the city or area.
4. Building and maintaining networks of community leaders who know and respect each other.

Agencies with specific statutory authority to provide this training to employees and wishing to send an employee to community leadership courses should request prior approval from the:

Department of Financial Services
Bureau of Auditing
200 East Gaines Street
Tallahassee, Fl. 32399-0355

Requests must cite the specific statutory authority for the agency to send employees to the classes or cite the specific statutory duty or responsibility, which necessitates the agency sending an employee to such a class. Any payment request that does not include prior approval may be denied.

EMPLOYEE-EMPLOYER RELATIONSHIP DETERMINATION

When entering into agreements for personal services, agencies should determine if an employer-employee relationship exists. The IRS generally provides that the relationship of employer and employee exists when the person or persons for whom the services are performed have the right to control and direct the individual who performs the services, not only as the result to be accomplished by the work but also as to the details and means by which that result is accomplished. If it is determined that such a relationship does exist, the employee should be paid through the payroll system and not as an independent contractor. It is incumbent on each agency to evaluate the circumstances of each contractual relationship. Any penalties that may be imposed by the IRS for failure to make the proper determination of the employment relationship will be borne by the agency making the initial determination.

Circumstances of an employment relationship may be submitted to the IRS for its determination using a Form SS-8.

As an aid to assist agencies in making a determination of the employee-employer relationship, the following twenty factors have been established. These factors have been developed only as guides for determining whether an individual is an employee. Special scrutiny is required in applying the twenty factors to assure that formalistic aspects of an arrangement designed to achieve a particular status do not obscure the substance of the arrangement. The twenty factors are as follows:

1. **Instructions.** A worker who is required to comply with other persons' instructions about when, where and how he or she is to work is ordinarily an employee. This control factor is present if the person or persons for whom the services are performed have the right to require compliance with instructions.

2. **Training.** Training a worker by requiring an experienced employee to work with the worker by corresponding with the worker, by requiring the worker to attend meetings or by using other methods, indicates that the person or persons for whom the services are performed want the services performed in a particular method or manner.

3. **Integration.** Integration of the worker's services into the business operations generally shows that the worker is subject to direction and control. When the success or continuation of a business depends to an appreciable degree

upon the performance of certain services, the workers who perform those services must necessarily be subject to a certain amount of control by the owner of the business.

4. **Services Rendered Personally.** If the services must be rendered personally, presumably the person or persons for whom the services are performed are interested in the methods used to accomplish the work as well as in the results.

5. **Hiring, Supervising and Paying Assistants.** If the person or persons for whom the services are performed hire, supervise and pay assistants, that factor generally shows control over the workers on the job. However, if one worker hires, supervises, and pays the other assistants pursuant to a contract under which the worker agrees to provide materials and labor and under which the worker is responsible only for the attainment of a result, this factor indicates an independent contractor status.

6. **Continuing Relationship.** A continuing relationship between the worker and the person or persons for whom the services are performed indicates that an employer-employee relationship exists. A continuing relationship may exist where work is performed at frequently recurring although irregular intervals.

7. **Set Hours of Work.** The establishment of set hours of work by the person or persons for whom the services are performed is a factor indicating control.

8. **Full-Time Required.** If the worker must devote substantially full time to the business of the person or persons for whom the services are performed, such person or persons have control over the amount of time the worker spends working and impliedly restricts the worker from doing other gainful work. An independent contractor, on the other hand, is free to work when and for whom he or she chooses.

9. **Doing Work on Employer's Premises.** If the work is performed on the premises of the person or persons for whom the services are performed, that factor suggests control over the worker, especially if the work could be done elsewhere. Work done off the premises of the person or persons receiving the services, such as at the office of the worker, indicates some freedom from control. However, this fact by itself does not mean that the worker is not an employee. The importance of this factor depends on the nature of the service involved and the extent to which an employer generally would require that employees perform such services on the employer's premises. Control over the place of work is indicated when the person or persons for whom the services are performed have the right to compel the worker to travel a designated route, to canvass a territory within a certain time or to work at specific places as required.

10. **Order of Sequence Set.** If a worker must perform services in the order or sequence set by the person or persons for whom the services are performed, that factor shows that the worker is not free to follow the worker's own pattern of work but must follow the established routines and schedules of the person or persons for whom the services are performed. Often, because of the nature of an occupation, the person or persons for whom the services are performed do not set the order of the services or set the order infrequently. It is sufficient to show control, however, if such a person or persons retain the right to do so.

11. **Oral or Written Reports.** A requirement that the worker submit regular or written reports to the person or persons for whom the services are performed indicates a degree of control.

12. **Payment by Hour, Week, Month.** Payment by the hour, week or month generally points to an employer-employee relationship, provided that this method of payment is not just a convenient way of paying a lump sum agreed upon as the cost of a job. Payment made by the job or on a straight commission generally indicates that the worker is an independent contractor.

13. **Payment of Business and/or Traveling Expenses.** If the person or persons for whom the services are performed ordinarily pay the worker's business and/or traveling expenses, the worker is ordinarily an employee. An employer, to be able to control expenses, generally retains the right to regulate and direct the worker's business activities.

14. **Furnishing of Tools and Materials.** The fact that the person or persons for whom the services are performed furnish significant tools, materials and other equipment tends to show the existence of an employer-employee relationship.

15. **Significant Investment.** If the worker invests in facilities that are used by the worker in performing services and are not typically maintained by employees (such as the maintenance of an office rented at fair value from an unrelated party), that factor tends to indicate that the worker is an independent contractor. On the other hand, lack of investment in facilities indicates dependence on the person or persons for whom the services are performed for such facilities and, accordingly, the existence of an employer-employee relationship.

16. **Realization of Profit or Loss.** A worker who can realize a profit or suffer a loss as a result of the worker's services (in addition to the profit or loss ordinarily realized by employees) is generally an independent contractor, but the worker who cannot is an employee.

17. **Working for More Than One Firm at a Time.** If a worker performs more than the minimum service for a multiple of unrelated persons or firms at the same time, that factor generally indicates that the worker is an independent contractor.

18. **Making a Service Available to General Public.** The fact that a worker makes his or her services available to the general public on a regular and consistent basis indicates an independent contractor relationship.

19. **Right to Discharge.** The right to discharge a worker is a factor indicating that the worker is an employee and the person possessing the right is an employer. An employer exercises control through the threat of dismissal, which causes the worker to obey the employer's instructions. An independent contractor, on the other hand, cannot be fired so long as the independent contractor produces a result that meets the contract specifications.

20. **Right to Terminate.** If the worker has the right to end his or her relationship with the person for whom the services are performed at any time, he or she wishes without incurring liability, that factor indicates an employer-employee relationship.

EQUIPMENT LEASES

Equipment leases that have an annual cost anticipated to exceed the purchasing Category Two threshold established in s. 287.017, F.S., require prior approval from the Bureau of Financial Reporting. If the monthly lease cost for equipment is greater than one-twelfth of the Category Two threshold, but the annual cost will be less than the Category Two threshold, each voucher submitted for payment should include documentation indicating that the annual cost will not exceed the Category Two threshold.

In computing the total lease cost for determination as to whether the annual lease cost exceeds the Category Two threshold, maintenance and other periodic costs to be incurred by the lessee for the equipment must be added to the lease payments. Equipment is defined as a functional unit and not as an individual component. For example, an agency may not acquire, by lease, equipment costing less than Category Two threshold annually, avoiding Bureau of Financial Reporting approval, and then add other components to the equipment which increases the total annual cost above the threshold.

Requests for Bureau of Financial Reporting approval to lease equipment above the Category Two threshold must be submitted with the Lease Checklist to Financing@MyFloridaCFO.com or to:

Department of Financial Services
Bureau of Financial Reporting
200 East Gaines Street Tallahassee, Florida 32399-0354

The lease checklist is available at:
https://myfloridacfo.com/division/aa/all-forms

Vouchers submitted for payment of leases requiring prior approval of the Bureau of Financial Reporting must show the lease approval number assigned by the Bureau of Financial Reporting.

Regardless of the annual cost of the lease or the acquisition method, it shall be the responsibility of the procuring agency to evaluate and maintain documentation to support that a lease is economically prudent and cost-effective.

Agencies with special needs for leasing equipment, such as short-term needs for surveying, monitoring and research connected with wildlife studies or preservation are exempt from the requirement to obtain prior approval.

A certification from the agency head or designee supporting the decision to lease must be attached to the voucher submitted for payment.

The Bureau of Financial Reporting will review leases less than or equal to Category Two, upon agency request.

PURCHASING CARD TRANSACTIONS – LEASES OF EQUIPMENT

Agencies may use purchasing cards for payment on leased equipment in accordance with the above requirements.

EXECUTIVE ORDERS

The Governor has the authority to sign executive orders under s. 252.36, F.S. All executive orders have the full force and effect of law. Most executive orders are for emergencies dealing with hurricanes, tropical storms, wildfires, floods, tornadoes, citrus canker and other states of emergency. An executive order may suspend the purchasing rules and regulations.

EXPENDITURE OF STATE FUNDS

An expenditure of State funds must be authorized by law and the expenditure must meet the intent and spirit of the law authorizing the payment.

In cases where the item for payment is generally used solely for the personal convenience of employees (for example: portable heaters, fans, refrigerators, stoves, microwaves, coffee pots and supplies, picture frames, wall hangings, various decorations, etc.) and which generally are not necessary in order for a State agency to carry out its statutory duties, the agency must provide justification for the purchase of these items or perquisite approval by an appropriate official. Also, State funds cannot be expended to satisfy the personal preference of employees (for example: an agency may not purchase more expensive office furniture or equipment than is necessary to perform its official duties because the employee prefers a more expensive item).

Each voucher must contain documentation which shows the legal authority for the requested payment, if the authority is not obvious from the face of the voucher. In order to reduce the number of voucher returns, agencies should ensure that each voucher meets this requirement prior to submission to the Bureau of Auditing.

EXPENSE, OCO, OR FCO DETERMINATION

A determination of whether a purchase should be made from an Expense or OCO appropriation is based on the cost of the functional unit. A functional unit is defined as a collection of items purchased at the same time that must be combined or used together to achieve a particular purpose. For example, when purchasing computer hardware, a functional unit would include the central processing unit with RAM, hard drive, video monitor, keyboard, external drives, and mouse. Total system upgrades or the adding of new components costing $5,000 or greater should be paid from OCO appropriations. However, upgrades, repairs or replacements of individual components may be made from expense appropriations if the cost of the item is less than $5,000. Additionally, actual costs to restore a functional unit to its original condition may be paid from Expense appropriations.

Another example is the purchase of modular furniture. Modular furniture must be purchased from OCO or FCO appropriations, if the cost of each functional unit exceeds $5,000. If wall panels are to be used as part of a modular workstation, the cost of the entire functional workstation unit would determine whether the payment is made from Expense, OCO, or FCO appropriations. Reconfigurations should be paid from Expense appropriations.

If the functional unit was originally purchased from an FCO appropriation, the replacement unit may be purchased using OCO funds or Expense, depending on the cost.

FCO — GRANTS AND AIDS APPROPRIATION

FCO Grants and Aids Appropriations to certain Non-profit entities may be required to comply with some or all of the requirements of s. 216.348, F.S. if specified in the legislative bill.

FUEL CARD TRANSACTIONS

Agencies are required to maintain invoices/receipts for all charges and to have a system of internal control in place to ensure that all charges are valid State expenditures.

Payment requests submitted to the Bureau of Auditing must include: the summary invoice; the detail transaction list from the fuel card company; and supporting documentation for transactions that do not contain sufficient detail for a proper pre-audit. The Bureau has determined transactions that do not include sufficient detail for our pre-audit include, but are not limited to; fuel adjustments, miscellaneous fuel purchases, other miscellaneous transactions, and miscellaneous repairs. Therefore, invoices/receipts will need to be submitted to the Bureau for payment of these charges.

State agencies may use the State purchasing card (PCard) as an alternative to using the fuel card for repairs and maintenance. Agencies interested in using the PCard for state vehicle repair and maintenance transactions must comply with the following:

- Submit an addendum to your Agency's PCard Plan, which includes applicable internal controls for state vehicle repairs and maintenance.
- A new Merchant Category Code Group (MCCG) or modification of an existing MCCG may be necessary (contact the Enterprise PCard Administrator's Office for review and approval).

Each agency's Scoped Administrator must contact the Enterprise PCard Administrator's Office for assistance with the MCCG determination Appropriate notification must be made to Bank of America prior to implementing the use of the PCard for state vehicle repair and maintenance transactions.

FURNITURE

While state agencies may purchase office and public area furniture in accordance with the state term contract in effect at the time of purchase, price limits have been established for purchasing the following furniture:

1. Chairs (ergonomic)	$750
2. Sofas 3 seat	$1,500
3. Love Seats 2 seat	$1,200
4. Wing Back (or similar chair)	$875
5. End Tables	$450
6. Coffee or 48" Conf. Table	$675
7. Task Lighting	$175 each

***Note: Item Nos. 2, 3, 4, 5, and 6 listed above may only be purchased for reception or other public areas.**

The price limits stated above also apply to furniture purchased under contracts entered into by an agency including furniture purchased from PRIDE.

If an agency needs to purchase a chair that exceeds the established limit in order to provide a reasonable accommodation under the ADA, the agency must process the invoice in accordance with the instructions in Americans with Disabilities Act section.

All other exceptions must be fully justified by the agency and approved in advance by the Bureau of Auditing. Requests for exceptions should be addressed to:

Department of Financial Services
Bureau of Auditing
200 East Gaines Street
Tallahassee, Fl. 32399-0355

HYBRID CAR RENTALS

The State may incur a hybrid car rental expense when it has been determined to be the most economical method of travel. Agency heads or their designees have the authority to "designate the most economical method of travel for each trip," pursuant to s. 112.061, Florida Statutes. An agency head may include environmental factors in determining the most economical method of travel. Each agency should develop a written policy for determining when the use of hybrid cars is appropriate. When an agency approves and submits a travel voucher containing hybrid rental car charges, it is certifying the hybrid's use was the most economical method of travel. Documentation must be retained on file at the agency to support the agency's decision.

INSURANCE

For agencies subject to the provisions of s. 287.022, F.S., payments for the purchase of insurance, with the exception of title insurance for land purchases, must have proof of approval by DMS or a certification of emergency. Such documentation shall be submitted with each payment request.

INTERCHANGE OF PERSONNEL AMONG STATE AGENCIES

Section 112.24, F.S., authorizes employee interchange agreements among State of Florida Agencies in order to encourage economical and effective use of public employees. Interchange agreements are exempt from the provision requirements of s. 287.058, F.S., and the terms and conditions of such agreements should be in accordance with the requirements set forth in s. 112.24, F.S. All invoices for payment must be reconcilable to these terms and conditions listed in the agreements.

INVOICES

GENERAL

Agencies shall only schedule those disbursements or transfers of funds authorized by law. If such authority is not apparent, the agency must cite the law which either provides the authority to expend funds for the purpose under consideration or necessarily implies the authority to carry out the authorized duty or function. The requirement for legal authority may not be satisfied by demonstrating that the requested disbursement or transfer has been done or approved previously.

All invoices scheduled for the disbursement or transfer of funds must be submitted in accordance with Rule 69I-40, F.A.C., and scheduled using the standard voucher format prescribed by the Department of Financial Services. The information listed in this section provides general guidelines that are common to all expenditures.

INVOICE REQUIREMENTS

The following requirements apply to all invoices submitted for payment.

1. An invoice submitted to DFS for payment must be a legible copy. The original invoice is filed and maintained by the agency. If an agency is filing a copy of the invoice as its original, it must contain the statement "original invoice not available, agency records show that this obligation has not been previously paid" with the signature of the person certifying the statement. Thermo fax copies, because of their temporary nature, shall not be filed as the original at the agency. It should be copied on a standard photocopy machine.
2. Invoices for commodities must clearly reflect a description of the item or items, number of units and cost per unit. Numerical code descriptions alone (i.e. part number instead of actual part name) will not be accepted.
3. Invoices for services must clearly identify the specific deliverable(s) (also known as units of service) that were completed. The invoice (or invoice backup) must also demonstrate that each deliverable's minimum performance levels were met. Payment will only be made for completed deliverables. In addition to identifying the completed deliverables, cost reimbursement invoices must also be itemized by expenditure category. Only expenditures for categories in the approved agreement budget may be reimbursed.

Please refer to the "Payment Processing" section of this Guide for additional requirements for payments for services.

4. No balances for prior purchases will be paid unless supported by an invoice.
5. A statement will not be paid unless it can be clearly shown that the vendor intended it to be used as an invoice that meets all invoice requirements.
6. All invoices shall be processed in accordance with s. 215.422, F.S., and the rules set forth in Rule 69I-24, F.A.C.
7. Invoices that are split payments require information showing the distribution of charges between funds for such invoice and a cross- reference of the statewide document numbers for all related vouchers.
8. Invoices and other supporting documentation included in a voucher must be grouped by vendor and arranged in the same order as the vendors are listed on the voucher schedule. If the voucher includes multiple invoices from the same vendor, the voucher must include a calculator tape or other evidence showing that the total of the invoices is equal to the amount shown on the voucher schedule.
9. 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.

INVOICE REQUIREMENTS – PURCHASING CARD TRANSACTIONS

A purchasing card transaction must be supported by a receipt (See **"Receipt Requirements - Purchasing Card Transactions"** for additional information.). However, when a receipt is not available from the vendor/merchant, a statement or invoice from the vendor may be used if it meets the following criteria:

1. It is clearly intended to be used as a receipt.
   It provides the same information as a receipt
2. It is not used to make payment for a prior unpaid balance.

INVOICE SAMPLING

A selected sample of invoices for disbursement requests equal to or less than the established dollar threshold for an agency must be submitted to the Bureau of Auditing for pre-audit review. Sampling thresholds may vary by agency and/or voucher processing site and could be changed at any point in time. Invoices equal to or less than the established dollar threshold for an agency, and not included in the sample, will be systematically posted and should not be submitted to the Bureau of Auditing.

The Bureau of Auditing must account for all sampled invoices. Sampled invoices which are deleted at the agency's request must be submitted along with an explanation for the deletion. Sampled invoices audited and deleted by the Bureau, must be re-submitted with the Bureau's return form. Additionally, the invoices must be re-vouchered using the bookkeeping indicator (BKI) "A" unless the BKI "Z" is needed in order to bypass Central FLAIR's contract system.

Flags can be set in the Voucher Audit System to identify invoices that require special review. Vouchers and copies of supporting documentation for these invoices must be submitted to this office, regardless of the dollar amount.

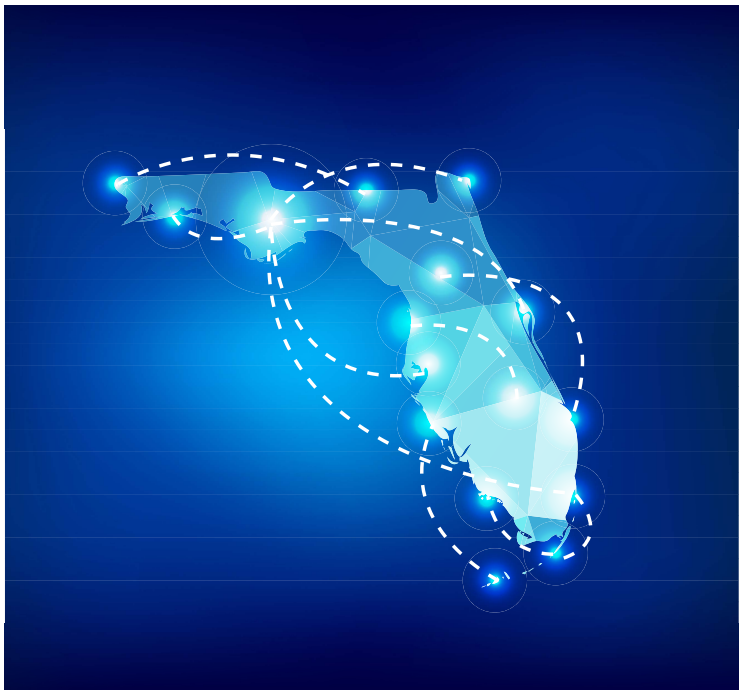
JUSTICE ADMINISTRATIVE COMMISSION - DISBURSEMENTS

Payment vouchers for attorney's fees to private court-appointed counsel must comply with the applicable limitations set forth in s. 27.5304, F.S. In those cases where payments exceed the flat fee established by the General Appropriations Act, the requested payment must be supported by all of the following documentation:

1. A copy of a written notification to counsel from the JAC that the attorney's fee invoice submitted by counsel exceeds the applicable statutory limitation for the type of representation involved;
2. Any written objection to the payment of the fees submitted by the JAC to the court having jurisdiction of the matter in which the representation occurred;
3. A court order directing payment of the fees which contains specific findings that the fees claimed are reasonable and incurred as the result of unusual or extraordinary circumstances associated with the representation; and all invoices submitted for payment must be in sufficient detail for a proper pre-audit and must be submitted on the standard voucher format as required by s. 69I-40.001, F.A.C. This format requires a certification statement that the "transactions are in accordance with the Florida Statutes, and all applicable laws and rules of the State of Florida." The title and signature of the person making the certification must be shown on the voucher schedule.
4. An itemized invoice with a detailed description of hours worked by counsel in connection with the representation for which payment is sought.

JOURNAL TRANSFERS

Journal transfers (JTs) are vouchers (transactions) that allow state agencies to make payments directly to other state agencies in lieu of issuing a state warrant, correct disbursements made in error, allocate costs within an agency, make transfers or distributions that are required by law and restore current year expenditure refunds to their original disbursement accounts. Pursuant to Rule 69I-40.002(24), F.A.C., all payments to state agencies shall be made by journal transfer unless the necessity for making payment by warrant is documented by the agency and approved by the Bureau of Auditing.



There are three types of journal transfers: JT-1, JT-2 and JT-3. A JT-1 is referred to as a journal redistribution. A JT-2 can be one of four different voucher types: a journal advice, an operating disbursement, a non-operating transfer or an expenditure refund. A JT-3 involves the transfer of budget release between accounts with different Internal Budget Indicators (IBI). The JT-3 will not be discussed in this reference manual as it is a function of the Bureau of Financial Reporting.

JOURNAL TRANSFER ONE (JT-1)

Journal Redistribution

The journal redistribution (JT-1) is used to make corrections of disbursements made in error and/or to allocate costs and budgets **within** an agency. The allocation of costs within an agency usually occurs when an agency wants to issue one warrant/EFT to a vendor and subsequently reallocate the disbursement to individual sections or other units for their pro rata share of the total cost. JT-1s should not be used to correct non-operating transfers or service charge journal transfers **or for making payments to other state agencies.**

State agencies must maintain documentation to support the correction of errors and the original documentation for disbursements which are being re-allocated. Documentation to support JT-1s must be submitted to the Bureau of Auditing upon request. Central FLAIR Transaction codes 20 and 21 are used to update the accounting system as follows:

Transaction Code 20 – INCREASE (disbursing/initiating side of a JT-1):

- Increase Journal disbursement (and disbursements year-to-date
- Decrease Unexpended release balance (budget)
- Decrease cash balance

Transactions Code 21 – DECREASE (receiving/benefiting side of a JT-1):

- Decrease Journal disbursements (and disbursements year-to-date)
- Increase unexpended release balance (budget)
- Increase cash balance

JOURNAL TRANSFER TWO (JT-2)

As stated earlier, the JT-2 can be one of four different voucher types: journal advice, operating disbursement, non-operating transfer and expenditure refund.

I. Journal Advice

The journal advice, JT Exhibit 2 is primarily used to make payments to other state agencies for goods and services received. Supporting information for payments to other state agencies should include at a minimum the invoice that provides a description of the goods or services, the benefiting agency's account code, the invoice period, the DO or Contract Summary Form, the receiving report or evidence supporting the delivery of service signed by the contract manager, and the amount being requested as per the agreement terms. Any additional information necessary to substantiate the payment based on the type of purchase being made must also be included.

Agencies will also use the journal advice to make payments of the service charge to general revenue, to invest funds with the DFS, Division of Treasury, and to process payments to the Division of State Group Insurance (DSGI).

Investments
The purpose of the investment journal advice is to allow agencies to invest funds with the Division of Treasury. Investment JT-2s will have an object code of 8400XX. Investment JT-2s received in the Bureau of Auditing by 2:00 pm will be processed on that date. Investments received after 2:00 p.m. will be processed the following day.

Service Charges to General Revenue Fund
Pursuant to s. 215.20, F.S., a service charge shall be deducted from income of a revenue nature deposited in certain trust funds. This service charge is transferred to the General Revenue Fund via a JT-2 submitted to the Bureau of Auditing. Service charge JT-2s will have an object code of 880XXX. The Bureau of Auditing will forward these JT-2s to the Bureau of Financial Reporting for processing.

Employer/Employee Contributions
Payments to employer/employee contributions must have approval from the DSGI prior to being submitted to the Bureau of Auditing. The approval must be stamped on the face of the voucher schedule.

II. Category 10XXXX – Operating Disbursements

This type of transaction is used when the agency receives the appropriation in a special category (10XXXX) through the General Appropriations Act and is required to "transfer" the funds to another state entity. If the 10XXXX category used has been identified as "H" in the Itemization of Expenditures (IOE) records in LAS/PBS, the receipt category must be 001000, state grants. These are operating receipts and disbursements, though nothing is being purchased and no benefit is received by the paying agency. The authority for the operating disbursement must be reflected on the voucher submitted to the Bureau of Auditing. Object code 8300XX must be used with these operating disbursements.

Transaction codes 25 and 45 are used, with the journal advice, to update the Central Accounting System as follows:

Transaction Code 25 – INCREASE (disbursing/initiating side of a journal advice):

- Increase journal disbursements (and year-to-date disbursements)
- Decrease unexpended release balance (budget)
- Decrease cash balance

Transaction Code 45 – INCREASE (receiving/benefiting side of a journal advice):

- Increase journal receipts
- Increase cash balance

III. Non-Operating Transfer

This type of cash transfer is intended only for purposes not directly related to operations of the agency and does not serve to change or redistribute the operating budget in any manner. These are non-operating receipts and disbursements. The non-operating transfer has three unique characteristics.

1. The disbursement category is usually 180000(or 18XXXX), although categories 170000 or 31XXXX (Special categories non-operating) may occasionally be used.
2. The receipt category must be 0015XX or 0016XX, transfers required by law.
3. The disbursement object code must be 8100XX.

Transfers between Governmental Accounting, Auditing and Financial Reporting (GAAFR) funds constitute a unique type of non-operating transfer. There are two separate cash control accounts identical in all respects except for the GAAFR fund code. Since GAAFR funds exist only in FLAIR, and are a separate classification from the state funds, the transfer of cash between GAAFR funds is a bookkeeping entry only and requires no budget approval. The disbursing category is 310400 and the benefiting category is 003100

Journal transfer vouchers submitted to the Bureau of Auditing for non-operating transfers must contain an explanation of the transfer or a reference to the statutory requirement for the transfers. Transaction codes 29 and 49 are used to update the Central Accounting System as follows:

Transaction Code 29 – INCREASE (disbursing/initiating side of a transfer):

- Increase transfer disbursements (and disbursements year-to-date)
- Decrease unexpended release balance (budget)
- Decrease cash balance

Transaction Code 49 – INCREASE (receiving/benefiting side of a transfer):

- Increase transfer receipts
- Increase cash balance

IV. Expenditure Refund

The current year expenditure refund is used to restore cash and budget to the current year disbursement account, which generated the payment on which the refund is based. Current year refunds may only be processed for refunds received and deposited during the same fiscal year that the warrant was issued for the disbursement. A cash deposit is made to a receipt account and is then transferred by JT from the receipt account to the disbursing account. Vouchers submitted to the Bureau of Auditing must contain a form DFS-A2-1896 (available at https://myfloridacfo.com/division/aa/all-forms)

The DFS-A2-1896 form includes the 29-digit FLAIR codes where the original disbursement occurred, the original warrant number and date, the original object code and signatures of the preparer and the authorized personnel. A Letter of Authorization approved by the Bureau of Auditing may be substituted for the information requirements of the DFS-A2-1896. The Letter of Authorization number is valid for the types of cash refunds being processed without reference to the original warrant number and date. The Letter of Authorization may be used for frequent small dollar refunds upon which obtaining the original warrant number and date is not feasible. The Letter of Authorization is only valid for items that are listed on the Authorization as approved.

When an expenditure refund is deleted from the system, it does not affect the original cash deposit made into the receipt account. It does, however, remove the transaction created to restore the cash and budget back to agencies current year disbursement account Auditors will make every effort not to delete a line item or an entire voucher of a cash refund unless it has been absolutely determined that the transaction is incorrect and should be deleted.

Transaction codes 39 and 38 are used with the expenditure refunds to update the central accounting system as follows:

Transaction Code 39 – DECREASE (disbursement/initiating side of a cash refund)

- Decrease journal disbursements (and year-to-date disbursements)
- Increase unexpended release balance (budget)

Transaction Code 38 – DECREASE (receiving/benefiting side a cash refund):

- Decrease journal receipts

Note: Negative Journal Transfers

The general purpose of a negative journal transfer is to correct a previous JT processed in error. These transactions may occur on a JT-1 or a JT-2. Negative JT-1 and JT-2 transactions that are correcting an entry that affects only the initiating agency's accounts (within OLO) are proper transactions. However, a negative JT-1 or JT-2 that crosses OLOs should not be processed without additional justification of the circumstances since it will allow one agency to debit the account of another agency.

PURCHASING CARD TRANSACTION – INTERAGENCY CONTRACT PAYMENTS

The use of the purchasing card to make payments to state agencies for goods or services is allowable, if the receiving agency has determined that this method is most effective for payments.

LAND PURCHASES

Vouchers submitted to the Bureau requesting payment for the purchase of land must include:

1. An Opinion of Clear Title stating that upon closing on this purchase, the fee simple title will vest in the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida and the title insurance policy insuring marketability of title to the said parcel shall be delivered to the State;
2. Evidence of Governor and Cabinet approval;
3. The sales contract;
4. The legal description of the property.

LEGAL ADVERTISING

Pursuant to ss. 50.031 and 50.041, F.S., legal advertisements shall be supported by proof of publication made by uniform affidavit. Such documentation shall be submitted with each payment request.

LEGAL SERVICES

Contracts for private attorney services must be in accordance with s. 287.059, F.S. Prior approval of the Attorney General must be obtained, where applicable, and shall include a statement that the private attorney services requested cannot be provided by the Office of the Attorney General or that such private attorney services are cost effective in the opinion of the Attorney General. Where applicable, evidence of approval by the Office of the Attorney General to contract for private attorney services must be included with the first payment submitted to the Bureau of Auditing.

LEVIES/LIENS

DEPARTMENT OF REVENUE

The Department of Revenue (DOR) will periodically provide DFS with a file of vendors with delinquent state taxes pursuant to s. 213.67, F.S. Upon receiving a request for payment to a delinquent vendor, the Bureau of Auditing will inquire from DOR whether the lien is active. When DOR indicates the vendor lien is still active, the Bureau of Auditing will delete the payment request and return the payment request to the agency. Upon notification from the Bureau that the lien is active, agency staff must contact DOR regarding the settlement of the lien.

INTERNAL REVENUE SERVICE

Levies are received by DFS from the Internal Revenue Service (IRS) notifying the State that federal taxes are owed by a particular vendor. Upon receipt of the levies, a flag is placed on the Federal Employer Identification Number (FEIN) and the vendor name to ensure that any payment made to that vendor is scheduled to the U.S. Treasury on behalf of the vendor. If a payment request is received for a vendor that has an IRS levy and is not scheduled to the U.S. Treasury, the payment will be deleted and returned to the agency, along with a copy of the levy, requesting that the agency reschedule appropriately.

If an agency receives an IRS levy or a release of levy, it should be forwarded to DFS, Bureau of Auditing, 200 East Gaines Street, Tallahassee, Florida 32399-0355, so that appropriate action may be taken.

When a release of levy is received from the IRS indicating that a vendor has satisfied the levy requirements, the flag will be removed from the FEIN and vendor name.

Purchasing Card Transaction – Department of Revenue Liens

Agencies shall not knowingly use the purchasing card to make a purchase from a merchant/vendor who has a DOR lien.

LOBBYIST

Section 11.062(1), F. S., prohibits the use of state funds by the executive or judicial branch to pay a person that is not an employee, for the purpose of lobbying the Florida Legislature. Funds for salaries, travel expenses, and per diem may be used for lobbying purposes of full-time employees of an agency, but funds may not be used to retain, by contract, an outside lobbyist.

Section 11.062(2)(a), F. S., states, "a department of the executive branch, a state university, a community college, or a water management district may not use public funds to retain a lobbyist to represent it before the legislative or executive branch."

Full-time employees of a department of the executive branch, a state university, a community college, or a water management district may register as lobbyist to represent their respective employers before the legislative or executive branch. Except as full-time employees, they may not accept any public funds from a department of the executive branch, a state university, a community college, or a water management district for lobbying.

This does not prohibit a department of the executive branch, a state university, a community college, or a water management district from retaining a lobbyist for purposes of representing the entity before the executive or legislative branch of the Federal Government.

Section 216.347, F.S. Disbursement of grants and aids appropriations for lobbying is prohibited. A state agency, a water management district, or the judicial branch may not authorize or make any disbursement of grants and aids appropriations pursuant to a contract or grant to any person or organization unless the terms of the grant or contract prohibit the expenditure of funds for the purpose of lobbying the Legislature, the judicial branch, or a state agency. The provisions of this section are supplemental to the provisions of s. 11.062 and any other law prohibiting the use of state funds for lobbying purposes. However, for the purposes of this section and s.11.62, the payment of funds for the purpose of registering as a lobbyist shall not be considered a lobbying purpose.

MEMBERSHIP DUES, LICENSE FEES AND PROFESSIONAL CERTIFICATIONS

Pursuant to s. 216.345, F.S., public funds may be expended for the purpose of paying professional and/or organizational membership dues upon approval by the agency head or designee, provided that the membership is essential to the statutory duties and responsibilities of the state agency.

Payment of individual membership dues may be paid from state funds when it has been certified by the professional or other organization that it does not accept institutional memberships and the membership is essential to the statutory duties of the organization. Payment of membership dues shall not be paid for maintenance of an individual's professional or trade status except in cases where agency or branch membership is necessary and more economical.

Payment information maintained at the agency pertaining to the payment of membership dues must contain a statement that the records of the organization, as they pertain to the public agency from which or on whose behalf the payments are made, shall be public records pursuant to s. 119.01 (3), F.S.

It is important to distinguish between professional certifications and licensure. A certification verifies that a professional has met a certain set of criteria for a skill or job as measured by a third-party assessment. A license is verification by a government agency that a professional is able to perform a particular occupation in a particular locations, such as a certain state. State agencies may incur reasonable costs for certain certifications, if those certifications are essential for employee positions.

Unless specifically authorized by law, the following items related to occupational licenses will not be paid:

1. Florida or other Bar dues.
2. Professional license fees.
3. Occupational license fees.
4. Driver license fees.
5. Other fees for licenses required for an individual to perform his or her official duties.
6. Tuition for fees designed to help an individual pass the examination for any of the above licenses, unless the training is directly related to the person's current official duties.
7. Tuition or fees for continuing education classes for the sole purpose of maintaining any License.
8. Tuition and Examination fees for occupational or professional licenses required for a person to perform his or her official duties.

State funds may be spent only for a public purpose or function which the public officer or agency is expressly authorized by law to carry out or which must be necessarily implied to carry out the purpose or function expressly authorized. Unless expressed in statute or through Legislative proviso, tuition and examination fees are considered a personal benefit.

MOTOR VEHICLES

PROCUREMENT OF MOTOR VEHICLES

Pursuant to Chapter 287, Part II, F.S., payment for purchase and continuous lease of motor vehicles must include:

1. Documentation showing that funds were appropriated by the Legislature or were approved by the Executive Office of the Governor. Examples of such documentation include the legislative budget form D3-A, the budget amendment from the Governor's Office or the appropriation line item;
2. Evidence of approval from DMS, Fleet Management;
3. A purchase order.

Motor Vehicles purchased by the following entities need only provide evidence of approval by DMS pursuant to 69I-40.002 (17) and s. 287.155, F.S.

- Department of Children and Families for DCF managed institutions.
- Department of Corrections for DOC managed institutions.

REPAIRS OR MAINTENANCE

Invoices submitted for payment for the repair or maintenance of state-owned vehicles must include the state property number or the license tag number of the vehicle. If repairs are the result of an accident, a copy of the accident report must be provided.

PERSONAL VEHICLE DAMAGE – DEPARTMENT OF CORRECTIONS

Pursuant to s. 944.0611, F.S., employees of the Department of Corrections required to use their personal vehicles in the performance of their duty may file claims for damages made to their personal vehicles while on official state business. Such claims shall be filed in accordance with Rule 33-203.701, F.A.C., and shall be limited to an amount for repairs at the insurance deductible amount.

VEHICLE PURCHASES FROM SURPLUS PROPERTY

The payment of the transfer fee for the purchase of a surplus property vehicle may be made from an expense appropriation.

MOVING EXPENSES — EMPLOYEE

Expenditures properly chargeable to employee moving expenses include the cost of moving household goods or moving an employee's privately-owned mobile home. Payments of moving expenses may include moving of household goods by common carrier, a state-owned vehicle or a rental truck or trailer. The payment of employee moving expenses is a perquisite and requires the approval of the agency head or agency head designee and may only be paid when it is in the best interest of the State due to the exceptional or unique requirements of the position. This approval must be obtained before the move of the household goods.

Pursuant to Attorney General Opinion 81-34, an agency head or designee may approve the payment of travel expenses pursuant to Section 112.061, F.S., to an agency employee who is reassigned and required to relocate to new official headquarters within the agency in order to carry out the duties and functions of the agency. Under these circumstances moving expenses do not have to be paid in order for an employee to receive reimbursement of travel expense.

Vouchers submitted to the Bureau of Auditing for the payment of employee moving expenses should include the following documentation: Invoice, purchase order and agency head or agency head designee approval including a statement as to why the payment is in the best interest of the State. Vouchers submitted to the Bureau of Auditing for reimbursing the employee for moving expenses, paid by the employee, require the same documentation listed above however, must include paid receipts in lieu of the invoice Documentation must be attached to a properly completed Reimbursement Other Than Travel Form.

The 2018 Tax Cuts and Jobs Act requires that all moving expenses, without exception, are taxable to the employee, regardless to whom the payment is made.

Payment of extra charges for picking up household goods from more than one location may be paid for an employee's approved move if the second location is in the same immediate geographic area as the primary residence.

PURCHASING CARD TRANSACTIONS – EMPLOYEE MOVING EXPENSES

In order to ensure compliance with Section 132, Internal Revenue Code, an Accountholder shall not use his/her purchasing card to pay for any moving expenses.

MYFLORIDAMARKETPLACE (MFMP)

In addition to the Invoice Requirements and Payment processing requirements contained herein, MFMP transactions must also adhere to the following requirements:

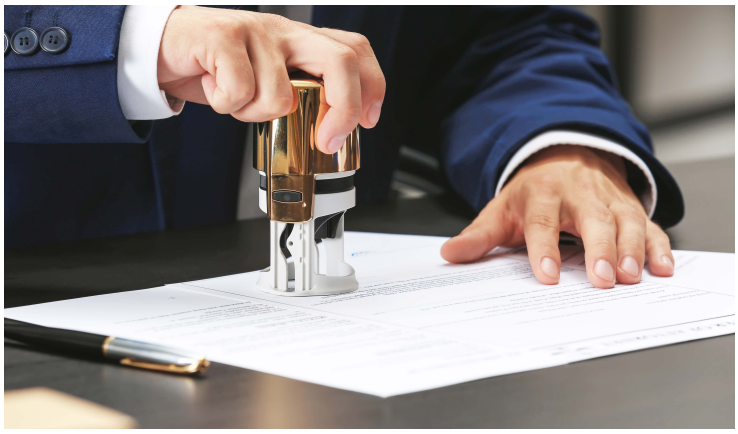
- Each vendor invoice must have its own Invoice Reconciliation (IR). Electronic invoices for goods or services submitted though the Electronic Invoicing (invoicing) function [currently Ariba Supplier Network] must include the vendor's dates of service (invoice period) in the comment field.
- With the exception of Electronic Invoices, a copy of the invoice and the required supporting documentation must be scanned and attached to the Invoice Tab or Exceptions Tab.
- The Contract or Order's Paid to Date total must be listed as a comment on the Invoice Tab or Exceptions Tab. Conversely, this requirement may be fulfilled by attaching a completed Contract Summary Form to the Invoice Tab or the Exceptions Tab.
- For certification and receipting requirements, see CFO Memo No. 3 (2019-20) and the Receipt and Certification of Goods or Services- Documentation Requirements section of this Guide.

Payment Requirement	Format	Location on IR
Invoice	PDF attachment or MFMP Electronic Invoicing (eInvoicing)	**Invoice Tab** or **Exceptions Tab.**
Documentation Supporting Invoice's Deliverables and Minimum Performance Levels	PDF attachment	**Invoice Tab** or **Exceptions Tab.**
Purchase Order or Contract Paid to Date Total	Comment, completed Contract Summary Form, or Cumulative Paid to Date tally sheet	**Invoice Tab** or **Exceptions Tab.**
Contract Manager's Certification Statement	Comment, stamp on invoice, or completed Contract Summary Form	**Invoice Tab** or **Exceptions Tab.**

Note: *Do not attach any of the requirements above to the Order Tab/Contract Tab or the Purchase Requisition/Contract Requisition Tab.*

NOTARY

Reimbursement for the cost of notary commission and seal may be made, if it can be shown that such is for the benefit of the state agency. Such documentation must be submitted with the payment request.



PAYMENT PROCESSING

Each payment request submitted to the Bureau of Auditing must include:

- Invoice (for more information, see "**Invoices**")
- Authorization to incur the expenditure (PO, Contract, Grant, Etc.)
- Documentation evidencing the receipt of good and services
- Additional documentation that shows compliance with applicable laws and rules.

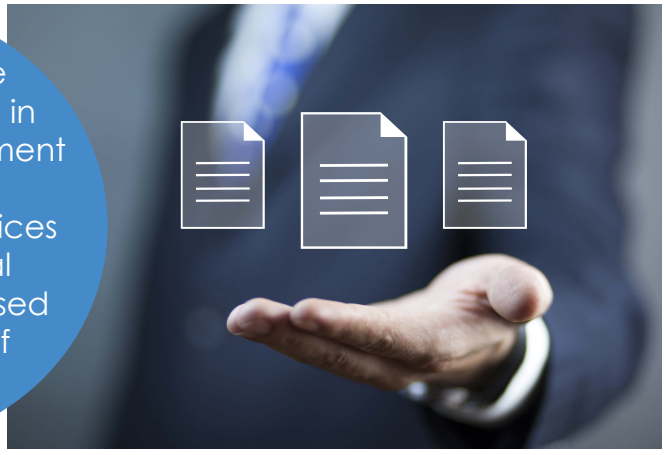
PAYMENT PROCESSING — AGREEMENTS FOR SERVICES

These payment processing requirements apply to agreements for services provided by vendors and recipients/sub-recipients.

Agencies are required to complete and submit a FACTS Contract Summary Form with each payment for agreements for services related to a two-party written agreement (including payments to recipients/sub-recipients). The FACTS Contract Summary Form information will be used by the Bureau of Auditing to pre-audit the invoice, so the form must be complete and reflect specific information from the agreement. Information should clearly identify the specific deliverables including the minimum performance requirements and the payment amount for each deliverable.

The FACTS Contract Summary Form is available on the Department of Financial Services website at www.MyFloridaCFO.com/aadir/summary_csa.htm.

In addition to the requirements listed in "Invoices" and"Payment Processing," agreements for services require additional documentation based on the method of payment.



DELIVERABLES PAID ON A FIXED FEE/UNIT RATE BASIS

Service agreements with deliverables paid on a fixed fee/unit rate basis are for "as needed" services in which the specific quantity of units to be completed each period are variable. Fixed Fee/ Unit Rate deliverables are generally used when the agreements' tasks are finite and are not complex. Service types may include language translation services (in which the deliverable is each minute of translation services) or health screening test services (in which the deliverable is each health screening test completed.) Invoices for fixed fee/unit rate payment type deliverables must identify the deliverable(s) (unit of service), the number of units completed and the cost per unit. Fixed fee unit rate agreements for recipients/subrecipients of state of federal financial assistance must follow the requirements of Section 215.971, F.S.

DELIVERABLES PAID ON A FIXED BASIS

Service agreements with deliverables paid on a fixed price basis are for services in which the quantity of units or tasks to be completed are known and defined in the agreement. Agreements for services with fixed price deliverables are for tasks that are generally more complex. The units are larger (months or quarters, for example, or a milestones, phases, and tasks) and encapsulate a required level of performance that is quantifiable and measurable. For example, agreements paying for months of prevention services for 25 youth or to create a museum exhibit (to be paid out in phases upon reaching specified percentages of completion) are frequently paid on a fixed price basis. Invoices for deliverables paid on a fixed price basis must identify the deliverable(s) that was completed and the price per completed deliverable. In addition, the invoice (or invoice backup) must demonstrate that the minimum performance level was met for each deliverable. Fixed price agreements for recipients/subrecipients of state of federal financial assistance must follow the requirements of Section 215.971, F.S.

DELIVERABLES PAID ON A COST REIMBURSEMENT BASIS

Deliverable requirements for Cost Reimbursement payment type agreements are the same as those for Fixed Price payment type deliverables described above. Therefore, the invoice must identify the deliverable(s) that were completed and the invoice (or invoice backup) must demonstrate that the minimum performance level was met for each deliverable. Additionally, the total amount requested for cost reimbursement payment type agreements must include an itemization of the costs by budget expenditure category on the invoice. The expenditure categories cited must reconcile to the categories identified in the agreement's budget. Only expenditures incurred for the completion of the invoiced deliverables may be reimbursed, Cost Reimbursement agreements for recipients/subrecipients of state of federal financial assistance must follow the requirements of Section 215.971, F.S.

Reconciliation and Fiscal Supporting Documentation Requirements for Cost Reimbursement Payments:

Agencies must submit an itemized invoice by expenditure category (salaries, travel, expenses, etc.). Each agency is required to maintain detailed supporting documentation and to make it available for audit purposes. By submission of the payment request, the agency is certifying that the detailed documentation to support each item on the itemized invoice is on file at the agency and is available for audit.

Supporting documentation shall be maintained in support of expenditure payment requests for cost reimbursement contracts as provided in Comptroller's Memorandum No. 04 (2019-20). Documentation for each amount for which reimbursement is being claimed must indicate that the item has been paid. Check numbers may be provided in lieu of copies of actual checks. Each piece of documentation should clearly reflect the dates of service. Only expenditures for categories in the approved agreement budget may be reimbursed. These expenditures must be allowable (pursuant to law) and directly related to the services being provided.

Types and examples of supporting documentation for cost reimbursement agreements by expenditure category:

Salaries
Timesheets that support the hours worked on the project or activity must be kept. A payroll register, or similar documentation should be maintained. The payroll register should show gross salary charges, fringe benefits, other deductions and net pay. If an individual for whom reimbursement is being claimed is paid by the hour, a document reflecting the hours worked times the rate of pay will be acceptable.

Fringe benefits
Fringe benefits should be supported by invoices showing the amount paid on behalf of the employee, e.g., insurance premiums paid. If the contract specifically states that fringe benefits will be based on a specified percentage rather than the actual cost of fringe benefits, then the calculation for the fringe benefits amount must be shown. Exception: Governmental entities are not required to provide check numbers or copies of checks for fringe benefits.

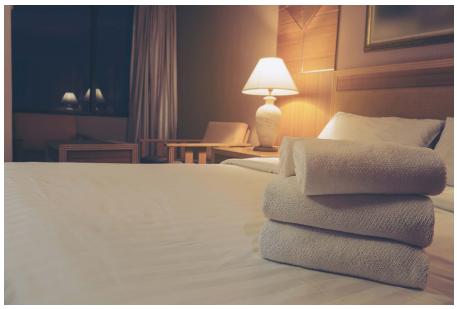
Travel
Reimbursement for travel must be in accordance with s. 112.061, F.S., which includes submission of the claim on the approved state travel voucher along with supporting receipts and invoices.

Other direct costs
Reimbursement will be made based on paid invoices/receipts and proof of payment processing (canceled/processed checks and bank statements). If nonexpendable property is purchased using state funds, the contract should include a provision for the transfer of the property to the State when services are terminated. Documentation must be provided to show compliance with DMS Rule 60A-1.017, F.A.C., regarding the requirements for contracts which include services and that provide for the contractor to purchase tangible personal property as defined in s. 273.02, F.S., for subsequent transfer to the State.

Indirect costs
If the contract stipulates that indirect costs will be paid based on a specified rate, then the calculation should be shown. Indirect costs must be in the approved agreement budget and the entity must be able to demonstrate that the costs are not duplicated elsewhere as direct costs. All indirect cost rates must be evaluated for reasonableness and for allowability and must be allocated consistently.

Contracts between state agencies may submit alternative documentation to substantiate the reimbursement request, which may be in the form of FLAIR reports or other detailed reports.

PERQUISITES



Section 216.262(1)(f), F.S., the term "perquisites" means those things, or the use thereof, or services that confer on the officers or employees receiving them a benefit that is in the nature of additional compensation, or that reduce to some extent the normal personal expenses of the officer or employee receiving them. The term includes, but is not limited to, such things as quarters, subsistence, utilities, laundry services, medical service and the use of state-owned vehicles for other than state purposes.

Perquisites may not be furnished by a state agency, or by the judicial branch, unless approved by DMS or otherwise delegated to the agency head or by the Chief Justice, respectively, during each fiscal year.

Whenever a state agency or the judicial branch is to furnish perquisites, DMS or the agency head to which the approval has been delegated, or the Chief Justice, respectively, must approve the kind and monetary value of such perquisites before they may be furnished. Perquisites may be furnished only when in the best interest of the State due to the exceptional or unique requirements of the position. **All payment requests of perquisites submitted to the Bureau of Auditing must include the above-referenced annual approval.**

Some perquisites are taxable fringe benefits and must be processed through the Bureau of State Payrolls in accordance with the Payroll Preparation Manual. (BOSP Manual)

Items that are required by the employer for safety, security or health purposes, such as uniforms, safety equipment, special footwear, protective clothing, etc., and are issued or purchased by the agency are considered non-reportable/nontaxable events for federal tax purposes and may be processed by the Bureau of Auditing.

However, providing allowances, advances or reimbursements for the original purchase, maintenance or replacement of such items are reportable and taxable events unless the employer maintains an accountable plan in accordance with the Payroll Preparation Manual. Payments for such items for which an accountable plan is maintained may also be processed by the Bureau of Auditing and must include evidence of approval of the accountable plan by the Bureau of State Payrolls.

Additional information regarding perquisites may be found in Rule 60L-32.004, F.A.C.

PHOTOS OF PUBLIC OFFICIALS — MAKING AND DISSEMINATING

Unless an agency has legislative authority and funds properly appropriated or budgeted for the purpose of making and disseminating photographs of a public official to his or her employees or private citizens, public funds may not be used for this purpose.

State agencies may expend small sums for the purpose of taking photographs of Department leaders so that they will be available should there be press inquiries.

Payments for this purpose shall specifically include the statutory authority for the purchase. If such authority is implied, then why such expenditures are necessary in order to carry out legislative duties or responsibilities of the agency should be included in the payment request. (Attorney General Opinion 75-299)

POSTAGE

The purchase of postage for postage meters shall include the number of the postage meter. Stamp purchases must show the quantity and denomination. Bulk mail permit shall indicate the permit number. Such documentation shall be submitted with each payment request.

PROCUREMENT DOCUMENTATION REQUIREMENTS – PURSUANT TO CHAPTER 287, F.S.

Agencies shall maintain documentation demonstrating the method of procurement along with supporting documentation for purchases of commodities and contractual services exceeding the threshold amount provided in s. 287.017, F.S., for Category Two.

Agencies will also need to maintain all documentation applicable to quotes and informal bids for purchases equal to or less than the threshold amount provided ins. 287.017, F.S., for Category Two. Although this documentation will not need to be submitted with payment requests, it must be furnished upon request by DFS.

COST ANALYSIS

Agreements for services which are awarded on a non-competitive basis must comply with the "Cost Analysis" requirements of s. 216.3475, F.S. For more information, see "Cost Analysis"

PROFESSIONAL SERVICES

Invoices for payment for professional services contracts includes, but are not limited to:

1. **Cost reimbursements** – For more information, see "**Payment Processing – Agreements for Services**"
2. **Percentage of Completion** – Payment request must include an invoice which shows the total lump sum amount times the percentage of work completed, less the amount paid to date to arrive at the current amount due. The changes in completion should have a documented basis as it relates to the project and not be strictly a function of time.
3. **Fixed Payment** – This payment type may be fixed rate or fixed fee. The fixed-rate payment request must include an invoice that shows unit of deliverables and applicable unit rates to arrive at the total invoice amount. The fixed-fee payment request must provide the deliverable along with the scheduled fixed amount authorized in the contract.
4. **Cost Plus Fixed** – This payment type may be a combination of items 1 and 2 or items 1 and 3 above.

PROHIBITED EXPENDITURES

Expenditures from state funds for items listed below are prohibited unless "expressly provided by statute or proviso":

- Congratulatory telegrams.
- Flowers and/or telegraphic condolences.
- Entertainment for visiting dignitaries.
- Refreshments such as coffee and doughnuts.
- Decorative items (globe, statues, potted plants, picture frames, desk plaques etc.).
- Greeting Cards: Per s. 286.27, F.S., use of state funds for greeting cards is prohibited.

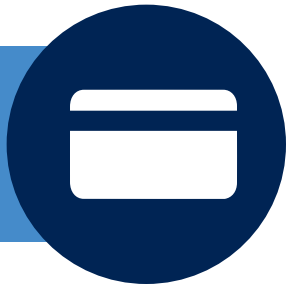
An expenditure of state funds must be authorized by law and the expenditure must meet the intent and spirit of the law authorizing the payment. The payment of items used generally for the personal convenience of employees, (example: portable heaters, fans, refrigerators, microwaves, clocks for private offices, coffee pots and supplies, etc.), and which are not apparently necessary in order for a state agency to carry out its statutory duties must provide justification for the purchase of these items or perquisite approval. State funds cannot be expended to satisfy the personal preference of employees (example: an agency may not purchase more expensive office furniture or equipment than is necessary to perform its official duties because the employee prefers a more expensive item).

Each voucher must contain documentation which shows the legal authority for the requested payment if the authority is not obvious from the face of the voucher.

PROMOTIONAL ITEMS

Payment requests for the purchase of promotional items must cite the specific statutory authority and/or document that the expenditure is included in the agency's approved budget from which the payment is being made. Note: promotional items are generally prohibited unless expressly provided by statute or proviso.

PURCHASING CARD TRANSACTIONS



Unless otherwise stated in this Reference Guide, purchasing card transactions are subject to the same rules and regulations as any other agency purchase and disbursement. For more information about purchasing card transactions, see specific topic sections.

RECEIPT AND CERTIFICATION OF GOODS AND SERVICES — DOCUMENTATION REQUIREMENTS

FLAIR AND MFMP TRANSACTIONS

Commodities purchases require a receiving report that contains the following information:

- Agency name
- Purchase Order//Contract number
- Vendor name
- Description of item(s)
- Quantity received
- Date received
- Signature of person receiving item(s)

Commodity purchases made through MFMP, which have been receipted through the MFMP receiving function, do not require a receiving report. Proper completion of the Receipts Tab in MFMP fulfills this requirement.

Payments for services require the contract manager's written certification that the services were satisfactorily received in accordance with the agreement terms and that payment is due in accordance with CFO Memo #5 (2019-20).

NOTE - Contractual service transactions in MFMP require the contract manager's certification per CFO Memo #5 (2019-20) on the Invoice or Exceptions Tab.

PURCHASING CARD TRANSACTIONS

Purchasing Card transactions must be supported by a legible receipt depicting that the goods/services were paid by credit card. A combination of documents from the vendor (such as quotes, orders, packing slips, website screen-prints) may also be required to adequately support the transaction; however, those documents must not be used in lieu of a receipt.

Receipts and supporting documentation must include the following:

1. Receipts must include:
    a. Vendor/Merchant Name
    b. Description of goods/services acquired (numerical codes alone, acronyms and non-standard abbreviations are not sufficient)
    c. Units purchased
    d. Cost per unit
    e. Total amount of the purchase
2. Thermo fax receipts should not be maintained as original documents, due to the temporary nature of the documents. A copy of this type of receipt, with a statement that the "original receipt was a thermo fax document; agency records show that this obligation has not been previously paid", should be used.
3. Acronyms and non-standard abbreviations for programs or organizational units within an agency should not be used on supporting documentation, unless an explanation is also included.

Statements and invoices are not acceptable unless the documents meet the criteria in the Invoice Requirements Section.

RECIPIENT/SUB-RECIPIENT AGREEMENTS

See **"Agreements for Services – Recipient/Sub-recipients."**

RECYCLING PROCEEDS

The following are the guidelines for use of proceeds from the sale of recyclable materials under s. 403.7145, F.S.:

- Recyclable materials mean those materials that are capable of being recycled and which would otherwise be processed or disposed of by an agency as solid waste.

- As provided for in s. 403.7145(2), F.S., the proceeds from the sale of recyclable materials may be expended by an agency for employee benefits and other purposes in order to provide incentives for its employees to participate in the recycling program. This includes, but is not limited to, the following items if the agency can demonstrate that the use of the funds for these purposes will provide incentives to employees to participate in the recycling program: promotional or acknowledgment items, such as gift certificates, pens, mugs, T-shirts, paperweights, letter openers, lapel pens, posters and plaques; agency picnics, luncheons, breakfasts, refreshments; paper,

supplies and maintenance for copiers; and rental of facilities for agency meetings. Promotional items, such as mugs and T-shirts, do not have to contain references to recycling. Acknowledgments may be made to individuals or to groups of individuals. In summary, the proceeds may be expended for any purpose designated by the agency to provide incentives to employees to participate in the recycling program, unless the expenditure is prohibited by law. Upon request, the agency must provide information to demonstrate that the expenditure provides incentives to employees to participate in the recycling program.

- Proceeds from the sale of recyclable materials may be treated as Current Year Refunds. The accounting information required on Form DFS-A2-1896 will be waived when the transaction is identified as proceeds from the sale of recyclable materials. Agencies will be responsible for maintaining accurate records of receipts, disbursements and a running balance of proceeds available, subject to review by the Bureau of Auditing. The proceeds must be deposited in the General Revenue Fund or any appropriate trust fund within the state treasury, unless the agency has authority to deposit the funds outside the state treasury.

- Inasmuch as expenditures authorized under this program may represent items that are not normally allowable, payment requests should clearly indicate that the proposed expenditures are being made from proceeds from the sale of recyclable materials.

RETENTION SCHEDULE

The originating agencies are required to maintain the original vouchers, purchasing card transaction receipts and all supporting documentation for a minimum of five fiscal years, provided all applicable audits have been completed.

SETTLEMENT CLAIMS AGAINST THE STATE

Pursuant to s. 17.03, F.S., the CFO is charged with the responsibility to settle all accounts, claims and demands, whatsoever, against the State, and issue a warrant in an amount allowed by the CFO thereon.

For purposes of this manual, a settlement is defined as an agreement obligating the State or agency to expend state funds to discharge a debt due a person, entity or group of persons when the amount owed, pursuant to a contract, purchase order, or other form of indebtedness, is in dispute, including but not limited to the following examples of disputes:

- To settle a lawsuit, damages or legal fees
- The absence of an executed agreement or other appropriate authorization
- An agreement executed after services were rendered or in non-compliance with s. 287.058(2), F.S.
- Performance of services not included in the agreement
- Services rendered after the agreement expires
- Contract Dispute

In submitting all settlement agreement payment requests, an agency must submit the following information:

1. A letter addressed to the Bureau Chief of the Bureau of Auditing, that contains:
    - A description of the transactions or events that created each claim against the agency
    - The period of time(s) covered by the settlement agreement
    - An explanation of the methodology used to determine the settlement amount(s)
    - A brief description of why the settlement is in the State's best interest under the circumstances
    - A brief description of what measures the agency will take to avoid a recurrence
    - agency contact information

2. An executed settlement that:
    - Is signed by the agency head or designee. The proper authorization should be provided in the form of a delegation of authority
    - Language must summarize the situation creating the need for settling the dispute. A brief outline of the events is necessary so that the parties involved clearly understand what is being settled
    - Contains a provision that legally releases the State and its agents from future claims arising from the dispute
    - The agreement must define the service period that is being settled. The identified service period must cover the complete time period for all disputed claims
    - Includes a statement that the settlement is contingent upon the Chief Financial Officer approval
    - Language noting the vendor's assertion of a colorable claim
3. If the settlement is the result of a lawsuit, copies of the notices required by s. 45.062, F.S.
4. Copies of all related agreements.
5. When vouchering a settlement agreement, an "A" must be placed in the bookkeeping indicator field and "SETTLEMENT AGREEMENT" noted on the voucher schedule. In addition, a FLAIR Contract ID must be assigned.

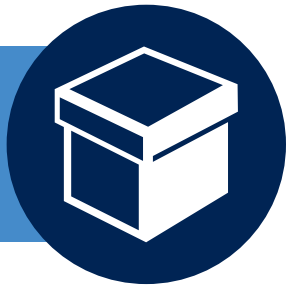
If a settlement voucher is submitted for payment without the required information, it may result in a delay in payment. Note - If the settlement involves a current or former state employee, the settlement must be sent to the Bureau of State Payrolls (BOSP) for processing. (See Volume IV, Section 13, BOSP Payroll Preparation Manual — BOSP Manual)

SPORTS EQUIPMENT — DEPARTMENT OF CORRECTIONS

Requests for payment to purchase or repair sports equipment using General Revenue appropriations to provide athletic, recreational and leisure activities to youthful offenders pursuant to s. 958.12, F.S., will be approved upon the Department of Corrections providing evidence that the Legislature has appropriated funds for these specific purposes.

Also, payment requests to provide sports equipment purchased from general revenue appropriations for death row inmates pursuant to the court order entered in Dougan. et al. v. Singletary, et al., will be approved for the purchase of the items specified in the order. A letter from the general counsel of the Department of Corrections affirming that the order is still effective must be included as supporting documentation.

SURPLUS PROPERTY



Section 273.055(3), F.S., sets forth the requirements for disposing of state-owned tangible personal property that has been certified as surplus. The sale of surplus property by utilizing eBay's electronic auction venue is consistent with the legislative intent behind Chapter 273 and is in the best interest of the State. The state purchasing card may be used to pay eBay's listing fee.

TAXES

SALES TAXES ON PURCHASES BY STATE AGENCIES

Pursuant to s. 212.08(6), F.S., state agencies are not liable for the payment of Florida sales tax. Exemption certificates may be obtained from the Department of Revenue.

However, the sales tax exemption does not apply when a state employee pays for a purchase on behalf of the State, even though that employee is subsequently reimbursed by the state agency. The exemption is only acceptable for sales tax in the State of Florida. State agencies are liable for sales taxes on purchases or payments for out-of-state.

PURCHASING CARD TRANSACTIONS – SALES TAX

Pursuant to s. 212.08(6), F.S., state agency purchases made from Florida vendors are exempt from Florida sales tax. As such, purchasing cards are imprinted with the phrase "Tax Exempt"; however, Accountholder may be required to provide their agencies' Consumer's Certificate of Exemption to Florida vendors.

It is the responsibility of the Accountholder to make the Florida vendor aware of the tax exemption. In the event the vendor refuses to grant the tax exemption, the Accountholder may allow the tax to be charged on his/her purchasing card.

DFS believes it is not cost effective for an agency to seek a credit from the vendor for the Florida sales tax charges when the charge amount of the sale is $100 or less. However, an agency may elect to establish a lower dollar amount for seeking a credit for the tax.

TRAVEL

GENERAL INFORMATION

Expenditures properly chargeable to travel include registration payments, reimbursements of mileage for use of a privately-owned vehicle, per diem and subsistence allowance, common carrier transportation and other expenses incidental to travel which are authorized by law. Section 112.061, F.S., Rule 69I-42, F.A.C., and periodically the General Appropriations Act governs travel expenses.

Requests for travel reimbursement payments must include:

- The travel voucher;
- Itemized hotel receipts, if applicable;
- Applicable transportation receipts for common carrier travel;
- Applicable incidental receipts;
- In the case of a conference or convention, the benefits to the State must be provided along with the pages of the agenda that itemizes the registration cost.

AUTOMATED TRAVEL SYSTEM

Agencies will no longer be able to request the utilization of an agency automated travel system due to the impending implementation of the Statewide Travel Management System – **STMS**.

CONFERENCE AND CONVENTIONS

Registration Fees

If the agency engages an instructor to perform training sessions for its employees, the fee will be a contractual service. However, if an employee enrolls in a workshop/seminar, etc., which is routinely offered to the public, the fee will be a registration fee.

Registration fees will not be paid for intra-agency or interagency meetings, seminars and workshops. All expenses related to

such gatherings must be processed as a regular expenditure of the appropriate agency. However, registration fees may be paid to universities, DMS or other agencies for routine training classes conducted for employees of other agencies.

Reimbursement for registration fees and travel expenses in connection with attendance at conferences or conventions will not be paid unless:

1. The main purpose of the convention or conference is directly related to the statutory duties and responsibilities of the agency.
2. The duties and responsibilities of the traveler is related to the objectives of the convention or conference.
3. The activity provides a direct benefit supporting the work and public purpose of the person attending.

Vouchers submitted for payment of the registration fee or for a conference or convention must include a statement of the benefits to the State, a copy of those pages of the agenda that itemizes the registration fee and a copy of the travel voucher or a statement that no travel costs were incurred, if applicable. These vouchers should be scheduled as "pay and charge".

Meals Included in Registration Fee or Provided by Hotel or Airline

When a meal is included in a registration fee, the meal allowance cannot be claimed for reimbursement, even if the traveler decides for personal reasons not to eat the meal. As provided in Attorney General Opinion 81-53, a continental breakfast is considered a meal and cannot be claimed for meal reimbursement if included in a registration fee for a convention or conference. Pursuant to s. 112.061(8)(a) 5, F.S., actual expenses for banquets and other meal functions that are not a part of a basic registration fee may be reimbursed if participation in such event will directly enhance the public purpose of the agency.

In the case where a meal is provided by a hotel or airline, the traveler will be allowed to claim the meal allowance provided by law.

Food Purchases Related Conference/Conventions/Workshops

Food purchases for a conference or convention or in connection with the rental of a meeting room for agency workshops or meetings are prohibited unless expressly provided by law. Also, the negotiated price for the rental of a room should not include food and beverages.

DIRECT BILLING TRAVEL CARDS

Prior approval by the Chief, Bureau of Auditing, DFS, 200 East Gaines Street, Tallahassee Florida 32399-0355 shall be obtained by agencies desiring to use direct billing travel cards. The approval request must be in writing and accompanied by a copy of the proposed contract. The proposed contract for the direct-billing travel card must include a clause stating that the State is not liable for payment.

DIRECT PAYMENT

Direct payment of travel expenses may be made in situations that result in a cost savings to the State pursuant to s. 112.061(13), F.S. Avoidance of sales tax shall not be considered a cost savings to the State. Evidence of prior approval granted by the agency head or his designee detailing the cost savings shall be included with the payment information. The payment shall be vouchered and processed in the same manner as common carrier payments. Examples of criteria for cost savings include discount for earlier payment, documented savings in processing costs or free use of a hotel meeting room if the agency has a need for such room. These vouchers should be scheduled as "pay and charge."

Direct payment to vendors for the meals and lodging of an employee required to travel on emergency notice must be vouchered in favor of the vendor with the traveler as sub-vendor listing the traveler's name, employee ID and cost. Any required receipts along with a copy of the travel voucher must be included with the original voucher maintained at the agency. The payment information should clearly state that payments to vendors are requested due to the employee being required to travel on emergency notice.

EMERGENCY SITUATIONS

When a public officer, employee or authorized person away from his or her official headquarters on personal time is required to travel because of an emergency situation, the following shall apply:

1. The traveler may be reimbursed for travel expenses incurred by him/her in traveling from their actual point of origin to their point of destination, which may be their official headquarters.

2. If personal circumstances necessitate the traveler to return to their actual point of origin after the emergency situation has ended rather than returning to or staying at their official headquarters, the traveler may be reimbursed their travel expenses to return.

For example, an individual on personal time in California whose official headquarters is Tallahassee is required to travel back to Tallahassee because of an emergency situation. If due to personal circumstances the individual is required to travel back to California after the emergency situation has ended instead of remaining in Tallahassee, the individual may be reimbursed their travel expenses to return to California.

3. If the traveler is able to return to or remain at their official headquarters, they may only be reimbursed the excess of their necessary travel expenses for the emergency situation over what they would have incurred for their own personal convenience. Detail of the cost shall be provided showing the net cost of what the traveler would have incurred against their actual cost of returning.

4. The traveler's reimbursement request of travel expenses claimed from an actual point of origin rather than their official headquarters shall contain an explanation of the emergency situation that necessitated their travel from such point.

5. If an authorized traveler has incurred certain unrecoverable costs associated with personal plans and is unable to carry out such plans due to an emergency situation, such costs that are not recoverable may be reimbursed by the agency. Requests for reimbursement must provide the circumstances of the emergency situation.

Requests for reimbursement of the emergency situations stated above must be presented in writing to the Bureau Chief, Bureau of Auditing, DFS, 200 East Gaines Street, Tallahassee, Florida 32399-0355 prior to being vouchered for payment.

FOREIGN TRAVEL

Travel costs of authorized travelers for foreign travel should be reimbursed at the current rates as specified in the U.S. Department of State, Office of Allowances' federal publication "Per Diem Allowances for Travel in Foreign Areas" and must comply to Office of Allowances' "Standardized Regulations (DSSR)" and GSA's Office of Government-wide Policy "Federal Travel Regulations".

Rates for foreign travel shall not begin until the date and time of arrival in the foreign country from the United States and shall terminate on the date and time of departure from the foreign country to the United States.

Reimbursement allowances for lodging and meals while traveling in foreign areas are listed in the monthly publication "Maximum Travel Per Diem Allowances for Foreign Areas." The amounts listed in the column labeled "Maximum Lodging Amount" are

the maximum amounts that may be claimed for lodging. Receipts are required for reimbursement of lodging costs. If the actual lodging expense of the traveler is less than the maximum amount listed, the lesser amount will be reimbursed.

Incidental expenses must be claimed and supported as provided in s. 112.061(8), F.S., and Rule 69I-42.010, F.A.C.

Meal allowance amounts are found in the column labeled "M&IE Rate." An adjustment must be made to the amount listed in this column because this amount includes an allowance for incidental expenses. Since incidental expenses are reimbursed as stated in the above paragraph, the amount allowed for incidental expenses must be deducted from the total amount shown in the M&IE column. Receipts are not required for meal expense reimbursement. The meals and incidentals expense breakdown are located in Chapter 301-Federal Travel Regulation, Appendix B.

EXAMPLE: ROME, ITALY

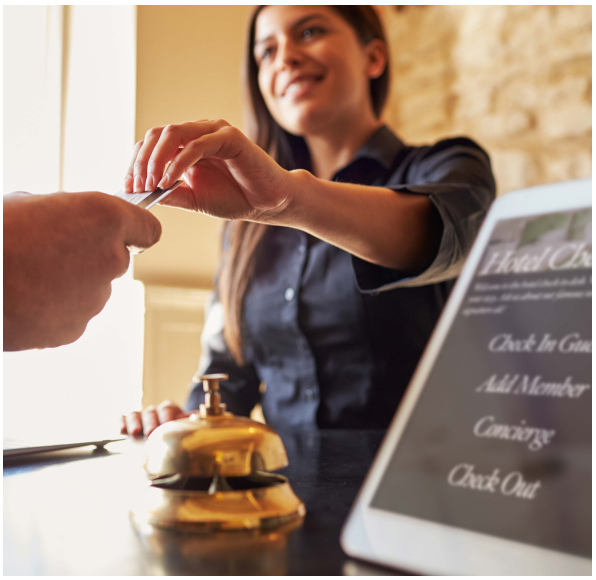
Maximum Lodging Amount (lodging receipts required)	$232
Meals and Incidental Expense (M&IE)	$134
M&IE Rate Breakdown:	
Breakfast	$ 20
Lunch	34
Dinner	53
	107
Incidentals	27
Total	**134**

The total daily allowance for meals would be:
$134 less $27 for incidentals = $107

When a traveler goes from one foreign location to another, reimbursement for meals and lodging shall be based on the allowance listed for the referenced location during the meal or lodging period. For example: If the traveler departed Rome at 3:00 p.m. for Paris, the Rome allowance for breakfast and lunch would be used and the Paris allowance for dinner and lodging would be used.

The State of Florida per diem rate (currently $80), may not be combined with reimbursement of foreign travel costs pursuant to the allowances under the federal guidelines for the same travel day. The two methods of reimbursement, state per diem and foreign allowances, cannot be claimed on the same travel day.

HOTEL AND AUTO RENTAL RECEIPTS



Itemized receipts for hotel expenses must be included as supporting documentation to the Voucher for Reimbursement of Travel Expenses when reimbursement for such expenses is being claimed for **both foreign and domestic travel**. While justification will not be required by the Bureau of Auditing in all cases where hotel expenses for in-state travel exceeds $175 per night (room rate only), authorized travelers are reminded that the most economical use of hotel is required in all situations (in-state and out-of-state travel). Travelers should be prepared to justify situations where hotel costs appear excessive for the areas in which the traveler is staying.

When a non-traditional accommodation is used, any additional mandatory fees such as cleaning and/or service charge fees that would normally be included in a hotel stay must be added to the nightly rate to derive the per night rate.

In the event a hotel receipt is lost, and the hotel cannot provide a duplicate, the traveler shall provide a certification that the receipt was lost. The certification must include detailed hotel charges, the dates and location of travel, the name of the hotel and the city in which the traveler stayed.

Receipts for auto rental are also required when such expenses are being claimed.

INCIDENTAL TRAVEL EXPENSES

The following information shall be required with the traveler's reimbursement request when claiming reimbursement for incidental expenses pursuant to Rule 69I-42.010 F.A.C.

1. Receipts for taxi fares in excess of $25 on a per-fare basis.

2. Receipts for storage, parking fees or tolls in excess of $25 on a per transaction basis. Such fees are not allowed on a weekly or monthly basis unless it can be established that such method results in a savings to the State.

3. A statement that communication expenses were business related. This includes fax charges. Please note: personal telephone calls made to a traveler's family are not a reimbursable communication expense (Attorney General Opinion 75-7).

4. Receipts for dry-cleaning, laundry and pressing expenses when official travel extends beyond seven days and such expenses are necessarily incurred to complete the official business portion of the trip.

5. Receipts for baggage fees are required. Baggage fees for more than one bag must be justified.

6. Receipts for passport and visa fees required for official travel.

7. Receipts for necessary fees charged to purchase traveler's checks for official travel expenses.

8. Receipts for fee charged to exchange currency necessary to pay official travel expenses.

9. Receipts for costs of maps necessary for conducting official state business.

10. Receipts or canceled checks for registration fees paid by the traveler.

11. Other travel expenses may be reimbursed if deemed to be in the best interest of the State and have approval of the Bureau of Auditing.

The following do not require a receipt.

1. Tips paid to taxi drivers that do not exceed fifteen percent of the taxi fare.

2. Tips paid for mandatory valet parking not to exceed $1 per incident.

3. Portage paid shall not exceed $1 per bag not to exceed $5 per incident. Portage charges exceeding $5 per incident will require additional justification. Examples of an incident will be if the traveler's bags are taken into the airport from the vehicle, then are carried from the airport to the vehicle upon reaching the destination, etc. The number of bags must be included on the travel reimbursement request.

4. Photocopy charges that are business related.

Hotel safe charges are reimbursable by state funds only if the charges are mandatory by the hotel.

Expenses related to lost keys or keys locked in a vehicle due to employee negligence are not reimbursable from public funds.

Limousine services should not be used instead of taxi service unless it can be shown that it is the most economical method.

MEALS, FOOD, BEVERAGES, AND TRAVEL EXPENSES FOR EMERGENCY OPERATION AND RELIEF STAFF DURING TIMES OF DISASTER/EMERGENCY ASSISTANCE

The standardized language in the Governor's Executive Order provides the State Coordinating Officer with the discretion to approve the suspension of s. 112.061, F.S., to the extent that the suspension is related to the delivery of disaster/emergency assistance. Under the suspension, the State Coordinating Officer is provided with the discretion to purchase meals, food, and beverages for the staff operating the Emergency Operation Center on a 24- hour basis during an emergency. The State Coordinating Officer's decision to approve the suspension of s. 112.061, F.S., must be made only after consultation with the Governor or his authorized staff.

Following the suspension of s. 112.061, F.S., each agency should adhere to the following guidelines:

1. The food service should not exceed the per diem amounts and the service should be carefully controlled.

2. Each agency head should be allowed to determine when food should be made available to the agency's workers.

3. Each agency is responsible for the payment of its bills and seeking federal reimbursement.

4. In order to ensure the workers' health, all catered food should be from a licensed establishment meeting health inspection standard.

These guidelines are flexible depending upon the facts of each emergency. The agency head must approve any departure from the guidelines.

PER DIEM AND SUBSISTENCE ALLOWANCES

Computation of Travel for Reimbursement

For purposes of calculating the per diem and subsistence allowances provided in s. 112.061(6), F.S., the following guidelines are prescribed:

1. Class A travel is continuous travel of 24 hours or more away from official headquarters. The travel day for Class A is based on a calendar day (midnight to midnight).

2. Class B travel is continuous travel of less than 24 hours which involves overnight absence away from official headquarters. The travel day for Class B travel begins at the same time as the travel period.

3. Class C travel is short or day trips in which the traveler is not away from his/her official headquarters overnight. Class C allowances are NOT authorized to be reimbursed or paid from State Appropriations.

SUBSISTENCE ALLOWANCE IS AS FOLLOWS:

Breakfast	Lunch	Dinner
$6.00	**$11.00**	**$19.00**
When travel begins before 6 a.m. and extends beyond 8 a.m.	When travel begins before 12 noon and extends beyond 2 p.m.	When travel begins before 6 p.m. and extends beyond 8 p.m. or when travel occurs during nighttime hours due to special assignment.

Class C Allowances – Taxable Income

When provided for in statute, Class C travel meal allowance is defined as taxable income and must be shown as a separate item on the travel voucher. Employee Class C travel should be deducted from the total claimed and processed through the Bureau of State Payrolls via the employee travel function of the State Payroll System.

Calculation of Per Diem and Subsistence Allowances

Allowable rates for per diem are provided for in s. 112.061(6), F.S. All claims for per diem and subsistence must be within the limitations set forth in this section of the statutes. All travelers are allowed the authorized per diem for each day of travel or if actual expenses exceed the allowable per diem, the amount allowed for meals as provided in s. 112.061(6) (b), F.S., plus actual expenses for lodging at a single occupancy rate. Per diem shall be calculated using four six-hour periods (quarters) beginning at midnight for Class A or when travel begins for Class B travel. Travelers may only switch from actual to per diem while on Class A travel on a midnight to midnight basis. A traveler on Class A or B travel who elects to be reimbursed on a per diem basis is allowed $20.00 for each quarter from the time of departure until the time of return.

Volunteer Travel Allowances

See "**Volunteers**."

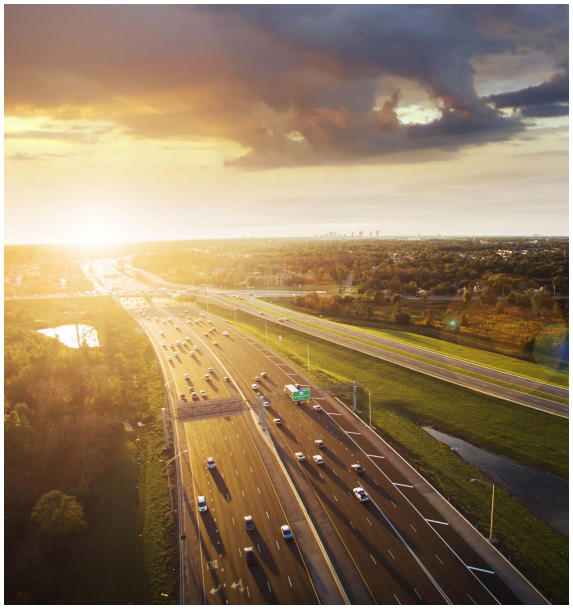
Per Diem or Subsistence Allowance – Mileage Limitations

A traveler may not claim per diem or lodging reimbursement for overnight travel within 50 miles (one-way) of his or her headquarters or residence unless the circumstances necessitating the overnight stay are fully explained by the traveler and approved by the agency head.

Reimbursement of Travel Expenditures by Individuals with Disabilities

When a payment reimbursement request is made for travel expenses in excess of those ordinarily authorized pursuant to s. 112.061, F.S., and Rule 69I-42, F.A.C., and such excess travel expenses were incurred to permit the safe travel of an individual with disabilities, those excess expenses will be paid to the extent that the expenses were reasonable and necessary to the safe travel of the individual. All claims for reimbursement shall be submitted in accordance with the instructions in the "Americans with Disabilities Act" section of this reference guide.

TRANSPORTATION



GENERAL

Transportation expenses incurred in connection with the performance of an activity, which serves a public purpose authorized by law to be performed by the agency, may be paid directly to common carriers or to individual travelers. The traveler must use the most direct route from the traveler's headquarters, unless it can be demonstrated that travel from another location is more economical If the traveler uses an indirect route for his/her convenience, any extra cost must be borne by the traveler. The agency head should designate the most economical method of travel for each trip, keeping in mind the following conditions:

1. The nature of the business.

2. The most efficient and economical means of travel (considering time of the traveler, cost of transportation and per diem or subsistence required).

3. The number of persons making the trip and the amount of equipment being transported. If the class of travel is other than the most economical method of travel, the agency head must authorize the expense in writing and describe the circumstances requiring such travel. This documentation shall be attached to the travel voucher.

COMMON CARRIER

Travelers whose transportation is by common carrier shall make use of any state term aircraft or auto rental contract which may be in effect at the time. Failure to use state term contracts will require justification to be provided with the reimbursement information. Justification must be as allowed by the state term contracts.

Aircraft travel for which a state term contract does not exist must be the most economical rate and class available. Exceptions will be allowed only when fully justified. Any cost in excess of state term contracts that is not fully justified will be borne by the traveler. Travelers will not be reimbursed for use of a car larger than the B-car class on the rental car contract because of the size or stature of the individual unless the requirements of the ADA are met.

HYBRID CAR RENTALS

Agency heads or their designees may authorize the rental of hybrid cars for official travel when it has been determined to be the most economical method of travel. Each agency should develop a written policy for determining when the use of hybrid cars is appropriate. Documentation must be retained on file at the agency to support the agency's decision.

DIRECT BILLING – COMMON CARRIER

Common carrier charges may be billed directly to the agency pursuant to Rule 69I-42.007(6), F.A.C., or the traveler may pay his or her common carrier charges and request reimbursement. Request for reimbursement of common carrier charges billed directly to the agency shall be vouchered separately by the agency in favor of the vendor with the traveler as sub-vendor (pay and charge voucher). The traveler's employee ID, name and cost of common carrier transportation shall be listed separately and properly object coded. Sufficient information must be included with the original voucher maintained by the agency, which relates to the common carrier charges. Common carrier charges paid by the traveler shall be included on the traveler's reimbursement request.

DISCOUNTED AIRLINE TICKET AND TICKET CANCELLATION AND EXCHANGE PENALTY TICKETS

Penalties for cancellation of discounted airline tickets may be paid from state funds only if the cause for cancellation is in the best interest of the State. The cost of unused nonrefundable tickets or cancellation penalties incurred are allowable for the convenience of the State and if the traveler has to cancel a trip due to illness of the traveler or death of a member of the traveler's immediate family, for which an employee is authorized to use sick or administrative leave. For non-employees, the cost of non-refundable tickets or cancellation penalties may be paid in circumstances which the traveler would have been authorized to use sick or administrative leave if they had been a state employee. If a ticket is canceled for the convenience of the traveler, the cancellation penalty may not be reimbursed from state funds. Agencies and travelers should carefully evaluate the circumstances and risk of cancellation prior to purchase of discounted tickets.

Vouchers submitted for payment of unused nonrefundable tickets, cancellation penalties or exchange penalties must include documentation indicating that the costs were necessarily incurred in conducting state business or the costs were incurred

because of the illness of the traveler or the illness or death of a member of the traveler's immediate family. Documentation verifying that the unused ticket has been submitted to the agency must also be included in the voucher requesting payment.

LOST AIRLINE TICKETS

Charges related to lost airline tickets are only allowable if the agency provides justification as to why the expenditure is necessary in order for the agency to carry out its statutory responsibilities. Tickets lost because of employee negligence are not considered allowable charges against the State.

METHOD AND CLASS OF TRAVEL

When the class of travel approved by the agency head is other than the "most economical class of transportation", the approval must come from the agency head as defined in Section 112.061(2)(b), Florida Statutes, and may not be delegated. A letter signed by the agency head authorizing the class of travel and describing the circumstances requiring such travel shall be attached to the travel voucher.

Agency heads should consider all travel alternatives when deciding the most economical class of transportation in carrying out the business of the agency. This could include arriving a day early in lieu of incurring the higher class of airfare.

OVERBOOKING OR OTHER ACTION BY A COMMON CARRIER

If additional costs are incurred by a traveler due to overbooking or any other action of an airline or other common carrier and the traveler chooses to have such cost paid directly or indirectly by the State, then any compensation, in whatever form, received by the traveler from the common carrier for his inconvenience, shall accrue to the benefit of the State. In such instances, if the traveler is allowed to elect the form of compensation, the decision shall be based on the best interest of the State. In determining if additional costs are incurred in such situations, the compensation to the traveler (overtime pay, etc.), if applicable, as well as travel costs (additional per diem, meals, lodging, etc.) must be taken into consideration.

If no additional costs are incurred or the additional costs are borne by the traveler, then any compensation from the common carrier for the traveler's inconvenience shall accrue to the traveler.

TRANSPORTATION – PRIVATELY-OWNED VEHICLES

Agency heads may authorize the use of privately-owned vehicles for official travel in lieu of publicly-owned vehicles or common carriers. The traveler is entitled to a mileage allowance at a fixed rate of 44.5 cents per mile. When calculating mileage reimbursement, the amount must be rounded down. Reimbursement for expenditures relating to the operation, maintenance and ownership of a vehicle shall not be allowed when privately-owned vehicles are used on public business.

When the class of travel approved by the agency head is other than the "most economical class of transportation", the approval must come from the agency head as defined in Section 112.061(2)(b), Florida Statutes, and may not be delegated. A letter signed by the agency head authorizing the class of travel and describing the circumstances requiring such travel shall be attached to the travel voucher. Agency heads should consider all travel alternatives when deciding the most economical class of transportation in carrying out the business of the agency. This could include arriving a day early in lieu of incurring the higher class of airfare.

Travelers shall not be paid a mileage allowance for travel between their residence and their headquarters or regular work location (See Attorney General Opinion 82-34). If travel begins more than one hour before or one hour after the traveler's regular work hours, the point of origin may be the traveler's residence, provided that miles claimed may not exceed the miles actually driven.

MILEAGE ALLOWANCES

TRAVELERS GRATUITOUSLY TRANSPORTED

Mileage or transportation expenses allowed or allowable are intended to reimburse travelers for expenses incurred in conducting official state business. Therefore, no traveler who is entitled to mileage or transportation expense shall be allowed either mileage or transportation expense when he/she is gratuitously transported by another traveler. The traveler's payment information shall indicate complimentary travel.

TRAVELERS PILOTING PERSONAL OR RENTED AIRCRAFT

If a traveler is piloting his/her own aircraft, he/she may claim either the mileage rate specified in s. 112.061(7), F.S., or the lesser of the state contract fare and the most economical commercial direct airfare available for the same trip.

If a rented aircraft is used, and additional travelers are passengers on the aircraft, the pilot may be reimbursed for the lesser of the actual cost to rent the aircraft or the total of the airfare that would have been paid by the pilot and the passengers for the most economical commercial direct airfare for the same trip.

In both situations, if there is no state contract fare and no direct commercial airfare available between the points of travel, reimbursement is limited to the mileage rate specified in s. 112.061(7), F.S., or the most economical commercial airfare closest to the point of origin and the point of destination.

PASSENGER ON PRIVATE AIRCRAFT

A passenger on a private aircraft may be reimbursed for the actual amount charged and paid up to:

- The mileage rate specified in s. 112.061(7), F.S., or the lesser of the state contract fare or the cost of the most economical direct commercial airfare available for the trip. If no direct commercial flight is available, the most economical commercial airfare closest to the point of origin and the point of destination may be used.
- A traveler on a private aircraft shall be reimbursed the actual amount charged and paid for the fare for such transportation up to the cost of the lesser of the state contract fare and the most economical direct commercial airline ticket for the same flight, even though the owner or pilot of such aircraft is also entitled to transportation expense for the same flight. If there is no state contract fare and no direct commercial flight, then reimbursement may be up to the most economical commercial flight closest to the point of origin and the point of destination.

RENTED AIRCRAFT

If a rented aircraft is used, the reimbursement claimed by any traveler on the aircraft may not exceed a pro rata share of the actual cost of renting the aircraft and the reimbursement is subject to the limitations provided in subsections (II) and (III) of this section.

The most economical direct airfare means a commercial flight between the same points of travel as a private flight. For example, if a rented aircraft is traveling from Miami to Tampa, then the traveler would be entitled to reimbursement up to the amount of the most economical commercial flight from Miami to Tampa.

MONTHLY MILEAGE ALLOWANCES

Agency heads may grant monthly allowances in fixed amounts for use of privately owned vehicles on official business in lieu of individual trips. Such allowance may be changed at any time and shall be made on the basis of a signed statement of the traveler filed before the allowance is granted or changed, or at least annually

thereafter. The statement must show the places and distances for an average typical month's travel on official business, and the amounts that would be allowed under the approval rate per mile for the travel shown on the statements, if payment had been made based upon 44.5 cents per mile. A copy of the average typical months travel must be submitted with each request for payment of the monthly allowance. These payments must be directed to the Bureau of State Payrolls.

TRAVEL ADVANCES

ADVANCE REQUESTS

Advances may be made or authorized by an agency head or his designee to cover anticipated costs of travel for travelers who have not been assigned the use of a State PCard. Such advancements may include the costs of subsistence and travel of any person transported in the care or custody of the traveler in the performance of his/her duties. A travel advance may not exceed 80 percent of the estimated travel expense payable to the traveler. An exception may be made to take advantage of a substantially

discounted common carrier ticket. The travel advance may be an amount equal to 100 percent of the cost of the substantially discounted ticket plus 80 percent of the remaining estimated travel expenses. Other exceptions to the 80 percent restriction may be made if approved by the Bureau of Auditing. Requests for such approval must be in writing and must clearly demonstrate that the increased travel advance is in the best interest of the State. Approval will be in writing and must be included as documentation in the travel advance request for payment.

Travel advances shall not be requested earlier than 10 workdays before the travel period begins unless the traveler can provide justification of circumstances that may make this necessary. It is the responsibility of the authorizing agency to ensure that the traveler does not have more than one outstanding advance at any time. Some exceptions to having more than one outstanding advance include discounted airline tickets and multiple advances for extended trips.

APPLICATION FOR ADVANCE ON TRAVEL EXPENSES

The Application for Advance on Travel, Form DFS-AA-25, or other approved form shall be used by all state officers, employees and authorized persons when requesting an advance for travel expenses to be incurred. This form is available at https://www.MyFloridaCFO.com/division/aa/all-forms

TRAVEL ADVANCE SETTLEMENT

The traveler must complete a travel reimbursement voucher form when the travel period has ended and submit it to the authorizing agency within ten workdays of the traveler's return to headquarters. The travel reimbursement request shall reference the statewide document number of the original advance. The travel expenses payable to the traveler shall be reconciled to the travel advance. If the travel advance exceeds the actual amount payable, then the traveler shall reimburse the agency within ten workdays of their return to headquarters. If the amount payable to the traveler exceeds the travel advance, the traveler shall receive the net amount owed in the form of a warrant from the agency.

Travel advances made from an approved revolving fund must be settled through the revolving fund. The revolving fund shall not be reimbursed for the advance until the advance has been settled pursuant to Rule 69I-23.005(4)(e), F.A.C.

TRAVEL FORMS

Section 112.061(11), F.S., requires DFS to provide uniform Travel Authorization and Voucher Reimbursement forms. Rule 69I-42.003(3), F.A.C., provides for the use of the Application for Advance on Travel Expenses. All officers, employees and authorized persons must use the forms authorized or furnished by DFS or DFS approved automated systems when requesting authorization to attend a conference or convention, an advance for travel, or reimbursement of travel expenses. Agencies desiring to use an alternative form or automated system to meet the unique needs of the agency shall first obtain the approval of the Bureau of Auditing. However, forms or systems must comply with the requirements of s. 112.061(11), F.S. Requests shall be submitted to:

Department of Financial Services
Bureau of Auditing
200 East Gaines Street
Tallahassee, Florida 32399-0355

THE AUTHORIZATION TO INCUR TRAVEL EXPENSE

Travel authorization shall be completed for each person requesting approval for the performance of travel to a conference or convention on the approved Form DFS-AA-13 (available at https://www.MyFloridaCFO.com/division/aa/all-forms or other approved form or means. It is not necessary to submit the travel authorization to the Bureau of Auditing. A statement disclosing the benefits to the State must be included with the information submitted to the Bureau of Auditing for reimbursement of expenses incurred in connection with a conference or convention. All travel authorization requests shall contain evidence of approval by the agency head or his or her designee.

THE VOUCHER FOR REIMBURSEMENT OF TRAVEL EXPENSES

The request for reimbursement of travel expenses must be made on the approved form DFS-AA-15 (available at https://www.MyFloridaCFO.com/division/aa/all-forms or other approved means (i.e., computer file). All travel reimbursement requests submitted for reimbursement shall include evidence of approval by the official authorizing the travel. The traveler and the official authorizing the travel must sign the travel voucher either manually or by electronic means. Travel vouchers on file at the agency must contain original signatures in written or electronic form. When using the electronic format, each agency is responsible for ensuring that the internal controls are effective so that the traveler and the individual approving the voucher are the actual individuals.

In the effort to reduce identity theft, state agencies are authorized, at their discretion, to omit an authorized traveler's social security number (SSN) on the Voucher for Reimbursement of Travel Expenses. The agency must ensure procedures and security measures are in place to correctly identify the authorized traveler. The taxpayer's employee identification number is required for entering the transaction into the State's accounting system (Florida Accounting Information Resource-FLAIR).

PURCHASING CARD TRANSACTIONS — TRAVEL

AIRLINE TICKETS

Agencies may process purchasing card transactions for airline ticket in advance of the completion of the Accountholder's travel.

CONVENIENCE FEES – TOLLS

The agency may pay the convenience fee related to a rental car tolling service only if the following conditions are met:

1. an agency supplied transponder was not available to the traveler;
2. the toll was paid at a toll plaza that did not accept cash.

Documentation must be attached to the transaction in Works.

CO-TRAVELER'S TRAVEL COSTS

An Accountholder shall not use his/her purchasing card to pay for any travel expenses incurred by anyone other than the Accountholder or allow another individual to use his/her purchasing card to pay for such expenses, unless the agency has DFS-approved procedures in the agency's PCard Plan that addresses the required internal controls. If approved, the transactions must be properly recorded in Works as follows:

- The Accountholder's People First ID should be recorded in the Sub-Vendor field and the traveler's name(s) in the Description field (following the STMS Master Trip Invoice #, if required).
- If the transaction is divided in Works:
    - » The traveler's expenses must be recorded in the Amount field of each divided transaction
    - » The traveler's name must be recorded in the Description field (following the STMS Master Trip Invoice #, if required) of each divided transaction.

This procedure allows for the total transaction to appear under the Accountholder's name in Works and FLAIR; however, the details of the divided transactions will be stored in Information Warehouse (IW) to identify individual travel costs.

MULTIPLE REGISTRATION FEES

When paying via PCard for multiple registrations, the fees should be charged as separate transactions even if the registrations are paid with the same PCard. However, if a vendor charges multiple registrations on one transaction, the transaction should be divided in Works. The attendee's name should be recorded in the Description field and the name of the conference/convention/ training should be recorded in ODN field or Comments. These details will be recorded in Information Warehouse (IW) to ensure the integrity of the State's accounting records. If the PCard charge is for more than 100 co-attendees, a journal entry must be made in the State's accounting records to appropriately associate the registrations with the attendees.

TRAVEL VOUCHERS

See "**Agreements for Services – Vendors.**"

VOLUNTEERS

A volunteer is a person who, of his or her own free will, provides goods or services to any state agency or nonprofit organization with no monetary or material compensation. Every state agency, through the agency head, is authorized to recruit, train, and accept the services of volunteers to assist in programs administered by the agency.

The following sections in the Florida Statutes provide specific information regarding volunteers:

Section 110.501, F.S. - Definitions of volunteer types.

Section 110.502, F.S. - Information on the status of volunteers.

Section 110.503, F.S. - Responsibilities of agencies using the services of volunteers including recognition of volunteers. Please see the "Awards-Volunteer Recognition" section of this Guide for additional information on volunteer recognition

Section 110.504, F.S. - Volunteer benefits.

VOUCHER SCHEDULE

GENERAL

Invoices to be submitted to the Chief Financial Officer for payment must be scheduled by the agency wishing to make payment using a standard voucher format prescribed by the Department of Financial Services and the Chief Financial Officer. The voucher schedule must be signed by an authorized individual as evidenced by an Authorized Signature Card (form #DFS AA-29) on file with the Bureau of Auditing.

Blank cards may be requested from:

Department of Financial Services
200 East Gaines Street
Bureau of Auditing
434 Fletcher Building
Tallahassee, FL 32399-0355
Ph. 850-413-5512

DIVISION OF ACCOUNTING AND AUDITING
BUREAU OF AUDITING

200 East Gaines Street
Tallahassee, FL 32399-0318

(850) 413-5510