

# Annual Report 2013

Florida Engineers Management Corporation  
2639 North Monroe Street, Suite B-112  
Tallahassee, Florida 32303  
[www.fbpe.org](http://www.fbpe.org)





# FLORIDA ENGINEERS MANAGEMENT CORPORATION

## 2012-2013 Annual Report Florida Engineers Management Corporation

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Jeff Arey, P.E.  
CHAIR  
10/6/10 – 10/7/14

Shannon LaRocque, P.E.  
Vice Chair  
10/6/10 – 10/7/14

Ernest Cox, III P.E.  
2/25/08 - 2/15/16

Kimberlee DeBosier, P.E.  
10/6/10 – 10/7/14

Donald Goddeau, P.E.  
12/7/12 – 12/7/16

Bert Combs, Esquire  
3/3/06 – 12/31/13

Robert H. Hosay, Esquire  
3/27/06 – 12/31/13

Zana Raybon  
PRESIDENT

### Introduction

Section 471.038, Florida Statutes, adopted by the legislature in 1997 as H433, created the Florida Engineers Management Corporation (FEMC) for the purpose of providing administrative, investigative, and prosecutorial services to the Florida Board of Professional Engineers (FBPE) by contract with the Department of Business and Professional Regulation (DBPR). Section 471.038(3)(1), Florida Statutes, requires the Corporation to submit to the Secretary of the Department of Business & Professional Regulation, the Florida Board of Professional Engineers, and the Florida Legislature, on or before October 1 of each year, a report on the status of the corporation, including but not limited to, information concerning the programs and funds that have been transferred to the Corporation. That same section also requires certain specific information regarding licenses and complaints handled by the Corporation. The following is the text of that report.

Between July 1, 2012 and June 30, 2013, FEMC has performed the following:

- Administered 36 meetings of the FBPE and FBPE committees;
- Published 4 Newsletters that were distributed to an average of 32,423 engineering licensees, and others, not including newsletters mailed through telephone and email requests;
- Renewed 35,954 licenses that included professional engineers and Certificates of Authorization for engineering firms;
- Issued 698 Certifications of Special Inspectors of threshold-type buildings;
- Issued 5,067 Certificates of Authorization to firms providing engineering services in the State of Florida;
- Provided 1,055 licensure verifications for engineers;
- Received 7,814 applications for licensure;
- Approved 1,318 applications for licensure;
- Denied 128 applications for licensure;
- For October of 2012 administered 1,245 Fundamentals of Engineering Examinations, of those 1,245 Fundamental of Engineering Examinations, 500 passed the examination, 315 failed the examination and 430 did not show up for the examination;
- For October of 2012 administered 676 Principles and Practice of Engineering Examinations, of those 676 Principles and Practice of Engineering Examinations, 296 passed the examination, 204 failed the examination and 176 did not show up for the examination;
- For April 2013 approved 1,053 candidates for the Fundamentals of Engineering examinations, of those 1,053 Fundamental of Engineering Examinations, 535 passed the examination, 187 failed the examination and 331 did not show up for the examination;
- For April 2013 approved 486 candidates for the Principles and Practice of Engineering examinations, of those 486 Principles and Practice of Engineering Examinations, 227 passed the examination, 135 failed the examination and 124 did not show up for the examination;



In support of the FBPE's effort to enforce the engineer licensing law, FEMC accomplished the following:

- Processed 140 complaints regarding engineering practice, of which 123 were found to be legally sufficient;
- Filed 19 Administrative Complaints in cases where the Probable Cause Panel found probable cause to believe a violation of the Engineering Practice Act had occurred;
- Issued 15 Reprimands;
- Issued 5 Suspensions;
- Issued 10 Probations;
- Issued 9 Project Reviews;
- Issued 3 License Restrictions
- Required 13 engineers to successfully complete a course in Engineering Professionalism and Ethics;
- Required 13 engineers to successfully complete the Board's Study Guide on Laws and Rules;
- Imposed \$33,561.60 in administrative costs and \$19,400.00 in fines;
- Received 2 Voluntary Relinquishments;
- Licenses Revoked – 3
- Dismissed 2 cases at Board Meetings;
- Dismissed 21 cases with a finding of no probable cause;
- Dismissed 20 cases with letters of guidance to engineers;
- FBPE issued 28 Final Orders against Professional Engineers.

### Statutory Requirements

In response to various requirements of Section 471.038, Florida Statutes, the following attachments are provided:

- Section 471.038, Florida Statutes  
This is the enacting legislation for the Florida Engineers Management Corporation and sets forth the requirements of FEMC.
- Board Members and Organizations of the Corporation  
Attached is a copy of the Board's website Home Page, created by FEMC at [www.fbpe.org](http://www.fbpe.org) to provide important information to the public and licensees. In addition to the names of the members of the FBPE and FEMC Board and staff organization, the web site also provides the most recent engineering rules and laws, links by search function to DBPR's current listing of registrants and engineering companies, information on how to file a complaint, most frequently asked questions, all current applications for examinations and license, newsletters published by the Board, Board meeting agendas and minutes, Board calendar for the year, and information on continuing education.
- Contract  
Section 471.038(3)(i), Florida Statutes, requires that FEMC operate on an annual contract between DBPR and FEMC. Attached is a copy of the contract which is entitled "Agreement Between Florida Engineers Management Corporation and Department of Business and Professional Regulation".
- Charter and By-Laws  
Section 471.038(3)(1), F.S., requires approval of the Corporation's articles of incorporation and bylaws by the Department and FBPE.
- Annual Budget  
Section 471.038(3)(i)2., F.S., requires submission of an annual budget that has been approved by the FBPE and the DBPR. Attached please find a copy of the approved budget for the fiscal year 2012-2013.

- **Annual Certification**  
Section 471.038(3)(i)3., F.S., requires that FEMC be certified by the FBPE and the DBPR that it is complying with the terms of the contract and in a manner consistent with the goals and purposes of the Board and the best interest of the State. A copy of that Certification is attached.
- **Annual Financial and Compliance Audit**  
Section 471.038(3)(j), F.S., requires an annual finance and compliance audit of financial accounts and records by the independent certified public accountant. The audit for the period of July 1, 2012 through June 30, 2013 is attached.

For additional information concerning the Florida Engineers Management Corporation please contact Zana Raybon, President, by telephone at 850-521-0500, by facsimile at 850-521-0521, or by email at [zraybon@fbpe.org](mailto:zraybon@fbpe.org).

# Florida Statutes Section 471.038



**REGULATIONS**

Select Year:  

## The 2013 Florida Statutes

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[Title XXXII](#)                      [Chapter 471](#)    [View Entire Chapter](#)  
REGULATION OF PROFESSIONS AND OCCUPATIONS    ENGINEERING

**471.038    Florida Engineers Management Corporation.—**

- (1) This section may be cited as the “Florida Engineers Management Corporation Act.”
- (2) The purpose of this section is to create a public-private partnership by providing that a single nonprofit corporation be established to provide administrative, investigative, and prosecutorial services to the board and that no additional nonprofit corporation be created for these purposes.
- (3) The Florida Engineers Management Corporation is created to provide administrative, investigative, and prosecutorial services to the board in accordance with the provisions of chapter 455 and this chapter. The management corporation may hire staff as necessary to carry out its functions. Such staff are not public employees for the purposes of chapter 110 or chapter 112, except that the board of directors and the staff are subject to the provisions of s. [112.061](#). The provisions of s. [768.28](#) apply to the management corporation, which is deemed to be a corporation primarily acting as an instrumentality of the state, but which is not an agency within the meaning of s. [20.03](#)(11). The management corporation shall:
- (a) Be a Florida corporation not for profit, incorporated under the provisions of chapter 617.
  - (b) Provide administrative, investigative, and prosecutorial services to the board in accordance with the provisions of chapter 455, this chapter, and the contract required by this section.
  - (c) Receive, hold, and administer property and make only prudent expenditures directly related to the responsibilities of the board, and in accordance with the contract required by this section.
  - (d) Be approved by the board, and the department, to operate for the benefit of the board and in the best interest of the state.
  - (e) Operate under a fiscal year that begins on July 1 of each year and ends on June 30 of the following year.
  - (f) Have a seven-member board of directors, five of whom are to be appointed by the board and must be registrants regulated by the board and two of whom are to be appointed by the secretary and must be laypersons not regulated by the board. All appointments shall be for 4-year terms. No member shall serve more than two consecutive terms. Failure to attend three consecutive meetings shall be deemed a resignation from the board, and the vacancy shall be filled by a new appointment.
  - (g) Select its officers in accordance with its bylaws. The members of the board of directors who were appointed by the board may be removed by the board.
  - (h) Select the president of the management corporation, who shall also serve as executive director to the board, subject to approval of the board.
  - (i) Use a portion of the interest derived from the management corporation account to offset the costs associated with the use of credit cards for payment of fees by applicants or licensees.
  - (j) Operate under a written contract with the department which is approved by the board. The contract must provide for, but is not limited to:

1. Submission by the management corporation of an annual budget that complies with board rules for approval by the board and the department.

2. Annual certification by the board and the department that the management corporation is complying with the terms of the contract in a manner consistent with the goals and purposes of the board and in the best interest of the state. This certification must be reported in the board's minutes. The contract must also provide for methods and mechanisms to resolve any situation in which the certification process determines noncompliance.

3. Funding of the management corporation through appropriations allocated to the regulation of professional engineers from the Professional Regulation Trust Fund.

4. The reversion to the board, or the state if the board ceases to exist, of moneys, records, data, and property held in trust by the management corporation for the benefit of the board, if the management corporation is no longer approved to operate for the board or the board ceases to exist. All records and data in a computerized database shall be returned to the department in a form that is compatible with the computerized database of the department.

5. The securing and maintaining by the management corporation, during the term of the contract and for all acts performed during the term of the contract, of all liability insurance coverages in an amount to be approved by the board to defend, indemnify, and hold harmless the management corporation and its officers and employees, the department and its employees, and the state against all claims arising from state and federal laws. Such insurance coverage must be with insurers qualified and doing business in the state. The management corporation must provide proof of insurance to the department. The department and its employees and the state are exempt from and are not liable for any sum of money which represents a deductible, which sums shall be the sole responsibility of the management corporation. Violation of this subparagraph shall be grounds for terminating the contract.

6. Payment by the management corporation, out of its allocated budget, to the department of all costs of representation by the board counsel, including salary and benefits, travel, and any other compensation traditionally paid by the department to other board counsel.

7. Payment by the management corporation, out of its allocated budget, to the department of all costs incurred by the management corporation or the board for the Division of Administrative Hearings of the Department of Management Services and any other cost for utilization of these state services.

8. Payment by the management corporation, out of its allocated budget, to the department of reasonable costs associated with the contract monitor.

(k) Provide for an annual financial audit of its financial accounts and records by an independent certified public accountant. The annual audit report shall include a management letter in accordance with s. 11.45 and a detailed supplemental schedule of expenditures for each expenditure category. The annual audit report must be submitted to the board, the department, and the Auditor General for review.

(l) Provide for persons not employed by the corporation who are charged with the responsibility of receiving and depositing fee and fine revenues to have a faithful performance bond in such an amount and according to such terms as shall be determined in the contract.

(m) Submit to the secretary, the board, and the Legislature, on or before October 1 of each year, a report on the status of the corporation which includes, but is not limited to, information concerning the programs and funds that have been transferred to the corporation. The report must include: the number of license applications received; the number approved and denied and the number of licenses issued; the number of examinations administered and the number of applicants who passed or failed the examination; the number of complaints received; the number determined to be legally sufficient; the



number dismissed; the number determined to have probable cause; the number of administrative complaints issued and the status of the complaints; and the number and nature of disciplinary actions taken by the board.

(n) Develop and submit to the department, performance standards and measurable outcomes for the board to adopt by rule in order to facilitate efficient and cost-effective regulation.

(4) The management corporation may not exercise any authority specifically assigned to the board under chapter 455 or this chapter, including determining probable cause to pursue disciplinary action against a licensee, taking final action on license applications or in disciplinary cases, or adopting administrative rules under chapter 120.

(5) Notwithstanding ss. [455.228](#) and [455.2281](#), the duties and authority of the department to receive complaints and to investigate and deter the unlicensed practice of engineering are delegated to the board. The board may use funds of the Board of Professional Engineers in the unlicensed activity account established under s. [455.2281](#) to perform the duties relating to unlicensed activity.

(6) The department shall retain the independent authority to open or investigate any cases or complaints, as necessary to protect the public health, safety, or welfare. In addition, the department may request that the management corporation prosecute such cases and shall retain sole authority to issue emergency suspension or restriction orders pursuant to s. [120.60](#).

(7) Management corporation records are public records subject to the provisions of s. [119.07\(1\)](#) and s. 24(a), Art. I of the State Constitution; however, public records exemptions set forth in ss. [455.217](#) and [455.229](#) for records created or maintained by the department shall apply to records created or maintained by the management corporation. In addition, all meetings of the board of directors are open to the public in accordance with s. [286.011](#) and s. 24(b), Art. I of the State Constitution. The exemptions set forth in s. [455.225](#), relating to complaints and information obtained pursuant to an investigation by the department, shall apply to such records created or obtained by the management corporation only until an investigation ceases to be active. For the purposes of this subsection, an investigation is considered active so long as the management corporation or any law enforcement or administrative agency is proceeding with reasonable dispatch and has a reasonable, good faith belief that it may lead to the filing of administrative, civil, or criminal proceedings. An investigation ceases to be active when the case is dismissed prior to a finding of probable cause and the board has not exercised its option to pursue the case or 10 days after the board makes a determination regarding probable cause. All information, records, and transcriptions regarding a complaint that has been determined to be legally sufficient to state a claim within the jurisdiction of the board become available to the public when the investigation ceases to be active, except information that is otherwise confidential or exempt from s. [119.07\(1\)](#). However, in response to an inquiry about the licensure status of an individual, the management corporation shall disclose the existence of an active investigation if the nature of the violation under investigation involves the potential for substantial physical or financial harm to the public. The board shall designate by rule those violations that involve the potential for substantial physical or financial harm. The department and the board shall have access to all records of the management corporation, as necessary to exercise their authority to approve and supervise the contract.

(8) The management corporation is the sole source and depository for the records of the board, including all historical information and records. The management corporation shall maintain those records in accordance with the guidelines of the Department of State and shall not destroy any records prior to the limits imposed by the Department of State.



(9) The board shall provide by rule for the procedures the management corporation must follow to ensure that all licensure examinations are secure while under the responsibility of the management corporation and that there is an appropriate level of monitoring during the licensure examinations.

**History.**—ss. 2, 5, ch. 97-312; s. 112, ch. 98-166; s. 173, ch. 2000-160; ss. 1, 2, ch. 2000-372; s. 121, ch. 2001-266; s. 5, ch. 2003-293.

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## FSU College Town

College Town will contain 72 housing units with a total of 136-bed rooms...

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### RENEW YOUR LICENSE

**Licensure Renewal began on November 5, 2012.** All licenses are set to expire February 28, 2013. For more information about renewals &

To Renew your License

[CLICK HERE](#)

### PUBLIC RECORDS REQUEST

Any member of the public may request information about disciplinary or enforcement actions.

To request a public record

[CLICK HERE](#)

### FILE A COMPLAINT

Complaints are filed with the Board from many sources and any member of the public may file a complaint.

To file a complaint

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## LICENSURE

[Application Process](#)

[Fundamentals Examination \(FE\)](#)

[Principles & Practice Examination \(PE\)](#)

[Endorsement \(Comity & Reciprocity\)](#)

[Special Inspector](#)

[Certificate of Authorization \(CA\)](#)

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## LEGAL

## LATEST NEWS

### GOVERNOR RICK SCOTT APPOINTS FOUR TO THE BOARD OF PROFESSIONAL ENGINEERS

On, Tuesday, July 23, 2013, Governor Rick Scott announced two appointments and two reappointments to the Board of Professional Engineers.

**Vivian Boza**, Controller at Infinite Energy, Inc will fill the remaining Public vacancy on the Board. She succeeds Mary Young and is appointed for a term beginning July 22, 2013, and ending October 31, 2015.

**John Pepper**, P.E. is a structural engineer and co-owner of PE Group Consulting Engineers and fills the vacant Structural seat on the Board. He is appointed for a term beginning July 22, 2013, and ending October 31, 2016.

**John Burke**, P.E. an electrical engineer with Hazen and Sawyer has been reappointed for a term beginning July 22, 2013, and ending October 31, 2014.

**Christian Bauer**, Ph.D., P.E. is a retired industrial engineering professor at the University of Central Florida and has been reappointed for a term beginning July 22, 2013, and ending October 31, 2016.

\*The appointments are subject to confirmation by the Florida Senate.



MEETINGS / INFORMATION

LATEST NEWSLETTER

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## EVENTS CALENDAR

September 2013						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

## UPCOMING FBPE EVENTS

- Tue Sep 17 @ 8:30AM - [FBPE Application Review](#)
- Tue Sep 17 @ 1:00PM - 05:00PM [FBPE Probable Cause Panel Meeting](#)
- Mon Sep 23 @ 2:00PM - 03:00PM [FEMC Board Conference Call](#)
- Fri Sep 27 @ 10:00AM - [FBPE Ratification Conference Call](#)
- Wed Oct 09 @ 10:00AM - [FEMC Board Meeting](#)
- Wed Oct 09 @ 1:00PM - [FBPE Board Meeting](#)
- Thu Oct 10 @ 8:30AM - [FBPE Board Meeting](#)

## TAG CLOUD

- [school board article](#)
- [fbpe education](#)
- [process continuing](#)
- [renewal engineers](#)
- [tallahassee regional](#)
- [licensure about](#)
- [application award legal](#)

[florida](#) [airport](#) [professional](#)

charged with assisting the Member Boards in addressing licensure processes and practices. This includes involvement with the CBT exam transitions, identifying outreach opportunities to publicize CBT in schools, societies, etc. and establishing paths to assist in uniformity of licensure among jurisdictions. The second appointment is the Public Outreach/ Communications Task Force, which is tasked with assessing survey results regarding the public's awareness of professional engineering and surveying as well as to consider what NCEES programs can promote and bring attention to those professions through hands-on activities, MathCounts, TwiST, etc.

Board Member **John Burke, PE**, was appointed to the Nominations Committee, whose responsibility is to serve for the nomination of officers for the next administrative year, while **Michelle Rambo-Roddenberry, PhD, PE**, will serve on the Education committee charged with acting in an advisory role for education issues related to ABET, requirements prior to initial licensure, continuing professional competency, and foreign degree or unaccredited program evaluation. Finally **Kenneth Todd, PE**, was assigned to the Definition of Engineering Task Force.

## FEMC ANNOUNCES NEW CHAIR AND VICE-CHAIR

At the June 12, 2013, Florida Engineers Management Corporation (FEMC) annual Board meeting, **Jeff Arey, PE**, was announced the new Board Chair and **Shannon LaRocque, PE**, as the Vice Chair for the 2013-2014 term. Mr. Arey replaces **Kimberlee Debosier, PE** as Chair, however she remains an active FEMC Board member. Mr. Arey, is a registered Florida Professional Engineer with more than 45 years of management and technical experience in transportation/infrastructure planning and engineering. He has directed and managed significant projects in program management, roadway design, transportation planning and traffic engineering.

Mr. Arey has a diverse background as a transportation engineer, working extensively with multimodal transportation planning, traffic management, corridor evaluation and quality assurance. This is Mr. Arey's fourth year with the FEMC Board and first term serving as Chair.

Also a registered Florida PE, Ms. LaRocque is a veteran manager with over 24 years of public and private sector management experience, specializing in the successful execution of priority governmental initiatives and programs. Currently, she is an Assistant County Administrator with Palm Beach County, primarily responsible for the oversight of countywide economic and business development, housing and community development, and water utilities.

Ms. LaRocque was most recently recognized by the National Society of Professional Engineers (NSPE) as their 2012 PEGASUS Award Winner, for her outstanding contribution to the advancement and practice of engineering. Ms. LaRocque has served on the FEMC Board for two years and this is her first term serving as Vice Chair.

## THE COMPLAINT PROCESS EXPLAINED

In the January 2013 edition of Florida Engineering Society's Journal, Chief Prosecuting Attorney for FBPE authored an article explaining the complaint process. Below is an excerpt from the article with a link to the full version. (Note: This article was reposted with permission from the Florida Engineering Society).

Do you have a complaint regarding a particular engineer? Do you suspect a PE has committed negligence in engineering or not complied with the Board's Rules governing the practice of engineering? If so, please contact the Florida Board of Professional Engineers (FBPE) or the Florida Engineers Management Corporation (FEMC) at (850) 521-0500.

When you call the FBPE or FEMC, you will be transferred to our investigator. This is where the investigative process begins. The investigator will take down the specifics of your complaint as well as any and all information that you can provide. You will be provided with a Uniform Complaint Form which must be filled out and mailed back to the FBPE or FEMC along with any supporting documentation you may have. The information contained on this form will be analyzed and, if determined to be legally sufficient to begin an investigation, will be assigned a case number. Generally speaking, a complaint is legally sufficient to justify the initiation of an investigation if it meets two tests. First, it must allege a violation of statutes or rules over which the FBPE has jurisdiction to act, and, second, it must set out sufficient specific verifiable facts underlying the allegations so as to allow FEMC, which acts on behalf of the FBPE, to determine that a violation of those statutes or rules may have occurred and that an investigation is warranted; supposition or surmise are not sufficient. Nearly every complaint received is forwarded to a FEMC consultant for pre-review. Upon receipt of the pre-review opinion, the complaint is reviewed by the prosecuting attorney. If it is determined the complaint is not legally sufficient, it will be dismissed at this point. If legal sufficiency is found, the complaint will be fully investigated.

To view the full article please select the file below:

Files:

## Complaint Process Article January 2013 FES Journal

### MCCI REVEALS FBPE AS EXCELLENCE AWARD WINNER

Each year MCCI awards three clients who have demonstrated excellence through the use of MCCI's solutions. Applicants are required to demonstrate how their use of a MCCI solution has simplified their business processes and saved both time and money along the way. All entries are judged by MCCI staff members during the judging process, they focus on specific results such as decreased environmental impact, time savings, costs savings, improved transparency, and process automation. The top three are then voted upon and the awards announced to MCCI's entire client base of more than 500.

FBPE's submission on how it incorporated the Laserfiche® application into its business workflows and processes stood out above the rest due to their adept leadership in implementing a solution that improved their internal record retention and retrieval system while proving to save the organization both time and money.

MCCI is a subsidiary of Municipal Code Corporation (MCC), which has been serving local governments for over 50 years. In 1998 they began implementing solutions in local government offices to help solve their own records management needs and today have evolved to provide these solutions for numerous organizations in local, state and federal governments, as well as in the commercial sector. In addition their range of solutions has expanded to include Enterprise Content Management, Legislative Management, Business Process Management, Electronic Records Management, and scanning and indexing file conversion services. For more information about MCCI visit their website at <http://www.mccinnovations.com/>.

### RENEWAL INFORMATION

**All current and active licenses for Florida engineers are set to expire on February 28, 2013.** Licensure renewal officially opened on November 5, 2012, and to make it easier for the license holder to renew their license, we have provided the following guidelines and explanation of some changes that have been recently made.

You **MUST** use **"Internet Explorer"** as your internet browser as the renewal system **WILL NOT accept** other browsers such as "Mozilla Firefox" or "Google Chrome."

You will go to [www.myfloridalicense.com](http://www.myfloridalicense.com), and either select **"Renew Your License"** or **"Licensee Login"** to access your record. If you have not accessed your account since January 15, 2011, you will be prompted to **"Create an Account."**

You need a PIN Number or Activation Code, which is the last four digits of your social security number, to successfully create your account.

If your social security number will not work, you should contact the Florida Board of Professional Engineers at (850) 521-0500 and select **"Renewal"** to update your record. Once you have established your account, you may change your contact information, if necessary, and then continue the process to renew your license.

Read more...





 **Florida Board of Professional Engineers**

Like

211 people like Florida Board of Professional Engineers.



A grid of 20 small profile pictures of various individuals, including men and women of different ages and ethnicities. Some images show people in professional settings, while others are more casual. One image in the second row, fourth column, appears to be a document or a page with text and a logo.



# FEMC & DBPR Agreement

## **AGREEMENT BETWEEN FLORIDA ENGINEERS MANAGEMENT CORPORATION AND DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

This Agreement is made and entered into between the Florida Engineers Management Corporation, a not for profit Florida Corporation hereinafter referred to as "FEMC", and the Department of Business and Professional Regulation, hereinafter referred to as "Department", to set forth their mutual duties and responsibilities pursuant to Section 471.038, Florida Statutes.

Contractual services shall begin on **July 1, 2012** or upon full execution of this Agreement, whichever is the later date, and shall end on **June 30, 2013**.

### **I. Purpose**

FEMC was created pursuant to Section 471.038, Florida Statutes, to provide administrative, investigative and prosecutorial services to the Florida Board of Professional Engineers ("FBPE") in accordance with the provisions of Chapters 455 and 471, Florida Statutes. Section 471.038, Florida Statutes, requires that FEMC operate under a written contract with the Department, which is to be approved by the FBPE, to provide the above outlined services.

### **II. Contract Monitor**

The Department shall assign a Contract Monitor who shall ensure compliance with this Agreement and the provisions of Chapters 455 and 471, Florida Statutes. The Contract Monitor shall act as liaison between the Department and FEMC.

Upon request, FEMC shall allow the Contract Monitor complete and immediate access to all data and records maintained by FEMC, including but not limited to the following:

- All documents to be presented to the Probable Cause Panel, including an Agenda, at the same time the materials are provided to the Panel members.
- All documents to be presented to the FBPE for final action, at the same time the materials are provided to the board members.

FEMC shall notify the Contract Monitor of the following:

- Significant changes in management personnel;
- Significant communications with the Office of the Governor;
- Appellate action taken by a party in any disciplinary matter. FEMC is responsible for defending such appeals, but FEMC shall provide the initial brief and an outline of the proposed response and the supporting case law, to the Department's appellate attorney and the Contract Monitor, 48 hours prior to its submission of any responsive brief.
- Information that may be the basis for an emergency suspension or restriction of license or be of such a nature that FEMC believes it warrants referral for criminal prosecution. The Department is solely responsible for the issuance of any emergency suspension orders.

FEMC shall respond to requests from the Contract Monitor within seven (7) days or sooner if requested.



### **III. Appointment of the Board Executive Director**

FEMC shall select the President of the management corporation, who shall also serve as the Executive Director of the Board ("ED") subject to approval of the FBPE in accordance with Section 455.203(2), Florida Statutes. The Department shall be notified of the progress of any selection process for a President and be given an opportunity to comment on FEMC's potential selection.

### **IV. Scope of Services**

FEMC's services shall apply to all licensees under the jurisdiction of the FBPE, including special inspectors of threshold buildings. It is FEMC's responsibility to render services in compliance with the requirements of Chapters 119 (public records), 286.011 (open meetings), and 120 (administrative procedures), Florida Statutes, as limited by Chapters 455 and 471, Florida Statutes.

#### **A. Administrative Services**

Administrative services to be provided to the FBPE are the following:

- Performing agency clerk functions;
- Preparing required reports;
- Responding to requests for public records pursuant to Florida law;
- Processing applications for examination and licensure;
- Issuing initial licenses and notices of renewal;
- Renewing licenses;
- Collecting fees;
- Training new board members;
- Maintaining files;
- Maintaining inventory of FEMC property;
- Providing telecommunication systems;
- Providing a computer and licensing system pursuant to Section X, Technology;
- Providing examination services;
- Maintaining licensure records;
- Providing official certificates;
- Providing staff support services to the FBPE;
- Assisting as needed in rule promulgation;
- Scheduling, noticing, and planning FBPE meetings;
- Preparing FBPE agenda content including rulemaking, disciplinary, licensing and other official action of the FBPE relative to the police powers of the State of Florida exercised through the FBPE;
- Supporting the conduct of FBPE meetings;
- Recording and preparing minutes of FBPE meetings;
- Providing support to the probable cause panel; and
- Maintaining confidentiality of records as required by law.

## **B. Licensure Services**

Licensure services to be provided to the FBPE are the following:

- Maintain licensure records, including historical licensure data and records of address changes, name changes and other licensure status changes;
- Issue initial licenses and Certificates of Authorization, subsequent to the FBPE's determination of eligibility for licensure, and provide official certification of licensure records in its custody;
- Issue renewal licenses to active and inactive engineers, special inspectors of threshold buildings, and business organizations holding Certificates of Authorization, based on information given to FEMC by the FBPE;
- Ensure compliance with continuing education requirements, in accordance with Sections 471.017, 471.0195, and 553.841, Florida Statutes;
- Provide renewal notices and pending cancellations of a license as required in Section 455.273, Florida Statutes; and
- Maintain and provide licensing information to licensees, prospective licensees and the public consistent with Florida and applicable federal law.

FEMC shall use the Department's licensure management system (LicenseEase) until such time as FEMC is authorized to develop and implement its own licensure management system. Both parties agree that information entered into LicenseEase may require the Department's assistance to retrieve. The Department will make all efforts to provide the information to FEMC in a timely manner. Both parties acknowledge that the use of the LicenseEase system allows for shared information. Both parties agree that certain information is required to remain confidential under Chapter 455 and Chapter 119, Florida Statutes, including but not limited to social security numbers, unless otherwise provided by law, and complaint and investigation information as provided under Sections 455.225(10) and 471.038(7), Florida Statutes.

## **C. Test-related Services**

Test-related services to be provided to the FBPE are the following:

- Provide to FBPE complete files of all applications of candidates seeking licensure;
- Schedule candidates for examination;
- Administer the examination provided by the National Council of Examinations for Engineers and Surveyors (NCEES), in accordance with Rule 61G15-21.001, Florida Administrative Code;
- Ensure examination security during the transportation of examinations and overnight storage of examinations;
- Ensure that sites are available to hold the examination, and ensure that there is an appropriate level of monitoring during the examination;
- Ensure that examination results are reported to the candidates;
- Ensure the preparation and administration of examinations in an applicant's native tongue if necessary pursuant to Section 455.218, Florida Statutes, and collect the necessary costs in the event it is determined by a court of competent jurisdiction that the FBPE is required to have the examinations translated;

- Provide for examination of foreign-trained professionals pursuant to Section 455.218, Florida Statutes, if required by a court of competent jurisdiction;
- Ensure necessary special accommodations including, but not limited to, compliance with Chapter 553, Part II, Florida Statutes, and Federal ADA requirements and religious considerations;
- Maintain and monitor a contract with a national testing vendor for the engineering examinations as required by Chapter 471, Florida Statutes, and as approved by the FBPE; and
- Ensure the adequacy of the examinations, the maintenance of examination records, and the compliance with all testing requirements of Section 455.217, Florida Statutes

#### **D. Prosecutorial Services**

Prosecutorial services to be provided for both licensed and unlicensed activity are the following:

- Coordinate with investigators;
- Review and take appropriate action on complaints;
- Prepare cases for presentation to probable cause panel;
- Prepare administrative complaints, notices of noncompliance and citations;
- Prosecute complaints at disciplinary hearings;
- Prosecute appeals;
- Maintain complaint database in the LicenseEase system;
- Report alleged criminal violations to the Department and appropriate authorities;
- Receive requests from the Department for the prosecution of cases opened and investigated by the Department;
- Report any action that may be considered for emergency suspension or restriction of practice to the Department for review and possible action;
- Review disciplinary guidelines; and
- Provide prosecutorial services at mediations.

FEMC must file a copy of all administrative complaints, final orders and notices of appeal (filed by any party) with the Department's Agency Clerk as soon as is practicable.

#### **E. Investigative Services**

Investigative services to be provided for both licensed and unlicensed activity are the following:

- Receive complaints;
- Interview complainants;
- Interview witnesses;
- Issue subpoenas;
- Interview subjects of complaints;
- Take sworn statements;
- Compile documentary evidence;
- Prepare investigative reports;
- Coordinate with prosecutors;

- Hire experts when necessary;
- Testify at hearings;
- Coordinate investigative activities with appropriate regulatory and law enforcement agencies; and
- Report any action that may be considered for emergency suspension or emergency restriction of practice to the Department for review and possible action.

**F. Services not to be provided by FEMC**

1. Except when providing those prosecutorial and investigative services set forth in this Agreement, FEMC shall not exercise the police powers inherent in the Department and the FBPE under Chapters 455 or 471, Florida Statutes, including determining probable cause to pursue disciplinary action against a licensee, other than failure to comply with final orders of the Board as set forth in Rule 61G15-18.005(2), Florida Administrative Code, taking final action on license applications or in disciplinary cases, or adopting administrative rules under Chapter 120, Florida Statutes. Prosecutorial servicing shall only be executed in the name of FBPE.

2. The responsibility for the supervision of this Agreement remains solely with the FBPE.

3. FEMC shall not perform any activities related to rulemaking, disciplinary, licensing and other official actions of the FBPE, except that FEMC staff may process the necessary paperwork for these activities at the direction of the FBPE.

4. Lobbying activities, in accordance with Section 216.347, Florida Statutes.

5. FEMC shall not issue emergency suspension or restriction orders.

**G. Corrective Plans**

FEMC shall develop corrective plans to respond to deficiencies that result in non compliance with the performance standard provisions of Rule 61G15-37.001, Florida Administrative Code, or that result in non compliance with this Agreement as determined by the Contract Monitor.

A corrective plan must include:

- A description of the deficiency;
- The impact of the deficiency;
- An action plan to correct the deficiency;
- The responsible individuals to implement the action plan;
- A time line for implementing the action plan that is consistent with the severity of the deficiency; and
- The estimated cost of implementing the corrective plan.

The corrective plan must be submitted electronically to the Contract Monitor within seven days of a request by the Contract Monitor and with the Quarterly report.

**V. Required Documentation**

FEMC shall maintain documentation evidencing performance of its duties under this Agreement. Documentation showing the following must be maintained:

- A. Compliance with performance standards specified in Rule 61G15-37.001, Florida Administrative Code;
- B. Action taken on requests from the Contract Monitor, per Section II, Contract Monitor, of this Agreement;
- C. Information related to disciplinary actions;
- D. Action taken regarding the failure of FEMC to comply with any provision of the Agreement;
- E. Legal cases in which FEMC has not been the prevailing party, to include copies of final orders and specify cases where attorney fees have been awarded;
- F. Establishment and implementation of corrective plans as required by Section IV of this Agreement;
- G. Expenditures and cash balances;
- H. Actual and projected monthly expenditures;
- I. Long-range estimates of the revenue required to carry out all provisions of law relating to the regulation of the profession, for a five year period as required in Sections 455.204 and 455.219 of the Florida Statutes; and
- J. Information related to licensure.

**VI. Deliverables**

The following must be received timely and accepted by the Contract Monitor:

**A. Monthly Report of Actual and Projected Expenditures**

FEMC shall provide to the Contract Monitor, by the 15<sup>th</sup> day of each month or the closest business day after the 15<sup>th</sup> if the 15<sup>th</sup> falls on a weekend or a holiday, a spreadsheet report of all actual and projected expenditures for the contract period. The spreadsheet will be in a format approved by the Department.

**B. Quarterly Reports**

FEMC shall provide an electronic quarterly report, thirty (30) days after the close of each quarter, to the Contract Monitor and the FEMC Board of Directors, including the following:

1. The status of the performance standards adopted by Rule 61G15-37.001, Florida Administrative Code.



- 2.** Compliance with priority referrals from the Contract Monitor, per Section II, Contract Monitor, of this agreement.
- 3.** Information regarding disciplinary actions as follows:
  - a.** A list and status of all complaints made during this Agreement (open and closed, licensed and unlicensed). Status information should include:
    - The name of complainant;
    - The name and license number of subject;
    - The date of the complaint;
    - The alleged violation;
    - The last action taken; and
    - The next appropriate action recommended.
  - b.** A list of all cases FEMC closed as legally insufficient since the last report;
  - c.** A list showing the status of compliance with all final orders with pending provisions; and
  - d.** A list of cases where the alleged violation is for unlicensed activity and the subject also holds a license with another profession within the Department.
- 4.** Information regarding the failure of FEMC to comply with any provision of the Agreement.
- 5.** A list of all legal cases where FEMC has not been the prevailing party. The list must include copies of final orders and specify cases where attorney fees have been awarded.
- 6.** Corrective plans as required by Section IV of this Agreement.
- 7.** A detailed report of expenditures and cash balance, including information required by Section VIII of this Agreement.
- 8.** Long-range estimates of revenue, as required by this Agreement (to be provided in the first quarterly report).
- 9.** A report which details the following information for the last completed quarter, with disciplinary information reported distinctly for licensed and unlicensed activity:
  - Number of license renewals;
  - Number of license applications received;
  - Number of licenses approved and denied;

- Number of licenses issued;
- Average time required to issue a license;
- Number of examinations administered;
- Number of applicants who passed or failed the examination;
- Number of complaints received;
- Number of complaints determined to be legally sufficient;
- Number of complaints dismissed;
- Number of complaints determined to have probable cause;
- Number of administrative complaints issued and the status of the complaints; and
- Number and nature of disciplinary actions taken by the FBPE.

**C. Annual Report**

On or before October 1, 2012, in accordance with Section 471.038(3)(m), Florida Statutes, FEMC shall submit to the Secretary of the Department, the FBPE and the Legislature, a report on the status of FEMC. The report must include the following information, reported for the fiscal year ending June 30, 2012:

- Programs and funds that have been transferred to FEMC;
- Number of license renewals;
- Number of license applications received;
- Number approved, denied and issued licenses;
- Average time required to issue a license;
- Number of examinations administered and the number of applicants who passed or failed the examination;
- Number of complaints received, together with the number of complaints determined to be legally sufficient, how many were dismissed, how many were determined to have probable cause;
- Number of administrative complaints issued and the status of the administrative complaints;
- Number and nature of the disciplinary actions taken by the FBPE. These disciplinary numbers shall be distinct for licensed and unlicensed activity.

**D. Annual Certification**

On or before October 1, 2012, in accordance with Section 471.038(3)(j)2., F.S., FBPE and the Department shall review the performance of FEMC under the contract for the fiscal year ending June 30, 2012. If it is determined that FEMC performed under that Agreement in a manner that is consistent with the goals and purposes of FBPE and in the best interest of the State, FBPE and the Department shall certify such. This certification shall be recorded in the FBPE minutes. Should the Department fail to certify FEMC by the aforementioned deadlines, FEMC shall be deemed certified. Upon a determination made by the FBPE and the Department at any time during the term of the Agreement that FEMC no longer operates for the benefit of the FBPE and in the best interest of the State, all monies and property held in trust by FEMC shall revert to the FBPE, or the State if the FBPE ceases to exist.

- E. Evidence of FEMC's engagement of an independent certified public accountant to conduct an audit as required by this Agreement shall be provided to the Department no later than October 1, 2012.
- F. Proof of liability insurance and a performance bond, as required by Section 471.038(3)(j)5., Florida Statutes, and this Agreement.
- G. On or before September 15, 2012, FEMC shall submit an Agency Litigation Inventory Schedule, using the format shown in Attachment 6.

**VII. Funding**

- A. FEMC shall operate under a fiscal year that begins on July 1, 2012 and ends on June 30, 2013.
- B. The total amount of this Agreement is Two Million One Hundred Twenty-Four Thousand Four Hundred Seventy-Three Dollars (**\$2,124,473**), subject to appropriation and release by the Legislature. This Agreement shall be funded through an appropriation by the Legislature on an annual basis, allocated to the regulation of professional engineers and special inspectors of threshold buildings from the Professional Regulation Trust Fund. The Department's performance and obligation to pay under this Agreement is contingent upon the annual appropriation and release by the Legislature in a "grant and aids category."
- C. Subject to approval by the Department and the Department of Financial Services pursuant to Section 216.181, Florida Statutes, and upon FEMC's request to the Department, the Department will fund FEMC as follows:
  - FEMC shall submit a request for funding to the Contract Monitor by the 15<sup>th</sup> of the month preceding the start of the quarter;
  - FEMC shall submit separate requests for funds from the operating and the unlicensed activity accounts;
  - Within two business days of receipt of the request, the Contract Monitor will forward the request to the Department's Director of Budget and Finance;
  - An advance payment not to exceed 25 percent of the contract amount may be made as soon after July 1, 2012, as feasible;
  - The remaining funding will be provided in equal payments on a quarterly basis beginning on or after October 1, 2012; January 1, 2013; and April 1, 2013.
- D. In the event FEMC's expenses exceed its draw in any given quarter, and the cash balance available is insufficient to cover those expenses, FEMC may request an advance of funds, not to exceed Two Hundred Thousand Dollars (\$200,000.00). Advancement of funds is subject to the approval of budget release pursuant to sections 216.192(1) and 216.177(2)(a), Florida Statutes.
- E. Prior to execution of this Agreement, FEMC shall submit a Proposed Budget for Grants and Aid for Fiscal Year 2012-2013, and a Proposed Budget for Unlicensed Activity for Fiscal Year 2012-2013, which shall be attached hereto collectively as Attachment 7, Proposed Budget.

- F. On or before June 1, 2013, FEMC shall submit a proposed budget transfer of unexpended funds for the fiscal year ending June 30, 2013. The proposed budget transfer shall be submitted to the Department's Director of the Office of Budget and Financial Management, with a copy to the Contract Monitor and FBPE. The Department shall either approve or deny the proposed budget transfer within seven (7) business days of receipt of the request. Failure to respond within seven (7) business days will constitute approval by the Department of the budget transfer. FEMC shall be responsible for submission of budget information requests and budget amendments to the Department on a timely basis.
- G. FEMC shall submit to the Department a legislative budget request justifying any additional funding needs for Fiscal Year 2013-2014 as directed by the Department's Director of Budget and Financial Management.

### **VIII. Revenue**

- A. FEMC shall be responsible for the collection and processing of application and examination fees, initial licensure fees, active renewal fees, inactive renewal fees, delinquency and reactivation fees, reimbursement of administrative costs, fines, and other miscellaneous revenue. In accordance with Section 116.01, Florida Statutes, FEMC shall deposit all receipts to the State concentration account to the credit of the Professional Regulation Trust Fund not later than seven (7) working days from the close of the week in which FEMC received the funds. The Department will provide FEMC with sequentially numbered deposit slips. Each deposit slip must be accounted for. FEMC will stamp the back of all checks deposited with the endorsement contained in Attachment 1, Endorsement Stamp.
- B. All revenue collected by FEMC shall be entered using the appropriate "object code" listed in Attachment 2, Fee Codes.
- C. FEMC is responsible for collecting or earmarking out of current licensure fees the \$5.00 fee for unlicensed activity as provided for in Section 455.2281, Florida Statutes. Fees collected under Section 455.2281, Florida Statutes, may be used by the FBPE to perform duties relating to unlicensed activity as contemplated in Section 471.038(5), Florida Statutes, subject to appropriation by the Legislature and allocations made by the Department. This information shall be tracked by FEMC in LicenseEase.
- D. FEMC will have in place a method to collect checks written on insufficient funds ("bad checks"). Redeposits of money from bad checks shall be made in accordance with the procedures stated in Attachment 3, Debit Memos Process Steps.
- E. FEMC shall maintain licensing fees that are not excessive but that are adequate to cover projected costs and maintain a 5% cash balance. If fees are excessive, the board may implement a waiver of license renewal fees for a period not to exceed two (2) years pursuant to Section 455.219, Florida Statutes.

- F. FEMC shall record and report accounts receivable (if any) pursuant to the Department's policy as provided in Attachment 5.
- G. Funds advanced to FEMC shall be deposited in a separate interest bearing account until the balance, not including the interest, is totally expended for the purposes allowed by the Agreement. All interest income attributable to or derived from funds advanced to FEMC shall be returned on a quarterly basis to the Department and will remain as cash to the credit of the FBPE within the Professional Regulation Trust Fund.
- H. All miscellaneous funds received by FEMC, such as from public records requests, shall be deposited to the credit of the FBPE within the Professional Regulation Trust Fund. This information shall be tracked and reported in the Quarterly Reports.

**IX. Expenditures**

- A. The Legislature has appropriated Two Million Seventy Thousand Dollars **(\$2,070,000.00)** allocated to the regulation of professional engineers from the Professional Regulation Trust Fund.

The Department has approved the use of Fifty Four Thousand Four Hundred Seventy-Three Dollars **(\$54,473.00)** from the unlicensed activity funds allocation. The unlicensed activity funds are to be utilized by the FBPE to perform the duties related to unlicensed activity pursuant to Chapter 455, Florida Statutes.

- B. Any incurred obligation of FEMC at June 30 of each year will be treated pursuant to the State's process as defined in Section 216.301, Florida Statutes. The funds will remain with FEMC for disbursement for all accounts payable on its books as of June 30. Any funds remaining with FEMC after the accounts payable have been certified will be returned to the Department no later than September 30 and will remain as cash to the credit of the FBPE within the Professional Regulation Trust Fund. By July 16, 2013, FEMC will notify the Department of incurred obligations that were not disbursed by June 30 in the manner provided in Attachment 9, Year-End Incurred Obligations Procedure. In the event an appropriate identification of an incurred obligation is not made and an incurred obligation is proven to be legal, due and unpaid, then the incurred obligation shall be paid and charged to the current fiscal year contract funds.
- C. In accordance with Section 287.058(1)(a), Florida Statutes, FEMC will maintain all invoices pertaining to the daily operation of the corporation in its office with sufficient detail to enable the Department to monitor its expenditures. This documentation will be retained for a minimum of three years.
- D. The Department will charge the FEMC cash account for all costs of representation by board counsel, including salary and benefits, travel, and any other compensation traditionally paid by the Department to other board counsel; all costs incurred by FEMC or the FBPE for the Division of Administrative Hearings of the Department of Management Services and any other costs for utilization of these services; reasonable costs associated with the Contract Monitor of the Department; banking fees associated with the acceptance of credit



cards; the service charge to General Revenue as provided in Chapter 215, Florida Statutes; and other allocated costs (including technology costs) incurred by the Department in support of the board pursuant to Section 455.219, Florida Statutes. If at any time, the FEMC cash account has a deficit or projected deficit, this Agreement will be amended to address the deficit.

- F. FEMC may provide for a bonus plan for Fiscal Year 2012-2013.
- G. When applicable, FEMC shall comply with the Department of Financial Services Reference Guide for State Expenditures (the Reference Guide), available at: [http://www.myfloridacfo.com/aadir/reference\\_guide/reference\\_guide.htm](http://www.myfloridacfo.com/aadir/reference_guide/reference_guide.htm). See also Attachment 10.
- H. When feasible, FEMC shall apply the guidelines found in the Reference Guide for the state P-card program to its use of credit cards.
- I. When feasible, FEMC shall comply with s. 112.061, Florida Statutes, and the guidelines found in the Reference Guide for state travel expenses to its travel expenditures.

## **X. Technology**

### **A. LicenseEase**

All applications, licensure and disciplinary services shall utilize the LicenseEase system. Once records and data are submitted by FEMC to the LicenseEase system, the Department shall take full responsibility and liability for the security of the data. The Department shall make the LicenseEase system available to FEMC staff at all times that it is available to Department staff. All maintenance and support of the LicenseEase system will be performed by the Department.

### **B. Knowledge Champion**

FEMC must designate a Knowledge Champion to serve as liaison with the Department regarding system-related issues, such as outages and hours of operation. The Knowledge Champion is required to attend scheduled change management meetings at the Department and to participate in user acceptance testing for system changes and upgrades. The Knowledge Champion will notify the Department of any problems with its utilization of the LicenseEase system via e-mail addressed to [help@dbpr.state.fl.us](mailto:help@dbpr.state.fl.us). Department staff will address reported issues on the same schedule utilized for problems identified by Department staff.

## **XI. Insurance**

### **A. Liability Insurance**

FEMC will secure and maintain during the term of this Agreement and for all acts performed during the term of the Agreement, the insurance coverages required by Section 471.038(3)(j)5., Florida Statutes, as exemplified by Attachment 4, Certificate of Liability Insurance. The insurance must provide coverage to defend, indemnify, and hold harmless FEMC and its officers and employees, the Department and its employees, and

the State, against all claims arising from state and federal laws in an amount to be approved by the FBPE. The Department and its employees and the State are exempt from and are not liable for any sum of money which represents a deductible, which sums shall be the sole responsibility of FEMC. FEMC will ensure that all of the insurers indicated on the insurance policies are qualified and do business with the State of Florida.

FEMC will secure and maintain all commercially available insurance to meet the requirements of Section 471.038(3)(j)5, Florida Statutes. Both parties acknowledge that Section 471.038(3)(j)5, Florida Statutes, does not require FEMC to obtain coverage for itself and the Department which is not obtainable for public policy reasons. However, if at any time it is determined that insurance becomes available which would otherwise be required under the statute, FEMC will immediately acquire such insurance. Failure by FEMC to secure and maintain the insurance coverages provided for in this paragraph or in violation of Section 471.038(3)(j)5, Florida Statutes, shall be grounds for terminating this Agreement.

**B. Performance Bond**

FEMC shall provide for non-employees charged with the responsibility of receiving and depositing fee and fine revenues to have a faithful performance bond in the amount of Five Hundred Thousand Dollars (\$500,000.00), as required by Section 471.038(3)(j)5., Florida Statutes, and this Agreement.

**XII. Single Audit Act Requirements**

The administration of funds awarded by the Department to FEMC may be subject to audits and monitoring by the Department.

**A. Monitoring**

In addition to reviews of audits conducted in accordance with Section 215.97, Florida Statutes, monitoring procedures may include, but not be limited to, on-site visits by Department staff, limited scope audits, and/or other procedures. By entering into this Agreement, FEMC agrees to comply and cooperate with any monitoring procedures or processes deemed appropriate by the Department. In the event that the Department determines that a limited scope audit of FEMC is appropriate, FEMC agrees to comply with any additional instructions provided by the Department to FEMC regarding such audit. FEMC further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Department of Financial Services or Auditor General.

**B. Audits**

1. FEMC is a nonstate entity as defined by Section 215.97(2), Florida Statutes.

2. In the event that FEMC expends a total amount of state financial assistance equal to or in excess of \$500,000 in any fiscal year (for fiscal years ending September 30, 2004 or thereafter), FEMC must have a State single or project-specific audit for such fiscal year in accordance with Section 215.97,

Florida Statutes; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, and Section 471.038(3)(k), Florida Statutes. Attachment 8, Florida Single Audit Act information indicates state financial assistance awarded through the Department by this Agreement. In determining the state financial assistance expended in its fiscal year, FEMC shall consider all sources of state financial assistance, including state financial assistance received from the Department, other state agencies, and other nonstate entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a nonstate entity for Federal program matching requirements.

**3.** FEMC shall ensure that the audit complies with the requirements of Section 215.97(8), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.

**4.** Evidence of FEMC's engagement of an independent certified public accountant to conduct the audit shall be provided to the Department no later than **October 1, 2012**. In addition to the requirements of Section 215.97, Florida Statutes, the audit report shall include a detailed supplemental schedule of expenditures for each expenditure category and a management letter, pursuant to Section 471.038(3)(k), Florida Statutes. The audit report must be submitted to the FBPE, the Department and Auditor General for review together with any other information requested by the Department, the FBPE, or the Auditor General. The Auditor General may, pursuant to his or her own authority or at the direction of the Legislative Auditing Committee conduct an audit of FEMC, and FEMC shall provide all requested information immediately upon request.

**5.** It is FEMC's sole responsibility to maintain its records in a fashion which will allow for an annual financial and compliance audit of its financial accounts and records by an independent certified public accountant, in accordance with generally accepted auditing standards.

**6.** Copies of reporting packages required by this Section shall be submitted by or on behalf of FEMC directly to each of the following:

- a.** Department of Business and Professional Regulation  
ATTN: Yvette Pressley, Contract Monitor  
Office of the General Counsel  
1940 North Monroe Street  
Tallahassee, FL 32399
- b.** State of Florida Auditor General  
ATTN: David W. Martin  
Room 401, Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

7. Any reports, management letters, or other required information to be submitted to the Department pursuant to this Agreement shall be submitted timely in accordance with Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

8. FEMC, when submitting financial reporting packages to the Department for audits done in accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the recipient in correspondence accompanying the reporting package.

### **XIII. General Provisions**

#### **A. Dispute Resolution**

This Agreement shall be governed by and construed in accordance with the laws of Florida, and venue and jurisdiction for any disputes arising out of this Agreement shall be in the state courts of Leon County, Florida.

The parties agree that any disputes between the parties regarding their responsibilities under this Agreement or any provision of Florida law should be resolved as soon as possible at the lowest level possible in the most informal manner possible in order to conserve the resources of the parties. The parties agree to use their best efforts to assure speedy and non-confrontational resolution of any and all disputes. FEMC recognizes that the Department is mandated by Florida Statutes with the monitoring of FEMC's activities, and after consultation with the FBPE, has the authority to resolve disputes.

The parties agree to be responsible for their own attorney's fees and costs incurred in connection with disputes arising under the terms of this agreement.

#### **B. Liability**

Each party hereby assumes any and all risks of personal injury and property damage attributable to the acts or omissions of that party or its officers, employees, or agents. Furthermore, any claim of liability asserted against the Department is subject to the limitations of Section 768.28, Florida Statutes.

FEMC shall provide all necessary services to manage its own corporation, including but not limited to finance and accounting and personnel administration. FEMC shall make only prudent expenditures directly related to the responsibilities of the FBPE, and in accordance with this Agreement. FEMC shall maintain all records in accordance with the guidelines of the Department of State and shall not destroy any records prior to the limits imposed by the Department of State. FEMC shall maintain an approved Procurement Policy and Code of Ethics that governs its directors and employees.

FEMC employees and its Board of Directors are not public employees for the purposes of Chapters 110 or 112, Florida Statutes, except that the Board of Directors and the President of FEMC are subject to the provisions of Sections 112.061, 112.313(1)-(8) and 112.3135, Florida Statutes. The Department's Office of Inspector General is authorized

to perform duties related to members of the Board of Directors of FEMC and its President as set forth in Section 20.055, Florida Statutes, related to violations of Sections 112.061, 112.313(1)-(8) and 112.3135, Florida Statutes. Nothing herein shall prohibit FEMC from disciplining its directors and President or FBPE from taking appropriate action. The Executive Office of the Governor is authorized to impose the penalties cited in Section 112.317, Florida Statutes, for violations of Sections 112.313(1)-(8) and 112.3135, Florida Statutes, by members of FEMC's Board of Directors or its President.

**C. Public Entity Crime**

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of thirty six (36) months from the date of being placed on the convicted vendor list.

**D. Notice to Contractor**

The Department shall consider the employment by any contractor of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationalization Act. Such violation shall be cause for unilateral cancellation of this contract without notice, opportunity to cure, or cost.

Pursuant to Executive Order No. 11-02 (January 4, 2011), FEMC agrees that, if applicable, it will enroll and participate in the Employment Eligibility Verification Program ("E-Verify Program") administered by the U.S. Department of Homeland Security, to verify the employment eligibility of all persons it employs during the contract term to perform duties in Florida. FEMC agrees that it will provide to the Department, within thirty days of the effective date of this contract, a copy of its "Edit Company Profile" page, which provides proof of enrollment in the E-Verify Program. Information regarding "E-Verify" is available at the following website:  
[http://www.dhs.gov/files/programs/gc\\_1185221678150.shtm#1](http://www.dhs.gov/files/programs/gc_1185221678150.shtm#1).

FEMC further agrees that, if applicable, it will require each subcontractor that performs work under this contract to verify the employment eligibility of its employees, by enrolling and participating in the E-Verify Program, within ninety days of the effective date of this contract or within ninety days of the effective date of the contract between FEMC and the subcontractor, whichever is later. FEMC agrees that it will obtain from each subcontractor a copy of its "Edit Company Profile" page and will make such record(s) available to the Department and other authorized state officials upon request.

FEMC agrees that it will maintain records of its participation in and compliance with the provisions of the E-Verify Program, including participation by its subcontractors as provided above, and that it will make such records available to the Department and other authorized state officials upon request.



**E. Compliance with Laws and Rules**

FEMC shall be responsible for complying with all applicable Federal laws, Florida Statutes, and Florida Administrative Rules.

**F. Americans with Disabilities Act**

FEMC shall be responsible for and cover all costs for accommodating disabled persons in accordance with the Americans with Disabilities Act, as such accommodations pertain to the scope of services.

**G. Record Retention**

FEMC shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date the audit report is issued, and shall allow the Department, or its designee, access to such records upon request. FEMC shall ensure that audit working papers are made available to the Department, or its designee, upon request for a period of three years from the date the audit report is issued, unless extended in writing by the Department.

**H. Public Documents**

Pursuant to Section 287.058, Florida Statutes, FEMC shall allow access to all documents, papers, letters or other materials subject to Chapter 119, Florida Statutes.

The Department may cancel this Agreement without cost for refusal by FEMC to allow public access to all documents, papers, letters, or other material originated or received by FEMC in conjunction with the Agreement subject to the provisions of Chapter 119, Florida Statutes. Prior to such cancellation, the Department will provide FEMC with written notice and ten (10) days to cure.

**I. Access to All Records**

The Department Inspector General (IG), State Chief Financial Officer, and agency representatives shall be allowed access to all records.

**J. Other Employment**

FEMC shall not engage the services of any person or persons now employed by the State of Florida, including any department or subdivision thereof, to provide services relating to this Agreement without written consent of the employer of such person or persons and of this Department. Also, if FEMC is otherwise employed by the State of Florida during the term of this agreement, FEMC represents that FEMC has complied with all applicable provisions of Sections 216.262(1) (d) and 112.3185, Florida Statutes, and all applicable regulations regarding outside or dual employment and compensation.

**K. Costs Incurred**

FEMC shall be responsible for the acquisition of property, equipment, and supplies necessary to fulfill the requirements of this Agreement. Any leasing or reservation of space to perform this Agreement will be the sole responsibility of FEMC.

**L. Termination**

Upon termination of this Agreement or revision thereof whereby FEMC no longer is approved to provide services as contemplated by this Agreement, all monies, records, data and property held in trust by FEMC for the benefit of FBPE shall revert to the FBPE or to the State of Florida if the FBPE ceases to exist. In the event of contract termination, FEMC shall be responsible for ensuring that all data relating to licensure and discipline can be converted for use on Department systems and FEMC is solely responsible for the cost of such conversion.

Failure to comply with any part of this Agreement shall be grounds for the Department to terminate the Agreement for default without prior notice or opportunity to cure.

**M. Entire Agreement**

This Agreement and the following attachments constitute the entire Agreement of the parties:

Attachment 1, Endorsement Stamp;  
Attachment 2, Fee Codes;  
Attachment 3, Debit Memo Process Steps and Attachments I-VII;  
Attachment 4, Certificate of Liability Insurance;  
Attachment 5, Accounts Receivable and Write-Off Policies and Procedures;  
Attachment 6, Schedule VII: Agency Litigation Inventory;  
Attachment 7, Proposed Budget for Year Ending June 30, 2013 (Grants and Aid / Unlicensed Activity);  
Attachment 8, Florida Single Audit Act information;  
Attachment 9, Year-End Incurred Obligations Procedure; and  
Attachment 10, Link to Department of Financial Services, Reference Guide for State Expenditures.

No other agreement or modification to this Agreement, expressed or implied, shall be binding on either party unless same shall be in writing and signed by both parties. This Agreement may not be orally modified. Any modification must be in writing, expressly titled an amendment to this Agreement, attached to this Agreement, and signed by both parties.

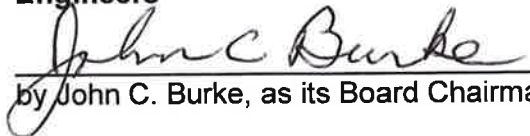
IN WITNESS WHEREOF, the parties agree to all provisions and conditions of this Agreement.

DONE AND ORDERED this 15<sup>th</sup> day of June, 2012.

  
\_\_\_\_\_  
Ken Lawson, Secretary  
**Department of Business &  
Professional Regulation**

  
\_\_\_\_\_  
**Florida Engineers Management Corp.**  
by Roger Jeffery, as its Board Chairman

Approved by the **Board of Professional  
Engineers**

  
\_\_\_\_\_  
by John C. Burke, as its Board Chairman



**ENDORSEMENT STAMP**

**PAY TO THE ORDER OF  
BANK OF AMERICA  
FOR DEPOSIT ONLY  
CHIEF FINANCIAL OFFICER OF FLORIDA  
BPR  
FL BOARD OF PROF ENGINEERS  
LOCATION 7900009  
ACCOUNT # 001009073301**



## FEE CODES

### BOARD OF PROFESSIONAL ENGINEERS (FEMC)

79-50-2-547001

79-50-00-00-009

#### FEES - CATEGORY - 000100

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
001101	22	INITIAL APPLICATION
001102	22	LICENSE VERIFICATION
001105	22	EXAM REVIEW
001108	22	DUPLICATES/NAME & STATUS CHANGE
001109	22	BOARD SPECIFIC FEES
001118	22	TEMPORARY REGISTRATION FOR RECIPROCITY APPLICANTS
001119	22	TEMPORARY CERTIFICATE OF AUTHORIZATION
001120	22	SPECIAL INSPECTOR CERTIFICATE
001129	22	CONTINUING EDUCATION PROGRAM
001128	22	LAWS & RULES COURSE APPROVAL APPLICATION
001159	22	APPL FOR ENDORSEMENT OF ENG INTERN CERTIFICATE

#### LICENSES - CATEGORY - 000200

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
002101	22	INITIAL LICENSE
002102	22	RENEWAL
002103	22	INACTIVE
002104	22	REACTIVATION
002105	22	DELINQUENT CHARGES
002106	22	UNLICENSED ACTIVITY
002112	22	ONE TIME ASSESSMENT

#### MISCELLANEOUS - CATEGORY 000400

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
004027	22	OTHER REVENUE

#### INTEREST - CATEGORY - 000500

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
005003	22	INTEREST FROM FEMC

#### FINES - CATEGORY - 001200

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
012001	22	ADMINISTRATIVE FINES
012002	22	CITATIONS
012038	22	CITATIONS - UNLICENSED ACTIVITY
012039	22	FINES - UNLICENSED ACTIVITY

#### PENALTIES - CATEGORY - 001202

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
012094	22	SERVICE CHARGE COLLECTED - RETURNED CHECKS

#### TRANSFERS - CATEGORY - 001500

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
015003	22	REIMBURSEMENT FROM FEMA

#### REFUNDS - CATEGORY - 001800

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
018001	22	REFUNDS
018017	22	PROSECUTION COSTS - REIMBURSEMENT
018050	22	REIMBURSEMENT OF COSTS

#### SALE OF GOODS OUTSIDE STATE GOVERNMENT - CATEGORY - 001904

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
010401	22	SALE OF GOODS OUTSIDE STATE GOVERNMENT

#### PRIOR YEAR WARRANT CANCELLATIONS - CATEGORY - 003700

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
037001	22	PRIOR WARRANT CANCELLATIONS
037039	22	PRIOR WARRANT CANCELLATIONS UNLICENSED ACTIVITY

**Office of Finance & Accounting – Revenue Accounting Section**  
**Debit Memos Process Steps**  
**As of September 22, 2009**

**Reference.** Pursuant to Chapter 215.34 Florida Statutes, all checks, credit card payments and EFTs that are returned due to non-payment are sent back to the State Treasurer. The Treasurer processes the returned item as a debit memo and deducts the non-payment from the Agency's account that originally deposited the money. Each Agency has one account established that the money will be credited to. All DBPR debit memo is debited to AB&T Licenses.



Chapter 215.34  
Florida Statutes

- 1) **Receive Debit Memo.** A debit memo is received in Finance and Accounting (F&A) by the Accountant I, Revenue Accounting Section, RAS (Attachment I).



Attachment I

- 2) **Debit Memo.** Accountant I, RAS reviews debit memo to determine if it is a charge back (credit card), EFT or dishonored check (includes on-line payments) (Attachment I-A).



Attachment I-A

- 3) **Charge Back.** If the debit memo is for a charge back, it is given to Accountant III, RAS who provides a copy of the charge back to Supervisor of the Revenue Section of Central Intake to research (Attachment II).



Attachment II

- 4) **Debit Memo.** If the debit memo is for an EFT or dishonored check (excludes charge backs), the Accountant I, RAS will process the debit memo. The Accountant I, RAS will research check in LicenseEase to determine the Board number.

- 5) **Debit Memo System.** The Accountant I, RAS enters information into the debit memo system as outlined below (Attachment III):



Attachment III-A,B

- a) **Debit Memo System Automatically Assigns Accounts Receivable Number.** The Accountant I, RAS enters into the Debit Memo screen the debit memo number from the original Debit Memo document received from the Treasury (Attachment III – A). System will generate Accounts Receivable number for debit memo.

- b) **Additional Information Required.** Accountant I, RAS enters into the next screen the reason for dishonored payment, Board/Division and check number. (Attachment III - B).
  - c) **Update.** The Accountant I, RAS prompt to have the account added (“Add Accountant” prompt) (Attachment III – B).
- 6) **LicenseEase.** For each bad check/EFT, the file or license of the submitter must be flagged in LicenseEase to prevent further renewals until the debt has been paid (Attachment IV).



Attachment IV

- a) **Flags Record.** Accountant I, RAS enters validation #, year, board number, accounts receivable number and debit memo number in LicenseEase to Flag record.
- b) **Identify Letter Type.** Accountant I, RAS identifies the type of letter from among options available in License Ease as follows (Attachment V – A/D):
  - i) **Insufficient funds Payment - Beneficiary (Attachment V-A).**



Attachment V-A

- ii) **Paid in Full (Attachment V-B).**



Attachment V-B

- iii) **Partial Payment (Attachment V-D).**



Attachment V-D

- c) **Print Letter.** A letter is printed from LicenseEase. If the client does not possess a file # or license #, the Accountant I (RAS) will manually print the desired letter (see Attachment V-A/D for edits to be made as necessary).
- d) **FEMC Letter and Debit Memo.** If the bad check or EFT is for the Board of Professional Engineers, the original Letter and original copy of bad check is sent to the Board of Engineers.
- e) **Letter Printed From License Ease Verified.** The letter is printed from License Ease in F&A. The information printed on letter is verified and balanced to the bad check/EFT by the Accountant I, RAS. The letter is copied and distributed as identified below with the original letter being sent to the Licensee:

- i) Board or Program Area.
- ii) File.
- iii) Original letter sent to Licensee.
- iv) General Counsel's Office.

- 7) **File is Prepared.** A file folder is prepared for Client. The bad check or copy of EFT is placed in file along with a copy of the bad check letter.
- 8) **Nightly Processing.** Each night during nightly processing, LicenseEase runs the following programs:
- a) **Update Debit Memo System.** A program is run to update the Debit Memo with the Licensee's name and address for each Accounts Receivable number that was assigned in LicenseEase.
  - b) **FTP File.** A program is run to create transaction 94's to reimburse AB&T for the debit memos that belong in other Boards/Programs (**Attachment VI**).



Attachment VI

- 9) **Review Debit Memos.** Each morning, the Accountant I, RAS receives an exception report from LicenseEase which lists any Accounts Receivables that could not update the Debit Memo System. The Accountant I, RAS manually enters any accounts Receivable that did not populate the Debit Memo System.
- 10) **Debit Memos.** After the Debit Memos are entered in the Debit Memo System and balanced. The Debit Memo documents received from Department of Financial Services are ta
- 11) **FTP File.** The Accountant IV, RAS receives an FTP file of Transaction 94's created by LicenseEase. See Debit Memo TR94 instructions.

- 12) **Note: A new letter has been submitted as part of the Plain Language initiative (Attachment VII).**



Attachment VII

#### **Reference Charge Back Process Steps to Proceed with Charge Backs.**

##### **11.) Funds Received for Dishonored Payments:**

- a) **Payments Received:** Payments are opened and clocked in on the date of receipt in the Finance & Accounting office.



**b) Obtain AR#:** If the payment is received in the green envelope that was provided to each recipient of a dishonored letter, then the AR# is written on the lower left hand corner of the green return envelope. If the dishonored letter is provided, the AR# is printed on the face of the document. If neither the green envelope nor dishonored letter is provided then research is needed in order to find the AR#. (Example: search LicenseEase or Debit Memo system by name or license # if available.)

**c) Match payment to Letter:** The payment is then matched with the dishonored payment letter pertinent to each AR #. The Dishonored letters are filed by AR # in the dark blue filing cabinet in the Accountant I's office. Pertinent accounting information is included at the bottom of each letter. The balance due is broken down by object code showing how the funds are to be deposited. Information relevant to Board, File #, Year, and License # are also included at the bottom of the letter.

**d) Partial Payments Received:** Adjustments must be made to the accounting information at the bottom of the letter so that the deposit is made accurately. Hand written changes are made to the accounting information to show where to apply the partial payment. In addition, a statement requesting that the original payment remain flagged in LicenseEase is handwritten on the letter and a line must be drawn through the Year and Validation #.

Note: Prior to delivery of payment, amount of payment and date that payment is delivered to CIU, is written on the file folder pertaining to the payment.

**e) Delivery of Payments:** Payments with matching letters are hand carried to CIU - Revenue section for deposit.

Select Year:   

## The 2007 Florida Statutes

[Title XIV](#)

[Chapter 215](#)

[View Entire Chapter](#)

### TAXATION AND FINANCE FINANCIAL MATTERS: GENERAL PROVISIONS

#### **215.34 State funds; noncollectible items; procedure.--**

(1) Any check, draft, or other order for the payment of money in payment of any licenses, fees, taxes, commissions, or charges of any sort authorized to be made under the laws of the state and deposited in the State Treasury as provided herein, which may be returned for any reason by the bank or other payor upon which same shall have been drawn shall be forthwith returned by the Chief Financial Officer for collection to the state officer, the state agency, or the entity of the judicial branch making the deposit. In such case, the Chief Financial Officer may issue a debit memorandum charging an account of the agency, officer, or entity of the judicial branch which originally received the payment. The original of the debit memorandum shall state the reason for the return of the check, draft, or other order and shall accompany the item being returned to the officer, agency, or entity of the judicial branch being charged. The officer, agency, or entity of the judicial branch receiving the charged-back item shall prepare a journal transfer which shall debit the charge against the fund or account to which the same shall have been originally credited. Such procedure for handling noncollectible items shall not be construed as paying funds out of the State Treasury without an appropriation, but shall be considered as an administrative procedure for the efficient handling of state records and accounts.

(2) Whenever a check, draft, or other order for the payment of money is returned by the Chief Financial Officer, or by a qualified public depository as defined in s. 280.02, to a state officer, a state agency, or the judicial branch for collection, the officer, agency, or judicial branch shall add to the amount due a service fee of \$15 or 5 percent of the face amount of the check, draft, or order, whichever is greater. An agency or the judicial branch may adopt a rule which prescribes a lesser maximum service fee, which shall be added to the amount due for the dishonored check, draft, or other order tendered for a particular service, license, tax, fee, or other charge, but in no event shall the fee be less than \$15. The service fee shall be in addition to all other penalties imposed by law, except that when other charges or penalties are imposed by an agency related to a noncollectible item, the amount of the service fee shall not exceed \$150. Proceeds from this fee shall be deposited in the same fund as the collected item. Nothing in this section shall be construed as authorization to deposit moneys outside the State Treasury unless specifically authorized by law.

(3) When a county or municipal official or agency is acting for a state official or agency or the judicial branch in the collection of fees or other charges, the service fee collected under this section shall be retained by the collector of the fee.

**History.--**s. 5, ch. 22833, 1945; s. 1, ch. 75-56; s. 3, ch. 86-51; s. 5, ch. 87-331; s. 1, ch. 90-212; s. 19,

EXAMPLE: DISHONORED (PAPER) CHECK



State of Florida  
Division of Treasury  
Tallahassee, Florida

FOR OFFICIAL USE	
DATE	NUMBER
09/24/2007	01699

**DEBIT MEMORANDUM**

2

To: BPR CALDER RACE COURSE MIAMI

<i>General Revenue Total</i>	0.00
<i>Trust Total</i>	1,185.00
<i>Other Total</i>	0.00
<b>Total</b>	<b>\$1,185.00</b>

*Distribution*

<i>Cross Ref</i>	<i>Samas Code</i>	<i>Reason</i>	<i>Amount</i>
158	79-20-2-022001-79400300-00-000200-00	INSUFFICIENT FUNDS	40.00
158	79-20-2-022001-79400300-00-000200-00	INSUFFICIENT FUNDS	59.00
158	79-20-2-022001-79400300-00-000200-00	INSUFFICIENT FUNDS	59.00
158	79-20-2-022001-79400300-00-000200-00	INSUFFICIENT FUNDS	85.00
158	79-20-2-022001-79400300-00-000200-00	INSUFFICIENT FUNDS	442.00
158	79-20-2-022001-79400300-00-000200-00	INSUFFICIENT FUNDS	500.00

**Grand Total:** **\$1,185.00**

RECEIVED  
 DBPR  
 FINANCE & ACCOUNTING  
 2007 SEP 26 P 12: 23

If there are any questions, contact Treasury Receipts Section at (850) 413-2772.

The above named fund(s) has been reduced by the amount of this check(s) under the authority of Section 215.34, F.S.

*Alex Bank*

Process Date: 09/06/2007

Chief Financial Officer



EXAMPLE: ELECTRONIC PAYMENTS



State of Florida  
Division of Treasury  
Tallahassee, Florida

FOR OFFICIAL USE	
DATE	NUMBER
10/11/2007	02146

2

**EFT  
DEBIT MEMORANDUM**

To: DBPR/PALM MEADOWS TRAINING CTR.

<i>General Revenue Total</i>	0.00
<i>Trust Total</i>	230.00
<i>Other Total</i>	0.00
<b>Total</b>	<b>\$230.00</b>

*Distribution*

<i>Cross Ref</i>	<i>Samas Code</i>	<i>Reason</i>	<i>Amount</i>
158	79-20-2-022001-79400300-00-000200-00	01 Insufficient Funds	50.00
158	79-20-2-022001-79400300-00-000200-00	03 No Account/Unable to locate Account	60.00
158	79-20-2-022001-79400300-00-000200-00	03 No Account/Unable to locate Account	60.00
158	79-20-2-022001-79400300-00-000200-00	04 Invalid Account Number	60.00

**Grand Total:** \$230.00

RECEIVED  
DBPR  
FINANCE & ACCOUNTING  
2007 OCT 16 A 8:35

If there are any questions, contact Treasury Receipts Section at (850) 413-2772.

The above named fund(s) has been reduced by the amount of this check(s) under the authority of Section 215.34, F.S.

*Alex Sink*

Process Date: 10/10/2007

Chief Financial Officer

EXAMPLE - CHARGE BACK



State of Florida  
Division of Treasury  
Tallahassee, Florida

FOR OFFICIAL USE	
DATE	NUMBER
08/23/2007	01011

**BANK DEBIT MEMORANDUM**

**Copy # 2 Agency**

To: DEPT. OF BUSINESS AND PROFESSIONAL REGULATION

SUMMARY	
General Revenue	\$0.00
Trust Amount	(\$105.00)
Other Amount	\$0.00
<b>Total Amount</b>	<b>(\$105.00)</b>

*Distribution*

Cross Ref	Samas Code	Description	Amount
158	79-20-2-022001-79400300-00-000200-00	AMERICAN EXPRESS/CHARGEBACK	-105.00

Grand Total: (\$105.00)

2007 AUG 27 4:11:46  
CHARGE BACK MISSING  
RECEIVED

If there are any questions, contact Treasury Receipts Section at (850) 413-2772.

The above named fund(s) has been reduced by the amount of this check(s) under the authority of Section 215.34, F.S.

*Alex Sink*

Chief Financial Officer

Process Date: 08/23/2007

Attachment III -

File Maintenance Reports

# DBPR Debit Memo

## Main Menu

### Main Functions

- Add Account Receivable *click here*
- Post Payment
- Edit Payment
- Inquire Payments
- Create Comptroller's Write-off File
- Search

### Maintenance

- Type Codes
- Reason Codes
- Board Code
- Board Debit/Credit Revenue Codes
- Security Table

## Reports

### Account Receivables

- AR Addition for SAMAS Entries
- Account History
- Detail of Payment by AR Number
- AR List of Outstanding Balances by Trust Fund
- Details of Additions
- Batch deposit Detail for SAMAS Entries

### AR's Write Off No Approval

- AR With Balance and No Write Off Approval by Board
- AR With Balance and No Write Off Approval - Board Specific

### AR's Write off Excluded

- AR With Balance and Write Off Excluded by Board
- AR With Balance and Write Off Excluded - Board Specific

### Approved Write Off's

- Approved Write Off's by Board
- Approved Write Off's - Board Specific

### Not Approved Write Off's

- Write Off's Not Approved/Requested by Board
- Write Off's Not Approved/Requested-Board Specific

### Requested Write Off's

- Requested Write Off's by Board
- Requested Write Off's - Board Specific

### 90 Day Write Off's

- Final Write Off's by Board
- Final Write Off's - Board Specific
- Preliminary Write Off's by Board
- Preliminary Write Off's - Board Specific

### Fiscal Year

- AR List by Board

Attachment III - A

File Maintenance Reports

Debit Memo

✓ denotes required field

Treasury Debit Memo Information

Enter the following to add a new record:

Debit Memo #

DM2099 ✓

Debit Memo Date  
(mm/dd/yy format)

10/08/07 ✓

Fill in Debit memo # & Debit memo date from original Debit memo received from Treasury

OK | Cancel

### Debit Memo

✓ denotes required field

#### Add Account Receivable Information

Debit Memo #  Debit Memo Date

Account Receivable #

← A/R # is generated

Licensee Personal Information	
First Name	<input type="text"/>
Last Name	<input type="text"/>
Street Address/Apt #	<input type="text"/>
City	<input type="text"/>
State	<input type="text" value="FL"/>
Country	<input type="text"/>
Zip	<input type="text"/>

Account Information	
Reason	<input type="text" value="or"/> <input type="text" value="Select Reason"/>
Board/Division	<input type="text" value="or"/> <input type="text" value="Select Board/Division"/>
Receipt #	<input type="text"/>
License #	<input type="text"/>
AR Date	<input type="text" value="10/16/2007"/>
Check #	<input type="text" value="✓"/>
Check Amount	\$ <input type="text"/>
ID #	<input type="text"/>
Type	<input type="text" value="(S=SSN, F=FEID, P=PIN #)"/>
Bookkeeping Indicator	<input type="text"/>
Doing Business As	<input type="text"/>
Comments	<input type="text"/>

Acct. I fills in highlighted fields based on research findings

Check Owner Personal Information	
Title	<input type="text"/>
First Name	<input type="text"/>
Last Name	<input type="text"/>
Street Address/Apt #	<input type="text"/>
City	<input type="text"/>
State	<input type="text" value="FL"/>
Zip	<input type="text"/>

↑ Click here when Account information has been filled in.

click on cash then click "Bad Check" option

Application License **Cash** Exams Inspection Enforcement Utilities Window Help



Client 79 Dept of Business & Prof Regulation jsapp 10/16/2007

LicenseEase Menu  
Exit



VERSA



Vertical list of seven empty rectangular input fields.

Record: 1/1

<OSC>



Acct. I fills in highlighted fields then click enter

Report/Reverse Bad Check (ca14)

**Receipt**

Client 05 Board of Cosmetology Received \$  Clear

Validation # 70143093 Unassigned \$

Fiscal Year 2007 Bed Check   Notes

Date Posted  Memo #

Replacing  Acct #

Replaced By

**Remitter**

Client  Enter

Name

Lic #

File #

**Payment List**

Client	Type	Charge Description	Name	Amount \$

<< >>

Exit



This is next screen  
click "Mark"

Record (Reverse Bad Check (ca14))

Receipt

Client	05	Received \$	50.00	Clear
Validation #	70143093	Unassigned \$	0.00	Mark
Fiscal Year	2007	Bad Check	<input type="checkbox"/>	Notes
Date Posted	08/29/2007			
Replacing		Memo #		
Replaced By		Acct #		

Remitter

Client	0502	Cosmetology Salon	Letter
Name		HAIR SALON	
Lic #		9890	
File #		48444	

Payment List

Client	Type	Charge	Description	Name	Amount \$
05	M	CITN	Citation	HAIR SALON	50.00

<< >>

Exit

Next screen:  
Account Information box pops up  
Acct. # fills in highlighted fields then click OK.

Application License Cash Exams Inspection Enforcement Utilities Window Help



79 Dept of Business & Prof Regulation

psapp

10/16/2007

Receipt

Client: 05  
Validation #: 70143093  
Fiscal Year: 2007  
Date Posted: 08/29/2007  
Replaced By: \_\_\_\_\_  
Memo #: \_\_\_\_\_  
Acct #: \_\_\_\_\_

Received \$: 50.00  
Unassigned \$: 50.00  
Bad Check:   
Clear  
Mark  
Notes

Remitter

Client: 0502 Cosme  
Name: \_\_\_\_\_  
Lic #: 9890  
File #: 48444

Memo #: DM2099  
Acct #: 080880 → A/R #

Payment List

Client	Type	Charge Des	Amount \$
05	M	CTN	50.00

OK Cancel

Letter  
Exit

Once OK is clicked the validation # attached to this transaction has been flagged in LicenseEase.

Account Number

Record: 1/1

<OSC>



Next screen:  
Click on "Letter"

Application License Cash Exams Inspection Enforcement Utilities Window Help

79 Dept. of Business & Prof Regulation jsapp 10/16/2007

Record/Reverse Bad Check (ca14)

Receipt

Client	05	Received \$	50.00	Clear
Validation #	70143093	Unassigned \$	50.00	UnMark
Fiscal Year	2007	Bad Check	<input type="checkbox"/>	Notes
Date Posted	08/29/2007	Memo #	DM2099	
Replacing		Acct #	080880	
Replaced By				

Remitter

Client	0502	Cosmetology Salon	Letter
Name	[REDACTED] HAIR SALON		
Lic #	[REDACTED]		
File #	48444		

Payment List

Client	Type	Charge Description	Name	Amount \$
05	M	CITN Citation	[REDACTED] HAIR SALON	50.00

<< >> Exit



File Edit Record Go Help Window



Client 79 Dept of Business & Prof Regulation psapp 10/16/2007



receipt

Client	05	Received \$	50.00	<input type="checkbox"/>
Validation #	70143093	Unassigned \$	50.00	<input type="checkbox"/>
Fiscal Year	2007	Bad Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date Posted	08/29/2007	Memo #	DM2099	
Replacing		Acct #	080880	
Replaced By				

Remitter

Client	0502	Cosmetology Salon	<input type="checkbox"/>
Name	[REDACTED] HAIR SALON		<input type="checkbox"/>
Lic #	[REDACTED] 9890		
File #	48444		



Payment List

Client	Type	Charge	Description
05	M	CITR	Creation

Letter Selection (lp21)

Group	C	Cash
Purpose		<i>click on arrow of drop down box</i>
Letter		
Letter has "Ask" fields - edit only allowed	<input type="checkbox"/>	
Letter has multiple choice canned text	<input type="checkbox"/>	<input type="button" value="Select"/>
Printer	DEFAULT	

Print Preview Edit Exit

FIELD VALUE IS REQUIRED

Record: 1/1 ... List of Valu... <OSC>



File Edit Record Go Help Window



Client 79 Dept of Business & Prof Regulation psapp 10/16/2007

**Receipt**

Client 05 Received \$ 50.00  
 Validation # 70143093 Unassigned \$ 50.00  
 Fiscal Year 2007 Bad Check   
 Date Posted 08/29/2007  
 Replacing \_\_\_\_\_ Memo # DM2099  
 Replaced By \_\_\_\_\_ Acct # 080880

---

**Remitter**

Client 0502 Cosmetology Salon  
 Name \_\_\_\_\_ HAIR SALON  
 Lic # \_\_\_\_\_  
 File # 48444

**Payment List**

Client	Type	Charge	Description
05	M	CITN	Citation

**Letter Purpose**

Group C  
 Purpose \_\_\_\_\_  
 Letter \_\_\_\_\_  
 Printer DEFAULT

Purpose	Description
B	Bad Check
C	Cash
T	Temporary License
V	Validation

Print Pre Find OK Cancel

\* Choose purpose of letter from options given

Choices in list 4

Record: 1/1 .. List of Valu. <OSC>

File Edit Record Go Help Window



Client 79 Dept of Business & Prof Regulation psapp 10/16/2007

Receipt

Client 05 Received \$ 50.00  
 Validation # 70143093 Unassigned \$ 50.00  
 Fiscal Year 2007 Bad Check   
 Date Posted 08/29/2007  
 Replacing \_\_\_\_\_ Memo # DM2099  
 Replaced By \_\_\_\_\_ Acct # 080880

---

Remitter

Client 0502 Cosmetology Salon  
 Name \_\_\_\_\_ HAIR SALON  
 Lic # 9890  
 File # 48444

Letter Code

Find %

Code	Description
BFULLPYMT	Payment received for bad
B_CHK_BENE	Bad check letter for DBPF
PART_PAY	Partial Repayment of bad
RSVD	do not use this option
SRV_CDR	Bad Check Service Charge

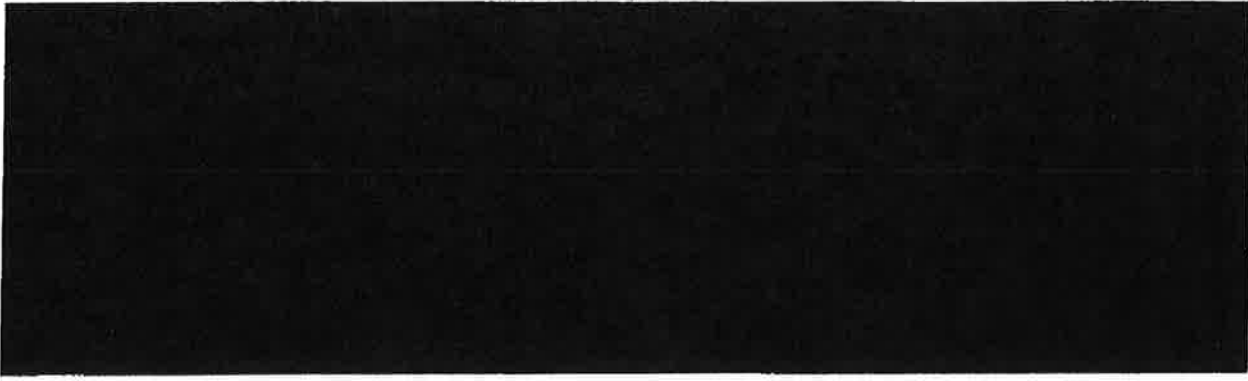
Group C  
 Purpose B  
 Letter \_\_\_\_\_  
 Letter has "9" in field  
 Letter has multiple of \_\_\_\_\_  
 Printer DEFAULT

Print Pre Find OK Cancel

\* Choose letter type from options given

Choices in list: 5

Record: 1/1 List of Valu... <OSC>



June 08, 2010

RE: Dishonored EFT, Check, Credit Card Payment  
Validation Number: 96005767  
AR Number: 102248

Dear Sir or Madam:

The payment we received on your behalf has been returned to our office dishonored. Per section 215.34, Florida Statutes, you have seven (7) days from receipt of this notice to send a payment to replace the dishonored item plus a service charge described below.

If we do not receive your full payment, the department has the authority to take further action. In addition, the account information may be sent to a collection agent and an additional fee may be assessed.

Please send a cashier's check or money order in the enclosed envelope to expedite the repayment process. If you have any questions regarding this letter, please call (850) 487-9740.

Thank you for your prompt attention to this matter.

Original Payment Amount:	\$447.00
Service Fee:	\$22.35
<b>Balance Due:</b>	<b>\$469.35</b>

Enclosure

cc Division of Hotels and Restaurants

DBPR Use Only:	M	NSF		\$22.35	Board:	2014
	A	2020	44463	\$447.00	File:	22741
					Year:	2009
					License#	







ATTACHMENT V-B  
Example: Paid in Full



Charlie Crist, Governor  
Charlie Liem, Interim Secretary

---

DECEMBER 21, 2009

RE: DISHONORED CHECK  
VALIDATION NO. 90237016  
AR NO. 101212

DEAR MICHAEL HUBSCHMAN:

WE ARE IN RECEIPT OF YOUR PAYMENT COVERING THE DISHONORED CHECK. YOUR FILE IS NOW CLOSED.

WE THANK YOU FOR YOUR ATTENTION TO THIS MATTER. IF YOU HAVE ANY QUESTIONS REGARDING THIS INFORMATION PLEASE CALL THE NUMBER BELOW.

850 487.1395

1940 North Monroe Street  
Tallahassee, Florida 32369-0783

[www.MyFloridaLicenses.com](http://www.MyFloridaLicenses.com)  
License Efficiently. Regulate Fairly

Department of Business and Professional Regulation

Bureau of Revenue - Debit Memo System

Account History Report

8/23/2007

AR#: 080032 AR Date: 7/18/2007 Debit Memo #: DM0146 Debit Memo Date: 7/10/2007 Board: 202

Licensee: \* [REDACTED] T BUILDING

[REDACTED]  
PALM BEACH GDNSL 33410

Doing Business As:

Check Owner:

Original Check Amount: \$ 36.00

Returned Check #: 130102

Reason for Return: S/P

License #: [REDACTED]16

Comments:

Receipt #: 60774007

Breakdown of Original Amount Due Plus Service Charge:

Type Amount

012094 \$ 15.00

001000 \$ 36.00

Original Amount: \$ 51.00

Payment Information

Date Method Amount Check/Receipt # Deposit #

6/11/2007 CK \$ 36.00 60774264 500

8/21/2007 CK \$ 15.00 70108407 900828

Payment: \$51.00

Balance Due: \$ 0.00

Receipt System Flagged: N

Write Off Date:

Receipt System Unflagged: Y

JUNE 8, 2010

RE: DISHONORED CHECK  
VALIDATION NUMBER: 90285130  
AR NUMBER: 101508

DEAR SIR OR MADAM:

THANK YOU FOR THE PARTIAL PAYMENT OF YOUR DISHONORED CHECK. THE FOLLOWING IS A BREAKDOWN OF YOUR PAYMENT AND BALANCE DUE:

**\$150.00** DISHONORED PAYMENT AMOUNT  
15.00 ADD SERVICE CHARGE AMOUNT  
**150.00** LESS PARTIAL PAYMENT AMOUNT  
-----  
**\$15.00** BALANCE DUE

PLEASE SEND A CASHIER'S CHECK OR MONEY ORDER IN THE ENCLOSED ENVELOPE TO EXPEDITE THE REPAYMENT PROCESS. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT 850.921.0746.

FTP File

ATTACHMENT VI

		SCRDM.NCD.10132007	
20000020222	001023	DM1679	104.00
40000000022	001045	DM1679	94.00
40000000022	002040	DM1679	100.00
40110000022	003060	DM1679	.61
40110000022	003062	DM1679	11.94
40110000022	003063	DM1679	.33
50000000522	002102	DM1679	25.00
50000000522	002106	DM1679	5.00
50000000522	002112	DM1679	30.00
70000002522	001101	DM1679	20.00
70000002522	002101	DM1679	80.00
70000002522	002106	DM1679	10.00
70000002522	004027	DM1679	45.00
80000080222	001049	DM1679	51.00
80000080222	002015	DM1679	500.00
10000000022	002010	DM1699	40.00
20000020122	012022	DM1699	500.00
40000000022	002046	DM1699	392.00
40000000022	002055	DM1699	50.00
50000000522	002102	DM1699	50.00
50000000522	002106	DM1699	5.00
50000000522	002112	DM1699	30.00
50000000622	002102	DM1699	100.00
50000000622	002106	DM1699	10.00
50000000622	002110	DM1699	8.00

August 17, 2007

«str\_addr\_nbr» «ad\_addr\_line1»  
«ad\_addr\_line2»  
«ad\_addr\_line3»  
«ad\_city»«AD\_STATE» «ad\_zip»

RE: Dishonored EFT, Check, Credit Card Payment  
Validation Number: «CR\_VALD\_NBR»  
AR Number: «CR\_ACCT\_NBR»

Dear Sir or Madam:

The payment we received on your behalf has been returned to our office dishonored. Per section 215.34, Florida Statutes, you have seven (7) days from receipt of this notice to send a payment to replace the dishonored item plus a service charge described below.

If we do not receive your full payment, the department has the authority to take further action. In addition, the account information may be sent to a collection agent and an additional fee may be assessed.

Please promptly send a cashier's check or money order in the enclosed envelope. This will help your payment to be processed without further delay. If you have any questions regarding this letter, you may call (850) 487-2100.

AMOUNT	\$ERROR! BOOKMARK NOT DEFINED. ORIGINAL PAYMENT
	+ ERROR! BOOKMARK NOT DEFINED. FEE
	-----
	\$ BALANCE DUE

Enclosure

cc

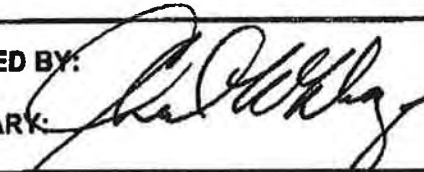
DBPR Use Only:	012094	\$Error! Bookma	Board:
	not defined.		File:
			Year:
			License No:





DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

ADMINISTRATIVE POLICY/PROCEDURES

<b>SUBJECT: Accounts Receivable and Write-Off Policies and Procedures</b>	<b>NUMBER: 1001-0003</b>
<b>EFFECTIVE DATE: June 1, 2008</b> <b>REVISED DATE:</b>	<b>APPROVED BY:</b> <b>SECRETARY:</b> 

**PURPOSE**

This policy establishes uniform guidelines and principles for the internal control, collection and write-off of accounts receivable held or administered by the divisions, boards, program areas or offices within the Department of Business and Professional Regulation (DBPR). Policies contained herein are designed to comply with applicable state laws, rules and regulations.

**AUTHORITY**

Sections 17.04, 17.20, 95.11, 455.224 and 561.501 Florida Statutes; 69I-21.003, Florida Administrative Code; Chief Financial Officer Memoranda No. 15 (1988-89)

**DEFINITIONS**

- A. **Accounts Receivable** - A record reflecting amounts due from applicants, vendors, contractors, employees or other liable parties for goods and services furnished by the Department, as well as, amounts assessed and due for final orders, consent orders, judgments or settlements.
- 1) **Class A** - Fines, investigative costs, interest, Recovery Fund reimbursement, or penalties imposed by final orders, consent orders or settlements. These amounts also include damages, interest, fees and reimbursements of cost for legal actions brought on behalf of the Department.
  - 2) **Class B** - Bad checks, NSF payments and related fees.
  - 3) **Class C** - Damages or other amounts because of an accident involving Department owned property and amounts due from vendors, contractors, or employees for goods and services. Additionally, any other accounts receivable not falling under Class A or B.
- B. **Debt** - An obligation to pay.

- C. **Office of Finance and Accounting Procedures Manual** - Procedures established to ensure proper controls, consistency and accountability of funds collected for the Department of Business and Professional Regulation.
- D. **Fiscal Year** - The State fiscal year covering the 12 month period from July 1 through June 30.
- E. **Florida Accounting Information Resource (FLAIR)** - The official accounting information system for the State of Florida. FLAIR was developed through the joint efforts of the Department of Financial Services (Office of Comptroller) and the Office of the Auditor General.
- F. **Internal Controls** - Policies and procedures established to provide reasonable assurance that specific objectives are achieved.
- G. **Taxes Receivable** - Taxes are not considered as receivables until a determination is made that the tax is actually due, but has not yet been paid. Therefore, under the classification of "Taxes Receivable", the following may be found: 1) taxes under litigation, pending court decision, 2) amounts erroneously underpaid by taxpayers that are expected to be collected, and 3) amounts reported due from the taxpayer, but not paid by the end of the reporting period (i.e. fiscal year end).
- H. **State Treasury** - The designated depository for all State funds.
- I. **Trial Balance** - A record containing all the accounts needed to reflect the financial position and the results of operations for the agency.
- J. **Write-Off** - An accounting adjustment reflecting the portion of an accounts receivable determined not collectible.
- K. **LicenseEase** - The DBPR internal licensing system.
- L. **Allowance for Uncollectible Accounts** - A valuation account used to indicate the portion of a receivable, which it is estimated, will never be collected. The establishment of an allowance account ensures that the agency's receivables are not overstated for financial statement purposes.
- M. **Aging of Receivables** - Classifying the account balances of all receivables by the amount not yet due or past due by varying lengths of time.
- N. **Past Due Account** - An account is past due if not paid within thirty (30) days after the due date. Past due dates may vary depending on policy and rule.
- O. **Delinquent Account** - An account in which one or more scheduled payments have not been made.
- P. **Responsible Party** - The Division, Board, Program Area, or Office owed an account receivable. For Class A accounts receivable, the Division, Board, or Program Area to which an account receivable is payable will be considered the responsible party. For Class B and Class C accounts receivable, the Office of Finance and Accounting will be considered the responsible party.

## **POLICY**

This procedure provides a general description of the structure of the Department's accounts receivable function. The Office of Finance and Accounting is responsible for supervising accounts receivable.

When a Class A accounts receivable is delinquent, the responsible party will make a diligent effort to collect the account in compliance with Department policy. Where law requires specific collection efforts, the applicable division/board/program area shall establish written accounts receivable procedures. The Office of Finance and Accounting shall assist the divisions and boards in establishing written procedures for collection. The Office of Finance and Accounting and Office of the General Counsel shall approve these procedures. If such efforts fail to achieve collection, the responsible party will promptly refer the account for collection.

When a Class B accounts receivable is known to be delinquent, the Office of Finance and Accounting will make a diligent effort to collect the account in compliance with Department policy. Where law requires specific collection efforts, the Office of Finance and Accounting shall establish written accounts receivable procedures. The Office of the General Counsel shall approve these procedures. If such efforts fail to achieve collection, the Office of Finance and Accounting will promptly refer the account to the State Attorney or for collection.

When a Class C accounts receivable is known to be delinquent, the Office of Finance and Accounting will make a diligent effort to collect the account in compliance with Department policy. Where law requires specific collection efforts, the Office of Finance and Accounting shall establish written accounts receivable procedures. The Office of the General Counsel shall approve these procedures. If such efforts fail to achieve collection, the Office of Finance and Accounting will promptly refer the account for further legal action or collection.

### **I. General Description of the Structure of the Department's Accounts Receivable**

The Department uses the LicenseEase system. This system is not an accounts receivable system, but is used for licensing professions and collection of receipts for other business areas of the Department. Daily cash receipt activity is transferred from LicenseEase to FLAIR, updating the Department's trial balance. Data from LicenseEase is used for account receivable detail ledgers, which will be provided to the Office of Finance and Accounting at fiscal year end. The Office of Finance and Accounting is responsible for maintaining the FLAIR accounts receivable balance recorded in the agency trial balance.

An adjustment to cash and revenue for returned checks is recorded in FLAIR at the time of occurrence. The Office of Finance and Accounting record the accounts receivable for returned checks in the FLAIR at fiscal year end.

### **II. Requirements for Detailed Receivable Records and Accounts Receivable**

The Office of Finance and Accounting must maintain a record detailing the amounts due from applicants, vendors, contractors, employees or other responsible parties. Because of the number of accounts involved, it is important that procedures be implemented that maintain accounts efficiently and accurately. The responsible party shall establish a record of amounts and dates due. Although the form for the detail accounts will vary by type of obligation, at a minimum the following data is necessary:

- a. **Responsible Party's Name**
- b. **Billing Address**
- c. **Social Security Number or Federal Employer Identification Number (if available)**
- d. **Name and Telephone Number of Division/Board/Program Contact Person**
- e. **Board/Division/Program Reference Number**
- f. **Date of Transaction**
- g. **Explanation of Transaction**
- h. **Source Document Number (Assigned by the Office of Finance and Accounting when the accounts receivable is entered in FLAIR)**
- i. **Amount Due**
  - (1) **Amount Assessed**
  - (2) **Adjustment Amounts**
  - (3) **Paid Amounts**
  - (4) **Write-Off Amounts**
  - (5) **Balance Due**

Pre-audit procedures should be established by the responsible party to ensure the total of all amounts due, payments, and adjustments are recorded accurately. Monthly reconciliation is required to detect errors.

The Department shall develop and use an aging report indicating outstanding accounts receivable at thirty (30), sixty (60), ninety (90), and one hundred twenty (120) days from the date imposed.

### **III. Responsibility for Collection Records and Internal Controls**

The Office of Finance and Accounting will develop a report to be used by the responsible parties indicating accounts receivable that are past due, eligible for referral for collection/referral to the State Attorney/ready for further legal action, and eligible for write-off. Whenever such report indicates that an amount owed is past due, the responsible party will create and maintain a record for collection efforts. The following data and documentation is necessary:

- a. **Responsible Individual's or Company's Name**
- b. **Social Security Number or Federal Employer Identification Number (if available)**
- c. **Billing Address**
- d. **Phone Number**
- e. **Amount Due**
  - (1) **Original Amount Imposed**
  - (2) **Balance Owed on Date Account Became Past Due**
  - (3) **Payments Received After Account Became Past Due (if applicable)**
- f. **Demand Letter (if applicable)**
- g. **Final Notice (if applicable)**
- h. **Referral to State contracted collector (if applicable)**
- i. **Request for Write-off**
- j. **Authorization to Write-off**

The respective division directors, board directors, and program leads will establish internal check procedures that will ensure that amounts owed are collected properly and fully, and that collections are properly remitted to the Office of Finance and Accounting for deposit into the appropriate fund within the State Treasury in accordance with the Office of Finance and Accounting Procedures Manual.

#### **IV. Legal Considerations**

##### **A. Delinquent Accounts:**

An account receivable becomes delinquent when payment is not received in accordance with conditions giving rise to the receivable. Thus, if payment is not made in an amount at least equal to that required or within the time specified for the account, such account is delinquent. The Department, however, declares an account "past due" if not paid within thirty (30) days of the due date. In all cases, the exercise of due diligence in collecting an account requires prompt notification of the account's overdue status to the liable party and request for payment.

##### **B. Statute of Limitations:**

Because of changes in applicable statutes and the complexity of applying the statutes to specific cases, the Department will not attempt to settle or write-off any account receivable without specific legal authorization from the Department of Financial Services, Chief Financial Officer or as may be specifically authorized by a law or rule relating to the debt giving rise to the receivable. If legal action is to be initiated by the department's legal counsel, or by the Department of Financial Services, Chief Financial Officer, the responsible division or district must not delay in referring the account for appropriate action or write-off authority.

The following citations are pertinent:

- (1) Section 95.11(2) (b), F.S., states "A legal or equitable action on a contract, obligation or liability founded on a written instrument" must be commenced within five years from the time the receivable is recognized.
- (2) Section 95.11(3), F.S., states "Within four years—an action founded on a statutory liability, penalty or forfeiture, fraud, or an action on a contract, obligation or liability not founded on a written instrument."
- (3) Section 95.11(4), F.S., allows a two-year period for "An action to recover wages or overtime or damages or penalties concerning payment of wages and overtime."

However, the Department takes no legal position as to which statute of limitations, if any, applies to a particular class of accounts receivable.

##### **C. Write-Off Authority:**

Except as otherwise provided by statute, the authority to adjust and settle accounts or debts owed to the state rests with the Chief Financial Officer (or

Department of Financial Services) under Section 17.04, F.S., and Chapter 69I-21, Florida Administrative Code (F.A.C.), Audit and Adjustment of Accounts and Recovery of Accounts Receivable. Corrections that reduce a fee by reason of error in the assessment or recording must not be regarded as a compromise, write-off or default. However, any such adjustments to the accounts must be supported by documents explaining the reason for the adjustment signed by the respective Division or Board Director or designee.

#### **V. Collections vs. Write-Offs**

Chapter 69I-21.003, F.A.C., has been adopted to enumerate policies and procedures for carrying out collection of delinquent accounts. The Department of Financial Services (DFS) has established a central debt collection service through the use of a contracted collector (currently General Revenue Corporation "GRC"), for agencies without statutory authority, to contract with a collector. Sending an uncollectible account to the contracted collector and requesting write-off are two (2) separate processes. When using the contracted collector, accounts to be referred for collection will be submitted, pursuant to Chapter 69I-21.003, F.A.C., and in accordance with the Department's collection policies and procedures. Requests for write-off must be submitted to DFS. An outstanding account can normally be sent to the contracted collector after six (6) months, whereas the account is generally outstanding for one (1) year in order to receive authorization from DFS for write-off. If collections are made on accounts that have been written off, the agency that requested the initial write-off would still receive the funds, and needs to record the monies in the year received. The agency will debit cash and credit the appropriate revenue account.

#### **VI. Collection Efforts**

Responsibility for collecting Class A accounts receivable rests with the pertinent division, board, or program area. The Office of Finance and Accounting will be responsible for pursuing Class B and Class C accounts receivable.

All outstanding Class A accounts receivable must be referred for collection within one hundred eighty (180) days of the due date. All outstanding Class B accounts receivable must be referred to the State Attorney or collection within one hundred eighty (180) days of the due date. All outstanding Class C accounts receivable must be referred for further legal action or collection within one hundred eighty days of the due date.

Before an account can be referred for collection, diligent effort should be made to collect the outstanding amount. Diligent effort can be demonstrated by any of the following:

##### **Class A:**

- a. Further administrative action against license held by liable party (if applicable).
- b. Suspension of license held by liable party (if applicable).
- c. Attempting to notify the liable party in writing that failure to pay may result in account being referred for collection.

**Class B:**

Attempting to notify the liable party in writing that failure to pay may result in account being referred for collection or sent to the State Attorney.

**Class C:**

Attempting to notify the liable party in writing that failure to pay may result in account being referred for collection or sent for further legal action.

**VII. Request for Write-Off Authority**

**A. Class A accounts receivable**

Class A accounts receivable can be written-off if the account has been outstanding for one (1) year from the due date and the responsible party previously referred it for collection.

After all prerequisites have been completed, and except as otherwise provided by statute, the responsible party will forward a request for write-off with documentation to the Office of Finance and Accounting. The Office of Finance and Accounting will forward the request with documentation to the Department of Financial Services in accordance with Chief Financial Officer Memorandum No. 15 (1988-89), Delinquent Accounts Receivable (See Attachment II) within thirty (30) days.

**B. Class B accounts receivable**

Class B accounts receivable can be written-off if the account has been outstanding for one (1) year from the due date and the responsible party previously referred it for collection/sent it to the State Attorney.

After all prerequisites have been completed, and except as otherwise provided by statute, the Office of Finance and Accounting will forward a request with documentation to the Department of Financial Services in accordance with Chief Financial Officer Memorandum No. 15 (1988-89), Delinquent Accounts Receivable (See Attachment II) within thirty (30) days.

**C. Class C accounts receivable**

Class C accounts receivable can be written-off if the account has been outstanding for one (1) year from the due date and the responsible party previously referred it for collection/sent it for further legal action.

After all prerequisites have been completed, and except as otherwise provided by statute, the Office of Finance and Accounting will forward a request with documentation to the Department of Financial Services in accordance with Chief Financial Officer Memorandum No. 15 (1988-89), Delinquent Accounts Receivable (See Attachment II) within thirty (30) days.



**VIII. Follow-Up on Request for Write-Off Authority**

If a request for authority to write off an account is not acknowledged, or a response received within ninety (90) days, the Office of Finance and Accounting will initiate an inquiry to the Office of the Chief Financial Officer. The Office of Finance and Accounting will provide any additional information requested by the Chief Financial Officer to act on the request. The Office of Finance and Accounting shall determine the cause of the delay and the probable clearance date.

**IX. Recording the Write-Off**

Upon receipt of the appropriate authorization from the Chief Financial Officer, the Office of Finance and Accounting will notify in writing the responsible party when the account is approved for write-off and provide a copy of the authorization. The Office of Finance and Accounting will record the write-off in FLAIR by reducing the accounts receivable and the appropriate adjustment to the allowance account. The responsible party will record the write-off in LicenseEase.

**Responsible Office: Office of the Secretary**

**Office of Finance and Accounting**

**X. ATTACHMENTS:**

**a) Attachment I**

**Alcoholic Beverage and Tobacco Accounts Receivable Procedures-Retail Beverage Surcharge Reports**

Visit the web sites listed to view the associated Comptroller Memorandum's

**b) Attachment II**

**Comptroller Memorandum No. 15 (1988-89)**  
<http://www.fldfs.com/aadir/cm888915.htm>

**c) Attachment III**

**Debt Collection and Property Write Off**  
[http://www.fldfs.com/aadir/debt\\_collection\\_and\\_property\\_wri.htm](http://www.fldfs.com/aadir/debt_collection_and_property_wri.htm)

<http://www.fldfs.com/aadir/DFS%20Debt%20Collection%20Presentation%204-3-07.pdf>

### Schedule VII: Agency Litigation Inventory

*For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Governor's website.*

<b>Agency:</b>			
<b>Contact Person:</b>		<b>Phone Number:</b>	
<b>Names of the Case: (If no case name, list the names of the plaintiff and defendant.)</b>			
<b>Court with Jurisdiction:</b>			
<b>Case Number:</b>			
<b>Summary of the Complaint:</b>			
<b>Amount of the Claim:</b>	\$		
<b>Specific Statutes or Laws (including GAA) Challenged:</b>			
<b>Status of the Case:</b>			
<b>Who is representing (of record) the state in this lawsuit? Check all that apply.</b>	<input type="checkbox"/>	<b>Agency Counsel</b>	
	<input type="checkbox"/>	<b>Office of the Attorney General or Division of Risk Management</b>	
	<input type="checkbox"/>	<b>Outside Contract Counsel</b>	
<b>If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).</b>			

FLORIDA ENGINEERS MANAGEMENT CORP  
 PROPOSED BUDGET  
 JULY 1, 2012 - JUNE 30, 2013

**Income**

500 · State Contract	DBPR	\$ (2,124,473.00)
<b>Total Income</b>		<b>\$ (2,124,473.00)</b>

**Expenses**

600 · Salaries & Benefits		
	600.10 · Salaries - Full Time Wages	\$ 1,036,003.00
	600.20 - Retirement	\$ 76,300.00
	600.30 · Payroll Taxes	\$ 88,765.00
600.40 · Personnel Insurance		
	600.40 - Health	\$ 90,630.00
	600.40 - Dental	\$ 5,135.00
	610.50 - Worker's Comp (Hartford)	\$ 2,940.00
	600.40 - Life & Disability	\$ 9,070.00
	Total Personnel Insurance	\$ 107,775.00
600.50	Accrued Leave Liability	\$ 54,000.00
Total 600 · Salaries & Benefits		\$ 1,362,843.00
601	Other Personnel Services (OPS)	\$ 44,000.00
630 · Consultant Expense		
	638 · Prosecution/Enforcement	\$ 178,500.00
	636 · Court Reporters	\$ 5,000.00
	634 · Computer Consultants/Services	\$ 52,000.00
	634.10 Human Resource Consultant	\$ 1,000.00
	633 · Accounting Services	\$ 30,000.00
	632 - Legal - FEMC General Counsel	\$ 10,000.00
Total 630 · Consultant Expense		\$ 276,500.00
775	Employment/Training	\$ 10,000.00
616	Publications/Dues	\$ 8,000.00
610 · Insurance		
	610.10 · Directors & Officers Insurance	\$ 5,750.00
	610.20 · Commercial Liability	\$ 8,000.00
	610.30 · Professional Liability	\$ 10,500.00
Total 610 · Insurance		\$ 24,250.00
670	Marketing	\$ 3,000.00
673	Board Member Honorarium	\$ 11,000.00
110	Furniture ( & Equipment)	\$ 1,000.00
110.	Computers & Software	\$ 10,900.00
618.	Study Guide (includes IT)	\$ 1,000.00
626 · Copying & Printing		
	626.20 · General Office	\$ 20,000.00
Total 626 · Copying & Printing		\$ 20,000.00
620	Office Supplies	\$ 22,000.00
655	Leased Equipment & Repair	\$ 25,000.00

FLORIDA ENGINEERS MANAGEMENT CORP  
 PROPOSED BUDGET  
 JULY 1, 2012 - JUNE 30, 2013

625 · Postage		
	625.40 · General Office	\$ 25,000.00
Total 625 · Postage		<u>\$ 25,000.00</u>
650 · Office Space		
	651 · Lease Payment	\$ 110,430.00
	652 · Utilities	\$ -
	653 · Janitorial	\$ 3,000.00
	656 · Pest Control	\$ 400.00
	657 · Security Monitoring	\$ 4,000.00
	658 - Moving Expenses	\$ -
	115 - Leasehold Improvements	\$ 1,000.00
Total 650 · Office Space		<u>\$ 118,830.00</u>
640 · Telephone		
	640.10 · Local/Line Charges	\$ 12,000.00
	640.20 · Long Distance	\$ 2,000.00
	640.30 · Internet Access Charges	\$ 2,500.00
	640.40 · Conference Calls	\$ 500.00
Total 640 · Telephone		<u>\$ 17,000.00</u>
672 Training/Board Members		\$ 750.00
680 · Travel		
	680.50 · Cont. Ed. Board Meeting Accor	\$ -
	680.10 · Board/Committee Meetings	\$ 100,000.00
	680.20 · Investig./Prosecut./Challenge	\$ 6,000.00
	680.30 · NCEES Travel	\$ 12,000.00
	680.40 · General Travel	\$ 1,000.00
	680.50 · Employee Training	\$ 9,000.00
Total 680 · Travel		<u>\$ 128,000.00</u>
702 · NCEES Fees for Dues/Tests		\$ 6,500.00
740 Renewal Expenses		
	740.10 Printing/Mailing Renewal Notice	\$ 3,000.00
	740.30 Printing Licenses/ID Cards	\$ 4,000.00
	740.40 Mailing Licenses/ID Cards	\$ 1,900.00
740 Total Renewal Expenses		<u>\$ 8,900.00</u>
<b>Total Expenses</b>		<u><u>\$ 2,124,473.00</u></u>
<b>Net Ordinary Income (Loss)</b>		<u><u>\$ -</u></u>

**STATE RESOURCES AWARDED TO THE RECIPIENT PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:**

**GRANTS AND AIDS**

State Project Title: Florida Engineers Management Corporation (FEMC)  
Agency: Department of Business and Professional Regulation  
Program: 79050000 Professional Regulation  
Budget Entity: 79050100 Compliance and Enforcement  
Fiscal Year: 2012-2013  
Specific Appropriation: GAA # 2088  
Appropriation Category: 108020  
Amount: \$2,070,000

**UNLICENSED ACTIVITY**

State Project Title: Unlicensed Activities  
Agency: Department of Business and Professional Regulation  
Program: 79050000 Professional Regulation  
Budget Entity: 79050100 Compliance and Enforcement  
Fiscal Year: 2012-2013  
Specific Appropriation: GAA # 2079  
Appropriation Category: 100399  
Amount: \$ 54,473

Total Funds: \$2,124,473

## **Year End Incurred Obligations Procedures Florida Engineers Management Corporation**

### **Reference:**

Section 216.301 (a) and (b), Florida Statutes, requires each state agency and the judicial branch to identify any incurred obligation which has not been disbursed as of June 30<sup>th</sup>. The amounts identified as incurred obligations must not exceed available appropriation balances by budget entity.

Any incurred amounts not disbursed by September 30<sup>th</sup> must be charged to the current fiscal year appropriation. If it is determined that there is not sufficient budget for any incurred items, payment will be made from the current fiscal year appropriation.

### **Incurred Obligations**

Incurred obligations are items purchased and received by close of business on June 30<sup>th</sup>.

### **Incurred Obligation Process:**

At the end of each fiscal year operational accounting entries for that year cease and a new fiscal year begins. Although the old fiscal year has ended, agencies may have legal obligations for which the prior fiscal year appropriation may be used.

Complete the incurred obligation spreadsheet entering the vendor name, contract (order) date, received date, original amount, amount paid as of June 30, certified forward amount (amount left to be paid), the paid date once the obligation has been paid and a brief description of the obligation,. The invoice number can be entered in the description field if available. The "Date Goods/Services Received" will be the date goods or services are actually received and the "Original Contract Date" will be the date the purchase order or contract is issued. The contract date and received date must be prior to July 1st.

On or about October 1 the spreadsheet must be resubmitted to the Contract Monitor with the date paid for each obligation.

### **Timelines:**

- On or about July 16: incurred obligations to be processed as current fiscal year disbursements must be reported to the Contract Monitor using a spreadsheet provided by the Department.
- Incurred Obligations expire September 30th each fiscal year.
- On or about October 1 a final spreadsheet will be submitted to the Contract Monitor with all paid obligations noted in the "Date Paid" column.

### **Credit Card Payables:**

Credit card payables must be accompanied by documentation demonstrating the payable was incurred (charged) and received prior to July 1.



**Department of Financial Services, Reference Guide for State Expenditures**

**The link below should be used to view the Department of Financial Services, Reference Guide for State Expenditures.**

**[http://www.myfloridacfo.com/aadir/reference\\_guide](http://www.myfloridacfo.com/aadir/reference_guide)**





# ARTICLES OF Incorporation & Bylaws

# State of Florida



## Department of State

I certify the attached is a true and correct copy of the Amended and Restated Articles of Incorporation, filed on February 5, 1999, for FLORIDA ENGINEERS MANAGEMENT CORPORATION, a Florida corporation, as shown by the records of this office.

The document number of this corporation is N97000005608.

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Fifth day of February, 1999



CR2EO22 (1-99)

*Katherine Harris*

Katherine Harris  
Secretary of State

**ARTICLES OF AMENDMENT AND RESTATEMENT**  
**TO THE**  
**ARTICLES OF INCORPORATION**  
**OF**  
**FLORIDA ENGINEERS MANAGEMENT CORPORATION**

FILED  
99 FEB -5 PM 3:46  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

Pursuant to the provisions of §617.1006 F.S., the Florida Engineers Management Corporation, a Florida non-profit corporation, adopts the following Articles of Amendment and Restatement to its Articles of Incorporation:

1. The amended and restated Articles of Incorporation as set forth in Attachment "A".
2. The amended and restated Articles of Incorporation were adopted by unanimous written consent on January 29, 1999.
3. The amended and restated Articles of Incorporation were adopted by the members and directors of the Florida Engineers Management Corporation by sufficient vote for approval.

  
\_\_\_\_\_  
Dennis Barton, President

2/5/99  
\_\_\_\_\_  
Date

"A"

**AMENDED AND RESTATED ARTICLES OF INCORPORATION**

**OF**

**FLORIDA ENGINEERS MANAGEMENT CORPORATION**

**(A Florida Nonprofit Corporation)**

**ARTICLE I. NAME**

The name of this corporation shall be Florida Engineers Management Corporation.

**ARTICLE II. COMMENCEMENT & DURATION**

This corporation's duration shall be perpetual, unless it is hereafter dissolved according to law.

**ARTICLE III. PURPOSE**

This corporation is being formed for the benefit of the Department of Business and Professional Regulation and the Board of Professional Engineers for the purpose of providing administrative, investigative, and prosecutorial services as provided in §471.038 F.S. and any amendments thereto, and engaging in the transaction of any and all activities permitted under the laws of Florida and the United States of America. This corporation is irrevocably dedicated to and operated exclusively for non-profit purposes; and no part of the income or assets of the corporation shall be distributed to, nor inure to the benefit of any individual.

The purposes for which this organization is organized are exclusively religious, charitable, scientific, literary and educational within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law.

#### **ARTICLE IV. POWERS**

**This corporation may do and perform all such acts and things, including those generally allowed by the laws of Florida relative to nonprofit corporations, as now existing, or as the law may henceforth provide, as from time to time may be necessary or expedient to the exercise of any and all of its corporate functions, powers, and rights.**

**Notwithstanding any other provisions of these articles, this organization shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law.**

#### **ARTICLE V. MEMBERSHIP**

**Membership in the corporation shall, at all times, be limited to individuals appointed to the Board of Directors as provided in §471.038 F.S. The power of appointment and the power to withdraw that appointment shall be as set forth in §471.038 F.S.**

#### **ARTICLE VI. BOARD OF DIRECTORS**

**This corporation's initial Board of Directors shall have seven directors as set forth in §471.038 F.S. The directors of this corporation must, at all times, be members of this corporation and shall be the only members of this corporation. The directors named herein, comprising the initial Board of Directors, shall hold office until their successors are duly qualified. The name and address of each individual who shall serve as a member of the Initial Board of Directors are:**

Eugene Bechamps, P.E.  
E.N. Bechamps and Associates, Inc.  
5200 Blue Lagoon Drive, Suite 150  
Miami, FL 33126

Charles E. Langbein, Jr., P.E.  
120 Parkside Drive, S.E.  
Winter Haven, FL 33884

William H. Palm, P.E.  
Glace & Radcliffe, Inc.  
630 Wymore Rd.  
Maitland, FL 32751

Charles L. Proctor, II, Ph.D., P.E.  
69 Turkey Creek  
1174D N. W. 71st Terrace  
Alachua, FL 32615

Michael A. Shorstein  
Shorstein & Kelly, P.A.  
1660 Prudential Drive, Suite 402  
Jacksonville, FL 32207

Ben G. Watts, P.E.  
Carter & Burgess  
1000 Legion Place, Suite 1400  
Orlando, FL 32801

Lamar Winegeart  
Winegeart & Graessle, P.A.  
219 Newnam Street  
Jacksonville, FL 32202

#### ARTICLE VII. OFFICERS

The officers shall consist of a president, a secretary, and a treasurer. This corporation may have such other officers as may be provided in the corporate Bylaws. The officers shall be elected annually by the Board of Directors. The manner of the election of the officers shall be specified in the corporate Bylaws.

#### ARTICLE VIII. INDEMNIFICATION

This corporation shall indemnify any officer, director, employee, or agent, and any former officer, director, employee, or agent, to the full extent permitted by law.

**ARTICLE IX. PRINCIPAL OFFICE & INITIAL REGISTERED OFFICE & AGENT**

The initial address of this corporation's principal office shall be:

1208 Hays Street  
Tallahassee, FL 32301

The name of the individual who shall serve as this corporation's initial registered agent and the address is:

Dennis Barton  
1208 Hays Street  
Tallahassee, FL 32301

**ARTICLE X. INCORPORATORS**

The name and address of the subscriber to these Articles of Incorporation is:

Dennis Barton  
1208 Hays Street  
Tallahassee, FL 32301

**ARTICLE XI. BYLAWS**

Corporate Bylaws will be hereinafter adopted by the Board of Directors. The corporate Bylaws may be amended or repealed, in whole or in part, by the Board of Directors in the manner provided therein, provided that they are not inconsistent with the provisions of these Articles of Incorporation. The Bylaws and any amendments thereto shall also be approved as provided in §471.038 F.S.

**ARTICLE XII. AMENDMENTS**

Amendments to these Articles of Incorporation shall be adopted by a resolution of the Board of Directors subject to the approval as provided in §471.038 F.S.

**ARTICLE XIII. ASSETS UPON DISSOLUTION**

Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future Federal tax code, or shall be distributed to the Federal, state, or local government for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the organization is then located, exclusively for such purposes.

This corporation's subscriber, for the purpose of forming this nonprofit corporation under the laws of Florida, has executed these Articles of Incorporation, on the date indicated next to his signature.

  
\_\_\_\_\_  
Dennis Barton

  
\_\_\_\_\_  
Date



**ACCEPTANCE OF REGISTERED AGENT**

**I hereby accept my designation as resident agent and agree to serve as the resident agent of Florida Engineers Management Corporation. I hereby state that I am familiar with and accept the duties and responsibilities as registered agent for The Florida Engineers Management Corporation.**

  
Dennis Barton - Registered Agent

CAUSERSDLVEMCEENGINEERLAGI

BYLAWS

OF

FLORIDA ENGINEERS MANAGEMENT CORPORATION

ARTICLE I. NAME & LOCATION OF CORPORATION

The name of this corporation is Florida Engineers Management Corporation.

The corporation may have such corporate offices, anywhere within and without the state of its incorporation as the Board of Directors from time to time may appoint, or the business of the corporation may require. The “principal place of business” or “principal business” or “executive” office or offices of the corporation may be fixed and so designated from time to time by the Board of Directors.

ARTICLE II. PURPOSE

The purpose of this corporation is to transact any lawful business under the laws of the State of Florida as contemplated in Section 471.038, Florida Statutes, and the Articles of Incorporation.

ARTICLE III. MEMBERSHIP

Membership in the corporation shall, at all times, be limited to individuals appointed to membership as provided in Section 471.038, Florida Statutes, and who shall also serve as the Board of Directors. The power of appointment to membership, and the power to withdraw that appointment and rescind the membership, shall be set forth in Section 471.038, Florida Statutes.

Any member may resign by submitting a written resignation to the Board of Directors and to the Secretary of the Department of Business and Professional Regulation (the “Department”) and the Board of Professional Engineers; and thereupon such resignation shall become effective forthwith without need of any acceptance, unless otherwise specified therein.

Any member may be removed from membership as provided in Section 471.038, Florida Statutes.

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## **ARTICLE IV. MEETING**

### **Section A. Place Of Meetings**

Meeting shall be held at the principal office or place of business of the corporation or at such other suitable place as may be designated by the Board of Directors.

### **Section B. Annual Meetings**

An annual meeting shall be held on such day and date and at such time as may be expressly determined by a majority of directors. Notice of the annual meetings shall be given in writing to each director. The members may transact such business of the corporation as may properly come before them including the election of a Chairperson and a Vice-Chairperson, and election of officers. Notice of annual meetings shall also be provided to members of the public as required by Section 286.011, Florida Statutes.

### **Section C. Regular Meetings**

Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings of the Board of Directors shall be given in writing to each director. Notice of all regular meetings shall also be provided to members of the public as required by Section 286.011, Florida Statutes.

### **Section D. Special Meetings**

Special meetings of the Board of Directors may be called by the Chairperson by giving written notice to each director, which notice shall state the time, place, and purpose of the meetings. Special meetings of the Board of Directors shall be called by the president or secretary, in like manner and on like notice, on the written request of at least three directors.

Notice of all special meetings shall also be provided to members of the public as required by Section 286.011, Florida Statutes

**Section E. Waiver Of Notice**

Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. However, notice of meetings to members of the public that is required by Section 286.011 may not be waived. Attendance by a director at any meeting of the board shall be a waiver of notice by him or her of the time and place thereof. If all the directors are present at any meeting of the board, no notice to directors shall be required and any business may be transacted at such meeting. To the extent permitted by law, any lawful action of the Board of Directors may be taken without a meeting if written consent to such action is signed by all the directors and filed with the minutes of the board.

**Section F. Quorum**

At all meetings of the Board of Directors, a majority of the directors then serving shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors, except where a larger number is required by law, Articles of Incorporation, or these Bylaws. If, at any meeting of the Board of Directors there is less than a quorum present, the majority of these present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted provided notice is given to members of the public as required by Section 286.011, Florida Statutes.

## **ARTICLE V. BOARD OF DIRECTORS**

### **Section A. Number & Term Of Office**

The affairs of the corporation shall be governed by a Board of Directors composed of seven (7) persons appointed as provided in Section 471.038, Florida Statutes. Appointments shall be for 4-year terms, and no member shall serve more than two consecutive terms. The term of the directors named in the Articles of Incorporation shall expire when their successors have been appointed and have been duly qualified. Directors shall hold office until their successors have been appointed and qualified.

### **Section B. Governing Powers**

The Board of Directors shall have all powers and duties necessary or appropriate for the administration of the affairs of this corporation and may do all such acts and things as are by law or by the Articles of Incorporation or by these Bylaws directed to be exercised and done by the members.

### **Section C. Vacancies**

Vacancies in the Board of Directors shall be filled by appointment as provided in Section 471.038, Florida Statutes.

### **Section D. Compensation**

Compensation shall be paid to directors for their services in accordance with Section 112.061, Florida Statutes. Directors, officers, and employees shall be reimbursed for expenses incurred by them in the performance of their duties in accordance with Section 112.061, Florida Statutes.

## ARTICLE VI. OFFICERS

### Section A. Authorized Officers

The principal officers of the corporation shall be a president, a secretary and a treasurer, and there may be one or more vice presidents, all of whom shall be elected by the Board of Directors. No two offices, except those of secretary and treasurer, may be held by the same person. The directors may appoint an assistant secretary and assistant treasurer, and such other officers as in their judgment may be necessary.

### Section B. Election of Officers and Chairpersons.

The officers of the corporation and the Chairperson and Vice-Chairperson of the Board of Directors shall be elected annually by the Board of Directors at its annual meeting. Unless sooner removed by the Board, the officers and chairs shall serve for a term of one year and until their successors are elected and shall qualify. Any vacancies occurring in offices or chairs shall be filled by the Board of Directors, from time to time. The Board of Directors shall appoint such temporary or acting officers or chairs as may be necessary during the temporary absence or disability of the regular officers or chairs.

Prior to each annual meeting of the Board of Directors, the Chair and Vice-Chair shall meet for purposes of developing recommendations for the election, or re-election, of officers and chairs. Notice of the meeting shall be provided to members of the public as required by Section 286.011, Florida Statutes.

### **Section C. Removal**

Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his or her successor elected at any regular meeting of the Board of Directors or at any special meeting called for such purpose.

### **Section D. President**

The president shall be the chief executive officer of the corporation. He or she shall have all the general powers and duties which are usually vested in the office of president of a corporation.

### **Section E. Vice President**

There may be one or more vice presidents, as the Board of Directors shall from time to time determine. In the absence or disability of the president, the first vice president, shall perform the duties and exercise the powers of the president. The vice president shall also perform such other duties as shall be prescribed by the Board of Directors.

### **Section F. Secretary**

The secretary or his or her designee shall keep the minutes of all meetings of the Board of Directors, of the membership, and of the Executive Committee. He or she shall have custody of the seal of the corporation, and of such other books and records of the corporation as the Board of Directors may provide. He or she shall perform the duties and functions customarily performed by the secretary of a corporation together with such other duties as the Board of Directors may prescribe.

### **Section G. Treasurer and Comptroller**

The treasurer shall have custody of the corporate funds and securities, and shall keep full and accurate account of all receipts and disbursements in books belonging to the corporation and

shall deposit all moneys and other valuable effects in the name of and to the credit of the corporation in such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render an account of all his or her transactions as treasurer and of the financial condition of the corporation whenever called upon to do so.

#### **ARTICLE VII. AMENDMENTS**

Except as otherwise required by law, these Bylaws may be amended at any regular meeting of the Board of Directors or at any special meeting called for that purpose, provided that written notice of the proposed amendment shall have been given at least ten (10) days prior to such meeting.

#### **ARTICLE XIII. CORPORATE SEAL**

The Board of Directors shall provide a suitable corporate seal containing the name of the corporation, which seal shall be in the charge of the secretary. If so directed by the Board of Directors, a duplicate seal may be kept and used by the treasurer or any assistant secretary or assistant treasurer.

#### **ARTICLE IX. FISCAL MANAGMENT**

##### **Section A. Fiscal Year**

The fiscal year of the corporation shall begin on the first day of July of every year, except that the first fiscal year of the corporation shall begin at the date of incorporation.

##### **Section B. Auditing & Reports**

At the close of each fiscal year, the books and records of the corporation shall be audited. The president of the corporation shall cause to be prepared annually a full and correct statement of the affairs of the corporation, including a balance sheet and financial statement of operations



for the preceding fiscal year. Such audit shall comply with the requirements of Section 471.038(3)(k), Florida Statutes, and be submitted to the Board of Directors, the Department, and the Auditor General for review.

**Section C. Execution Of Corporate Documents**

With the prior authorization of the Board of Directors, all contracts shall be executed on behalf of the corporation by either the president or any other officer that has been delegated such authority in writing. All notes or checks shall be executed on behalf of the corporation by at least two of the following officers of the corporation: president, vice president, secretary, or treasurer.

**Section D. Fidelity Bonds**

The Board of Directors may require that all officers and employees of the corporation having custody or control funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the corporation.

**Section E. Indemnity**

Each officer, director, employee or agent of the corporation shall be indemnified by the corporation in the manner and to the extent provided in Sections 617.0831 and 607.0850, Florida Statutes.

Approved and adopted as the Bylaws of the Corporation this 16 day of June  
2010.

  
\_\_\_\_\_  
Secretary

# Annual BUDGET FY 2013-2014



FLORIDA ENGINEERS MANAGEMENT CORP  
 PROPOSED BUDGET 2013-2014

	APPROVED BUDGET 2012-13	PROPOSED BUDGET 2013-14
<b>Income</b>		
500 · State Contract		
DBPR	\$ (2,070,000.00)	\$ (2,070,000.00)
UNLICENSED ACTIVITY	\$ (54,473.00)	\$ (100,875.00)
<b>Total Income</b>	<b>\$ (2,124,473.00)</b>	<b>\$ (2,170,875.00)</b>
<b>Expenses</b>		
600 · Salaries & Benefits		
600.10 · Salaries - Full Time Wages	\$ 1,036,003.00	\$ 1,076,968.00
600.20 · Retirement	\$ 76,300.00	\$ 83,097.00
600.30 · Payroll Taxes	\$ 88,765.00	\$ 91,892.00
600.40 · Personnel Insurance		
600.40.10 - Health	\$ 90,630.00	\$ 98,129.00
600.40.20 - Dental	\$ 5,135.00	\$ 4,600.00
600.40.30 - Life & Disability	\$ 9,070.00	\$ 10,168.00
600.50 · Accrued Leave Liability	\$ 54,000.00	\$ 70,183.00
610.50 · Worker's Comp (Hartford)	\$ 2,940.00	\$ 1,700.00
Total 600 · Salaries & Benefits	\$ 1,362,843.00	\$ 1,436,737.00
601 · Other Personnel Services (OPS)	\$ 44,000.00	\$ 15,000.00
610 · Insurance		
610.10 · Directors & Officers	\$ 5,750.00	\$ 6,050.00
610.20 · Commercial Liability	\$ 8,000.00	\$ 4,500.00
610.30 · Professional Liability	\$ 10,500.00	\$ 9,322.00
Total 610 · Insurance	\$ 24,250.00	\$ 19,872.00
630 · Consultant Expense		
632 · Legal - FEMC General Counsel	\$ 10,000.00	\$ 10,000.00
633 · Accounting Services	\$ 30,000.00	\$ 35,000.00
634 · Computer Consultants/Services	\$ 52,000.00	\$ 65,302.00
634.10 · Human Resource Consultant	\$ 1,000.00	\$ 1,000.00
636 · Court Reporters	\$ 5,000.00	\$ 5,000.00
638 · Prosecution/Enforcement	\$ 178,500.00	\$ 148,800.00
639 · Contract Monitor	\$ -	\$ 19,200.00
Total 630 · Consultant Expense	\$ 276,500.00	\$ 284,302.00
616 · Publications	\$ 8,000.00	\$ 6,500.00
618 · Study Guide (includes IT)	\$ 1,000.00	\$ 1,000.00
655 · Leased Equipment & Repair	\$ 25,000.00	\$ 28,574.00
670 · Public Information	\$ 3,000.00	\$ 8,000.00
672 · Training/Board Members	\$ 750.00	\$ 750.00
673 · Board Member Honorarium	\$ 11,000.00	\$ 10,000.00
<b>ASSETS</b>		
110 · Furniture & Equipment	\$ 1,000.00	\$ 1,000.00
110 · Computers & Software	\$ 10,900.00	\$ 15,000.00
115 · Leasehold Improvements	\$ 1,000.00	\$ 1,000.00

FLORIDA ENGINEERS MANAGEMENT CORP  
 PROPOSED BUDGET 2013-2014

	APPROVED BUDGET 2012-13	PROPOSED BUDGET 2013-14
626 · Copying & Printing		
626.20 · General Office	\$ 20,000.00	\$ 15,000.00
Total 626 · Copying & Printing	\$ 20,000.00	\$ 15,000.00
620 · Office Supplies	\$ 22,000.00	\$ 25,000.00
625 · Postage		
625.40 · General Office	\$ 25,000.00	\$ 15,000.00
Total 625 · Postage	\$ 25,000.00	\$ 15,000.00
650 · Office Space		
651 · Lease Payment	\$ 110,430.00	\$ 114,240.00
652 · Utilities	\$ -	\$ -
653 · Janitorial	\$ 3,000.00	\$ 1,500.00
656 · Pest Control	\$ 400.00	\$ 300.00
657 · Security Monitoring	\$ 4,000.00	\$ 4,400.00
658 · Moving Expenses	\$ -	\$ -
Total 650 · Office Space	\$ 117,830.00	\$ 120,440.00
640 · Telephone		
640.10 · Local/Line Charges	\$ 12,000.00	\$ 8,400.00
640.20 · Long Distance	\$ 2,000.00	\$ 2,500.00
640.30 · Internet Access Charges	\$ 2,500.00	\$ 2,600.00
640.40 · Conference Calls	\$ 500.00	\$ 200.00
Total 640 · Telephone	\$ 17,000.00	\$ 13,700.00
680 · Travel		
680.10 · Board/Committee Meetings	\$ 100,000.00	\$ 70,000.00
680.20 · Investig./Prosecut./Challenge	\$ 6,000.00	\$ 12,000.00
680.30 · NCEES Travel	\$ 12,000.00	\$ 12,000.00
680.40 · General Travel	\$ 1,000.00	\$ 2,500.00
680.50 · Employee Training	\$ 9,000.00	\$ 15,000.00
680.60 · Public Information Travel	\$ -	\$ 12,000.00
Total 680 · Travel	\$ 128,000.00	\$ 123,500.00
702 · NCEES Fees for Dues/Tests	\$ 6,500.00	\$ 6,500.00
770 · Memberships/Registrations	\$ -	\$ 4,000.00
775 · Employment/Training	\$ 10,000.00	\$ 20,000.00
740 · Renewal Expenses		
740.10 · Printing Renewal Notice	\$ 3,000.00	\$ -
740.20 · Mailing Renewal Notice	\$ -	\$ -
740.30 · Printing Licenses/ID Cards	\$ 4,000.00	\$ -
740.40 · Mailing Licenses/ID Cards	\$ 1,900.00	\$ -
740.50 · Renewal OPS	\$ -	\$ -
740.60 · Renewal Supplies	\$ -	\$ -
740 · Total Renewal Expenses	\$ 8,900.00	\$ -
<b>Total Expenses</b>	<b>\$ 2,124,473.00</b>	<b>\$ 2,170,875.00</b>
<b>Net Ordinary Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>

FLORIDA ENGINEERS MANAGEMENT CORP  
 PROPOSED BUDGET 2013-2014

DRAFT DRAFT DRAFT

	APPROVED BUDGET 2012-13	PROPOSED BUDGET 2013-14	
<b>Income</b>			
500 · State Contract			
UNLICENSED ACTIVITY	\$ (54,473.00)	\$ (100,875.00)	
<b>Total Income</b>	\$ (54,473.00)	\$ (100,875.00)	
<b>Expenses</b>			
600 · Salaries & Benefits			
600.10 · Salaries - Full Time Wages		\$ 47,365.00	
600.20 · Retirement		\$ 4,737.00	
600.30 · Payroll Taxes		\$ 3,969.00	
600.40 · Personnel Insurance			
600.40.10 - Health		\$ 5,278.00	
600.40.20 - Dental		\$ 214.00	
600.40.30 - Life & Disability		\$ 550.00	
600.50 · Accrued Leave Liability			
610.50 · Worker's Comp (Hartford)		\$ 95.00	
Total 600 · Salaries & Benefits	\$ -	\$ 62,208.00	Schedule
601 · Other Personnel Services (OPS)		\$ -	
636 · Court Reporters		\$ 1,500.00	15%
638 · Prosecution/Enforcement		\$ 20,757.00	15%
<b>639 · Contract Monitor</b>		\$ 960.00	95% G&A 5% ULA
Total 630 · Consultant Expense		\$ 23,217.00	
670 · Public Information		\$ 1,200.00	15%
626 · Copying & Printing			
626.20 · General Office		\$ 2,250.00	15%
Total 626 · Copying & Printing		\$ 2,250.00	
620 · Office Supplies		\$ 3,750.00	15%
625 · Postage			
625.40 · General Office		\$ 2,250.00	15%
Total 625 · Postage		\$ 2,250.00	
650 · Office Space			
651 · Lease Payment			
652 · Utilities		\$ -	
653 · Janitorial			
656 · Pest Control			
657 · Security Monitoring			
Total 650 · Office Space		\$ -	
680 · Travel			
680.60 · Public Information Travel		\$ 6,000.00	50%
Total 680 · Travel		\$ 6,000.00	
740 · Renewal Expenses			
740.10 · Printing Renewal Notice		\$ -	
740.20 · Mailing Renewal Notice		\$ -	
740.30 · Printing Licenses/ID Cards		\$ -	
740.40 · Mailing Licenses/ID Cards		\$ -	
740.50 · Renewal OPS		\$ -	
740.60 · Renewal Supplies	\$ -	\$ -	
740 · Total Renewal Expenses	\$ -	\$ -	
<b>Total Expenses</b>	\$ -	\$ 100,875.00	
<b>Net Ordinary Income (Loss)</b>	\$ 54,473.00	\$ -	



**FEMC**



**ANNUAL Certification**

**Certification of the  
Florida Engineers Management Corporation  
2012-2013**

Pursuant to Section 471.038(3)(j)2., Florida Statutes, and the terms of Contract Number 12-00004-00 between FEMC and the Department of Business and Professional Regulation, the Board of Professional Engineers certifies that based on the information available and reviewed for FEMC's 2012-2013 fiscal year performance under the contract, FEMC is complying with the terms of the contract in a manner consistent with the goals and purposes of the Board and in the best interest of the State.

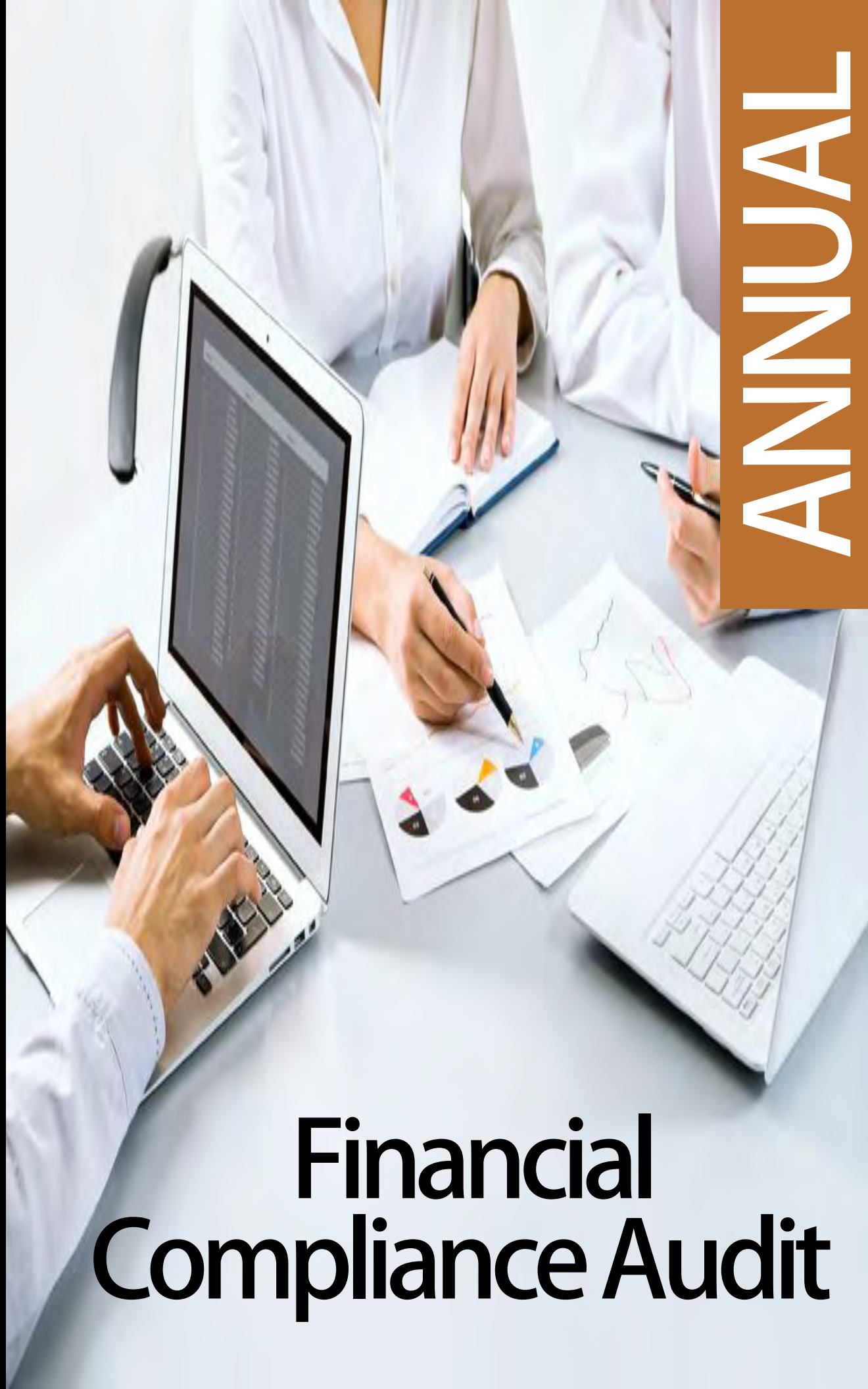
*Warren Hahn P. E.*

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Warren Hahn, Chair  
Board of Professional Engineers

Date: August 7, 2013

**ANNUAL**



# **Financial Compliance Audit**





**Law, Redd, Crona & Munroe, P.A.**  
*Certified Public Accountants*

## **MANAGEMENT LETTER**

Board of Directors  
Florida Engineers Management Corporation  
Tallahassee, Florida

We have audited the financial statements of Florida Engineers Management Corporation (the Corporation) as of and for the fiscal year ended June 30, 2013, and have issued our report thereon dated August 27, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.650, Rules of the Auditor General, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated August 27, 2013, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.650, Rules of the Auditor General, which required disclosure in the management letter of violations of provisions of contracts or grant agreements, illegal acts, or abuse, that have an effect on the financial statements or state project amounts that is less than material but more than inconsequential. In addition, for matters that have an inconsequential effect on the financial statements or state project amounts, considering both quantitative and qualitative factors, the following may be reported based on professional judgment: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, that have occurred, or are likely to have occurred, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, the following matters are required to be disclosed:

## **PRIOR YEAR AUDITOR'S OBSERVATIONS AND RECOMMENDATIONS**

### **Payroll Reporting and Personnel Files**

#### *Observation/Recommendation:*

During our testing of ten payroll disbursements, we noted three instances in which the payroll withholding for income taxes was inconsistent with the W-4s in the personnel files. In two of the instances, the payroll withholding was correct, but the most recent W-4 was not in the personnel file. In one of the instances, the employee's filing status provided on the W-4 did not agree with the status in the payroll system.

We recommended that the Corporation review its personnel files to ensure all contain current documentation and compare it to the entries in the payroll software to ensure consistency and accuracy.

#### *Management's Response and Planned Corrective Actions:*

Employee files are shared by the Chief Executive Officer and the Controller. The Controller will secure new W-4 forms for all current employees of Florida Engineers Management Corporation. The new W-4 forms will be placed in the employee files, as well as scanned into the Laserfiche secure files. FEMC will ensure that W-4 forms are updated on an annual basis and both filed and scanned for retention.

#### *Current Year Status*

The Controller obtained updated W-4 forms in the current year, but did not replace the old W-4 forms in the employees' personnel files. The new forms were filed together in a separate file. Our test of payroll withholdings agreed with the updated W-4 forms.

### **Payroll Tax Returns**

#### *Observation/Recommendation:*

During our testing of gross payroll, we noted that Forms 941 for the quarters ended March 31, 2011, June 30, 2011 and December 31, 2011 were incorrect and required amending.

We recommended that Forms 941 for above mentioned quarters, be amended promptly and that subsequent Form 941s be produced from the payroll software and reconciled to the General Ledger before submission.

*Management's Response and Planned Corrective Actions:*

The QuickBooks© Accounting Software Payroll Module reporting will be adjusted for bi-weekly pay periods. The pay period end date was previously included in the calculation when the pay period pay date should have been the calculation indicator. Only gross payroll was affected by this mistake and employees suffered no adverse effect. The Controller will file amended 941 forms immediately. FEMC will ensure that future calculations are performed with these adjustments in mind.

***Current Year Status***

No similar instances were noted in the current year.

**Audit Adjusting Entries**

*Observation/Recommendation:*

During our testing of balance sheet accounts, we noted that some of the beginning balances did not agree to the fiscal year end June 30, 2011 audited balances. Upon our interim review of the March 31, 2012 financial statements, it was evident that some of the audit adjusting entries resulting from the fiscal year ended June 30, 2011 audit had not been posted. These unposted entries affected the accuracy and reliability of the current year financial statements.

We recommended that all audit adjusting entries be posted to the accounting system as of the last day of the fiscal year being audited and that the period then be closed to further entries in order to ensure opening balances are accurate.

*Management's Response and Planned Corrective Actions:*

Due to the QuickBooks© payroll tax calculations and reporting methods not coinciding with actual payroll, the payroll liability account has carried forward incorrect amounts. FEMC's Controller is obtaining training from the QuickBooks© specialist at Law, Redd, Crona and Munroe to correct payroll calculation and reporting process. The other beginning balances at June 30, 2011 were not recognized by prior auditors due to immateriality.

***Current Year Status***

No similar instances were noted in the current year.

## **CURRENT YEAR OBSERVATIONS AND RECOMMENDATIONS**

### **Image Server Backups**

#### *Observation/Recommendation:*

During our review of backup and backup procedures of the image server, which houses its images of licensing documents, we noted that backups are stored on-site with no provision for off-site storage.

We recommend the Corporation establish provisions for transmitting copies of image server backups to an offsite location for storage. The document images housed on the image server contain confidential and sensitive information; therefore the off-site backups should be transmitted and stored in a secure fashion. The frequency of cycling backups off-site should be determined based on risk and cost, but FEMC should consider taking backups off-site at least weekly.

#### *Management's Response and Planned Corrective Actions:*

The Corporation purchased two 4 TB external hard drives in July 2013, one of which will be used to cycle server backups to an off-site location. The backup location and frequency are still to be determined.

### **Windows Active Directory Access**

#### *Observation/Recommendation:*

During our review of Windows Active Directory, we noted there was no suitable mechanism in place to periodically monitor the appropriateness of network access permissions in Active Directory. We requested a list of users registered in Active Directory from the Corporation's service provider and received a list of user groups and permissions, but the list did not identify the individual users who were assigned to the groups. The report should identify users, if any, with direct access permissions to network resources that is independent of group access.

We recommend the above mentioned Active Directory access permissions be reviewed periodically, which would provide increased assurance that inappropriate or unnecessary access permissions will be timely detected and corrected, therefore reducing the risk of inappropriate access to the Corporation's data and IT resources, should they exist.

*Management's Response and Planned Corrective Actions:*

The Corporation will request a list of Active Directory users and their access privileges from the service provider.

**Windows Active Directory Password Controls**

*Observation/Recommendation:*

During our review of Windows Active Directory password settings, we noted that password complexity requirements were not being system enforced when users log on to the network. Active Directory had not been configured to enforce requirements for minimum length and complexity of passwords, minimum and maximum password age, or password history.

We recommend defining a password policy for network users that provides for strong passwords that are changed on a periodic basis. The policy should include a requirement for the use of complex passwords composed of at least three character sets (e.g. alphabetic, numeric, and special characters). We also recommend requesting from the service provider to configure its network to enforce the password policy. Windows Active Directory provides functionality for enforcing password controls.

*Management's Response and Planned Corrective Actions:*

The Corporation requested the password policies be enforced on the network via the domain controller. The service provider has enabled settings for password change, expiration, and history.

**Cash Receipts**

*Observation/Recommendation:*

During our testing of twenty five cash receipts, we noted two instances in which the deposit was not made within seven working days from the close of the week in which the funds were received, as required per the Corporation's contract.

We recommend all deposits are made in a timely manner in order to meet the deposit requirement.

*Management's Response and Planned Corrective Actions:*

The Corporation will ensure future deposits are made within the above mentioned required time frame.

Florida Engineers Management Corporation  
August 27, 2013  
Page Six

Pursuant to Chapter 119, *Florida Statutes*, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management of Florida Engineers Management Corporation and others within the organization, the Florida Auditor General, and the State of Florida Department of Business and Professional Regulation, and is not intended to be and should not be used by anyone other than these specified parties.

*Law, Redd, Crona & Munroe P.A.*

Law, Redd, Crona & Munroe, P.A.  
Tallahassee, Florida  
August 27, 2013

**FLORIDA ENGINEERS  
MANAGEMENT CORPORATION  
(A COMPONENT UNIT OF THE STATE OF FLORIDA)**

**Financial Statements  
and Supplementary Information**

**For the Years ended June 30, 2013 and 2012**



**Law, Redd, Crona & Munroe, P.A.**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Florida Engineers Management Corporation  
Tallahassee, Florida

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Florida Engineers Management Corporation (the Corporation) (a nonprofit organization and component unit of the State of Florida) which comprise the statement of net position as of June 30, 2013, and the related statements of revenue expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Engineers Management Corporation as of June 30, 2013, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited Florida Engineers Management Corporation's financial statements for the year ended June 30, 2012, and our report dated August 27, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by Governmental Accounting Standards Boards, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.650, Rules of the Auditor General of the State of Florida, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Board of Directors  
Florida Engineers Management Corporation  
Page Three

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2013 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Florida Engineers Management Corporation's internal control over financial reporting and compliance.

  
LAW, REDD, CRONA & MUNROE, P.A.  
Tallahassee, Florida  
August 27, 2013



## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report of the Florida Engineers Management Corporation (the Corporation) presents management's discussion and analysis of the Corporation's financial performance during the fiscal year ended June 30, 2013 and 2012. It should be read in conjunction with the Corporation's financial statements immediately following this section.

### Background and Funding Information

The Florida Engineers Management Corporation (FEMC) is a nonprofit corporation created by passage of Chapter 97-312, Laws of Florida, Section 471.038, *Florida Statutes*, during the 1997 Florida Legislature. Its purpose is to provide administrative, investigative and prosecutorial services to the Florida Board of Professional Engineers (FBPE) (the Board). Florida Engineers Management Corporation receives funding from legislative appropriations to the Florida Department of Business and Professional Regulation (the Department) for the Board of Professional Engineers Trust Fund. The fiscal year is July 1 through June 30.

The Corporation's Board is comprised of seven members: five members appointed by the Florida Board of Professional Engineers and who must be registrants in Florida and two members who are appointed by the Secretary of the Department of Business and Professional Regulation and who must be laypersons not regulated by the Board.

### Overview of the Financial Statements

This annual report consists of management's discussion and analysis and the financial statements. The Corporation's reporting entity consists of only one fund so the financial statements provide information about the Corporation's overall financial status. The financial statements include notes that explain some of the information in the financial statements and provide more detailed information.

The Corporation's financial statements include the Statement of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, and the Statements of Cash Flows.

- The Statements of Net Position presents information on all assets and liabilities of the Corporation with the difference between the assets and liabilities reported as net position.
- The Statements of Revenues, Expenses and Changes in Net Position present information on all revenues and expenses of the Corporation and the changes in net assets.
- The Statements of Cash Flows present information regarding changes in cash due to cash receipts and cash disbursements during the reporting period.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

### Financial Highlights

Management is pleased that the Corporation has utilized its budget to provide continued and enhanced employee training, as well as upgrades to equipment, software and processes in our continued effort towards a paperless process. For purposes of providing a more relevant and timely newsletter to Florida licensees and keeping the FBPE website up to date, the Corporation has been able to provide the necessary tools to train staff in order to accomplish these goals. The Corporation is better able to respond to the needs of Florida licensees due to the computer upgrades, enhanced Laserfiche software and the conversion of microfilm records to a digital format. Training has also been provided to the staff in charge of the Laserfiche products, as well as the legal staff and licensure staff. Lastly, staff has been provided a safer workplace after the installation of essential security equipment.

### Financial Analysis

#### *Statement of Net Position*

The following schedule provides a summary of the assets, liabilities and net position of the Corporation as of June 30, 2013 and 2012:

	<b>Assets</b>	
	<u>2013</u>	<u>2012</u>
Current Assets	\$ 186,191	\$ 244,028
Non-current Assets	<u>162,664</u>	<u>160,216</u>
Total Assets	<u>\$ 348,855</u>	<u>\$ 404,244</u>
	<b>Liabilities and Net Position</b>	
Current Liabilities	\$ 102,886	\$ 153,784
Net Position	<u>\$ 245,969</u>	<u>\$ 250,460</u>

Total assets decreased due to a decrease in prepaid expenses. In addition, leasehold improvements were made to the reception area for additional security and for expanded wireless capabilities. Upgrades to computers, equipment and software were necessary for the move toward the paperless process.

The decrease in total liabilities was due primarily to a decrease in accounts payable for general operating expenses.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

### *Statements of Revenues, Expenses and Changes in Net Position*

The following schedule provides a summary of the revenues, expenses and changes in net position for the years ended June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Operating revenues	\$ 2,124,473	\$ 2,124,473
Operating expenses	<u>2,128,964</u>	<u>1,905,963</u>
Excess ( deficit) of Revenues over Expenses	(4,491)	218,510
Reversion to State of Florida	<u>0</u>	<u>(54,707)</u>
Change in net position	(4,491)	163,803
Total net position, beginning of year	<u>250,460</u>	<u>86,657</u>
Total net position, end of year	<u>\$ 245,969</u>	<u>\$ 250,460</u>

### *Operating Revenues*

The Florida Engineers Management Corporation is funded by a line item legislative appropriation set out in the Department of Business and Professional Regulation's annual budget.

### *Operating Expenses*

The excess of expenses over revenues of \$4,491 for the year ended June 30, 2013 was caused primarily by the Corporation's efforts to complete the conversion to LaserFische microfilm technology and other equipment and technology enhancements as described below. Another significant factor was the recognition in current year expenses of a larger amount of prepaid expenses reported the prior year than the amount reported in the current year. Management notes that while there was an immaterial book overage, there were always sufficient funds in the FEMC accounts to cover all invoiced charges. FEMC management will carefully scrutinize any late contract term pre-paid items in the 2013-2014 contract year to make sure that FEMC does not incur operating expenses above the budgeted amount.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The Corporation operating expenses for the fiscal year ended June 30, 2013 focused on six major areas:

- The Corporation fully implemented the use of Board Effects and the iPads for all board meetings.
- The Corporation purchased security glass, secure entrance door, and camera and speaker for the reception area.
- The Corporation has increased its public visibility through printed publications, electronic newsletters and outreach to Florida universities and high schools, in an effort to increase public awareness of the professional engineer process.
- The Corporation has continued to train employees in an effort to maintain and keep quality staff.
- The Corporation enhanced and updated LaserFiche software and equipment and continues to create workflows for each department. Continued training is a necessary piece of LaserFiche.
- The Corporation has substantially completed the microfilm conversion to digital media for enhanced storage and research.

### **Economic Factors and Next Year's Budget**

The Corporation's operating budget will increase for the fiscal year ending June 30, 2014. Grants and aid funds in the amount of \$2,070,000 and unlicensed activity funds in the amount of \$100,875 comprise the total budget of \$2,170,875.

**FLORIDA ENGINEERS MANAGEMENT CORPORATION**  
**(A COMPONENT UNIT OF THE STATE OF FLORIDA)**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2013 AND 2012**

	<b>2013</b>	<b>2012</b> <b>(See Note 1)</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 119,353	\$ 153,784
Prepaid Expenses	66,808	90,244
Accounts Receivable	30	-
<b>Total Current Assets</b>	<b>186,191</b>	<b>244,028</b>
<b>NONCURRENT ASSETS</b>		
Capital Assets, net	162,664	160,216
<b>Total Noncurrent Assets</b>	<b>162,664</b>	<b>160,216</b>
<b>Total Assets</b>	<b>\$ 348,855</b>	<b>\$ 404,244</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 102,886	\$ 99,077
Due to Florida Department of Business and Professional Regulation	-	54,707
<b>Total Current Liabilities</b>	<b>102,886</b>	<b>153,784</b>
<b>Total Liabilities</b>	<b>102,886</b>	<b>153,784</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	162,664	160,216
Net Position - Unrestricted	83,305	90,244
<b>Total Net Position</b>	<b>245,969</b>	<b>250,460</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 348,855</b>	<b>\$ 404,244</b>

The accompanying notes are an integral part of these financial statements.



**FLORIDA ENGINEERS MANAGEMENT CORPORATION**  
**(A COMPONENT UNIT OF THE STATE OF FLORIDA)**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	<b>2013</b>	<b>2012</b> (See Note 1)
<b>OPERATING REVENUES:</b>		
Transfer In - Florida Department of Business and Professional Regulation	\$ 2,124,473	\$ 2,124,473
<b>TOTAL OPERATING REVENUES</b>	<b>2,124,473</b>	<b>2,124,473</b>
<b>OPERATING EXPENSES:</b>		
Salaries and benefits	1,253,079	1,169,179
Professional and consulting fees	355,409	261,451
Occupancy costs	119,104	128,493
Meeting and travel expenses	135,275	105,452
Depreciation	65,251	46,096
Renewal activities	37,939	-
Postage	15,974	21,249
Repairs and maintenance	29,000	20,360
Printing and copying	13,421	13,810
Telephone	13,925	12,555
Office supplies and expenses	44,130	71,418
Insurance	23,671	24,586
Dues and subscriptions	8,066	8,964
Testing services and fees	6,500	6,500
Employee training	8,220	15,850
<b>TOTAL OPERATING EXPENSES</b>	<b>2,128,964</b>	<b>1,905,963</b>
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES</b>	<b>(4,491)</b>	<b>218,510</b>
<b>REVERSION TO FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION</b>	<b>-</b>	<b>(54,707)</b>
<b>CHANGE IN NET POSITION</b>	<b>(4,491)</b>	<b>163,803</b>
<b>NET POSITION, Beginning of Year</b>	<b>250,460</b>	<b>86,657</b>
<b>NET POSITION, End of Year</b>	<b>\$ 245,969</b>	<b>\$ 250,460</b>

The accompanying notes are an integral part of these financial statements.

**FLORIDA ENGINEERS MANAGEMENT CORPORATION**  
**(A COMPONENT UNIT OF THE STATE OF FLORIDA)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	<b>2013</b>	<b>2012</b> <b>(See Note 1)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Florida Department of Business and Professional Regulation	\$ 2,124,473	\$ 2,124,473
Payments to Vendors	(846,277)	(781,292)
Payments to Employees	(1,244,315)	(1,184,824)
<b>Net Cash Provided by Operating Activities</b>	<b>33,881</b>	<b>158,357</b>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of Capital Assets	(68,312)	(119,885)
<b>Net (Decrease) Increase in Cash</b>	<b>(34,431)</b>	<b>38,472</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>153,784</b>	<b>115,312</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 119,353</b>	<b>\$ 153,784</b>
 <b>RECONCILIATION OF CHANGE IN NET POSITION TO THE NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Change in Net Position	\$ (4,491)	\$ 163,803
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities:		
Depreciation	65,251	46,096
Loss on Disposal of Capital Assets	613	-
(Increase) Decrease In:		
Accounts Receivable	(30)	-
Prepaid Expenses	23,436	(40,682)
Deposits	-	7,071
Increase (Decrease) In:		
Accounts Payable and Accrued Expenses	3,809	29,376
Due to Florida Department of Business and Professional Regulation	(54,707)	(47,307)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 33,881</b>	<b>\$ 158,357</b>

The accompanying notes are an integral part of these financial statements.

**FLORIDA ENGINEERS MANAGEMENT CORPORATION**  
**(A COMPONENT UNIT OF THE STATE OF FLORIDA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of the Organization** – The Florida Engineers Management Corporation (the Corporation) is a nonprofit corporation created by passage of Chapter 97-312, Laws of Florida, Section 471.038, *Florida Statutes*, during the 1997 Florida Legislature. Its purpose is to provide administrative, investigative and prosecutorial services to the Florida Board of Professional Engineers (FBPE) (the Board). Florida Engineers Management Corporation receives funding from legislative appropriations to the Florida Department of Business and Professional Regulation (the Department) from the Board of Professional Engineers Trust Fund. The fiscal year is July 1 through June 30.

A summary of significant accounting policies applied in the preparation of the accompanying financial statements follows.

**Basis of Accounting** – The Corporation’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The Corporation implemented GASB Statement No. 63, for fiscal year ended June 30, 2013. This new statement requires a change in the title of Statement of Net Assets to Statement of Net Position and Statement of Revenue, Expenses and Changes in Net Assets to Statement of Revenue, Expenses and Changes in Net Position. The presentation of net position has also changed. See GASB Statement No. 63 for additional information.

The Corporation operates as a special purpose government engaged in business-type activities. The proprietary fund type is applicable to the Corporation, under the governmental reporting model, and its activities are accounted for as an enterprise fund.

The focus of proprietary fund measurement is on the flow of economic resources including the determination of operating income, changes in net position, financial position, and cash flows, similar to business enterprises. The Corporation’s books are maintained on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

**Reporting Entity** – No component units have been identified for the years ended June 30, 2013 and 2012.

**Income Taxes** – The Corporation qualifies for exemption from federal income taxes as a governmental entity. Therefore, no provision for income taxes has been recorded.

**FLORIDA ENGINEERS MANAGEMENT CORPORATION  
(A COMPONENT UNIT OF THE STATE OF FLORIDA)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents** – Cash and cash equivalents include demand deposits with financial institutions, deposits in highly-liquid money market funds and certificates of deposit with original maturities of three months or less.

**Capital Assets** – Capital assets are stated at cost, net of accumulated depreciation. Contributed assets are reported at fair market value as of the date received. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from five to seven years. The Corporation capitalizes all capital assets with a purchase price over \$500.

**Operating Revenues** – Operating revenues consist of contract revenue received from the Florida Department of Business & Professional Regulation. Revenues are recorded in the period in which they are earned.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Restricted Funding** – The Corporation receives funding through appropriations allocated to the regulation of professional engineers from the State of Florida Professional Regulation Trust Fund. It is restricted for the purposes described in *Florida Statutes*, Section 471.038.

**Reclassifications** – As a result of the implementation of GASB No. 63, certain June 30, 2012 amounts have been reclassified to conform to the June 30, 2013 presentation.

**Comparative Data** – The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2012 from which the summarized information was derived.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of two accounts maintained at a commercial bank located in Tallahassee, Florida. The carrying amount and bank balances at June 30, 2013 are \$119,353 and \$276,040, respectively. Cash account balances are secured by the Federal Deposit Insurance Corporation (FDIC), up to \$250,000 per bank. As of June 30, 2013, the corporation had an uninsured amount of \$26,040.

**FLORIDA ENGINEERS MANAGEMENT CORPORATION  
(A COMPONENT UNIT OF THE STATE OF FLORIDA)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**NOTE 3 – CONCENTRATION OF CREDIT RISK AND CONTINGENCY**

The Corporation receives all of its revenue from a contract with the State of Florida, Department of Business and Professional Regulation. In performing the administrative services under this contract, the Corporation collected and processed approximately \$931,251 and \$832,166 of fees and revenues on the Board's behalf during the years ended June 30, 2013 and 2012, respectively. These amounts were deposited directly into the Department's trust fund account and do not reflect revenues of the Corporation. Therefore, they have not been recorded in the accompanying financial statements.

The contract amount for the fiscal year ended June 30, 2013 is \$2,124,473. In July 2013, the Corporation entered into a four year contract beginning July 1, 2013 through June 30, 2017. Total funding for the contract is \$2,170,875 annually and \$8,683,500 for the contract period. The Department's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Florida Legislature. In addition, upon determination by the Department and the Board, at any time during the term of the contract that the Corporation no longer operates for the benefit of the Board and in the best interest of the State, all monies and property held shall revert to the Board or the Department.

**NOTE 4 – CAPITAL ASSETS**

Capital assets consist of the following:

	<u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2013</u>
Furniture and Equipment	\$ 100,266	\$ 58,263	\$ (1,030)	\$ 157,499
Leasehold Improvements	68,655	10,050	-	78,705
Computers and Software	238,154	-	(7,054)	231,100
	<u>407,075</u>	<u>68,313</u>	<u>(8,084)</u>	<u>467,304</u>
Less: accumulated depreciation	(246,859)	(65,252)	7,471	(304,640)
	<u>\$ 160,216</u>	<u>\$ 3,061</u>	<u>\$ (613)</u>	<u>\$ 162,664</u>

**FLORIDA ENGINEERS MANAGEMENT CORPORATION  
(A COMPONENT UNIT OF THE STATE OF FLORIDA)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**NOTE 5 – RETIREMENT BENEFITS**

The Corporation maintains a defined contribution retirement plan for all full time employees having completed one year of service. For employees hired prior to July 1, 2011, management has designated a quarterly contribution of ten percent (10%) of each eligible employee’s gross quarterly earnings. For all full time employees hired on or after July 1, 2011, the employer contribution is five percent (5%) of each eligible employee’s gross quarterly earnings and after five years of service, contributions are increased to ten percent (10%) of each eligible employee’s gross quarterly earnings. Contributions to the plan for the years ended June 30, 2013 and 2012 were \$89,025 and \$80,239, respectively.

**NOTE 6 – OPERATING LEASE COMMITMENTS**

The Corporation leases office space and equipment under operating leases expiring at various dates through September 2017. The lease for office space is cancellable with one month prior written notice, in the event that the Corporation’s program is cancelled or funding is not available. Future minimum rental payments under these leases as of June 30, 2013 are as follows:

<u>For the year ending June 30,</u>	
2014	\$ 138,021
2015	138,183
2016	139,198
2017	<u>32,631</u>
Total	<u>\$ 448,033</u>

Rent expense for the years ended June 30, 2013 and 2012 was \$112,607 and \$113,636, respectively.

**NOTE 7 – RISK MANAGEMENT**

The Corporation is exposed to various risks of loss including general liability, property and casualty, group health and life, auto and physical damage, and workers’ compensation. Conventional commercial insurance coverage has been purchased from various independent carriers to insure against such risk and minimize financial exposure to such risks. The Corporation is not involved in any risk pools with other governmental entities.

**FLORIDA ENGINEERS MANAGEMENT CORPORATION**  
**(A COMPONENT UNIT OF THE STATE OF FLORIDA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

**NOTE 8 – INCOME TAXES**

For the year ended June 30, 2013, the Corporation had no unrelated business income and, accordingly, has incurred no income tax liability from unrelated business activities.

An entity must recognize the impact of uncertain tax positions in the financial statements, if it is more likely than not that a tax position taken for tax return purposes will not be sustained upon examination by taxing authorities. The Corporation has concluded that it has no material uncertain tax positions, and accordingly, it has not recognized any liability for unrecognized tax benefits.

**NOTE 9 – RELATED PARTY TRANSACTIONS**

During fiscal year ended June 30, 2013, the Corporation transacted with Roger Jeffery, P.E., Chairman of the Board, to provide expert witness and consulting services in the amount of \$26,725. Mr. Jeffrey's term on the Board ended on October 10, 2012.

**NOTE 10 – COMMITMENTS**

The Corporation is in the process of converting their microfilm records into digital images in Laserfiche format. As of June 30, 2013, the Corporation has a contractual obligation to pay \$45,000 to complete the conversion.

**NOTE 11 – CONTINGENCIES**

The Corporation is a defendant in litigation for a claim for attorney's fees stemming from a disciplinary action against a licensee. The amount of the claim is \$50,000. Although the Corporation prevailed in the initial proceeding at the Division of Administrative Hearings, the plaintiff took an appeal to the First District Court of Appeal. Management believes it is not likely that the plaintiff will prevail. As such, no liability has been recorded as of June 30, 2013.

**NOTE 12 – EVALUATION OF SUBSEQUENT EVENTS**

The Corporation has evaluated subsequent events through August 27, 2013, the date which the financial statements were available to be issued.

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## **Supplementary Information**



**FLORIDA ENGINEERS MANAGEMENT CORPORATION  
 (A COMPONENT UNIT OF THE STATE OF FLORIDA)  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE PROJECTS  
 FOR THE YEAR ENDED JUNE 30, 2013**

<u>State Agency and Program Title</u>	<u>CSFA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
State of Florida			
Department of Business and Professional Regulation			
Direct Program			
Florida Engineers Management Corporation (FEMC)	79.001	n/a	<u>\$ 2,128,964</u>

**Notes:**

(1) The Schedule of Expenditures of State Financial Assistance was prepared on the accrual basis of accounting.

See independent auditor's report.

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## **Other Reports**



Law, Redd, Crona & Munroe, P.A.

*Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Florida Engineers Management Corporation  
Tallahassee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida Engineers Management Corporation (the Corporation) (a nonprofit organization and component unit of the State of Florida), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 27, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be

Board of Directors  
Florida Engineers Management Corporation  
Page Two

material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the Corporation, in a separate letter dated August 27, 2013.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LAW, REDD, CRONA & MUNROE, P.A.  
Tallahassee, Florida  
August 27, 2013



Law, Redd, Crona & Munroe, P.A.

*Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

Board of Directors  
Florida Engineers Management Corporation  
Tallahassee, Florida

**Report on Compliance for Each Major State Project**

We have audited Florida Engineers Management Corporation's (the Corporation) (a nonprofit organization and component unit of the State of Florida) compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the Corporation's major state project for the year ended June 30, 2013. The Corporation's major state project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Corporation's major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Chapter 10.650, Rules of the Auditor General. Those standards and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a state project occurred. An audit includes examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the Corporation's compliance.

**Opinion on Each Major State Project**

In our opinion, Florida Engineers Management Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended June 30, 2013.

**Report on Internal Control Over Compliance**

Management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on a major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

*Law Redd Crone & Munroe P.A.*

**LAW, REDD, CRONA & MUNROE, P.A.**

Tallahassee, Florida

August 27, 2013

**FLORIDA ENGINEERS MANAGEMENT CORPORATION  
(A COMPONENT UNIT OF THE STATE OF FLORIDA)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE FINANCIAL ASSISTANCE PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Section I – Summary of Auditor's Results**

**Financial Statements**

Type of auditor's reports issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None
Noncompliance material to financial statements noted?	No

**State Financial Assistance**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None
Type of auditor's report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the <i>Florida Single Audit Act</i>	No

Identification of major programs:	<u>CSFA Number</u>	<u>Name of State Financial Assistance</u>
	79.001	State of Florida Department of Business and Professional Regulation Direct Program Florida Engineers Management Corporation (FEMC)

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**Section II – Financial Statement Findings**

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Section III – State Financial Assistance**

We noted no matters involving noncompliance that are required to be reported in accordance with the *Florida Single Audit Act*.

**FLORIDA ENGINEERS MANAGEMENT CORPORATION  
(A COMPONENT UNIT OF THE STATE OF FLORIDA)  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013**

**State Programs - None**





Board of Directors  
Florida Engineers Management Corporation  
Tallahassee, Florida

We have audited the financial statements of Florida Engineers Management Corporation (the Corporation) for the year ended June 30, 2013, and have issued our report thereon dated August 27, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated September 25, 2012. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 1 to the financial statements. Except for the items discussed below, no new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2013. We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

- The Florida Department of Business and Professional Regulation provided new guidance in the determination of the amount of excess funding to revert to the Department at the end of each fiscal year. As such, the Corporation is not required to revert funds that are contractually obligated as of June 30 of each year, even though such goods or services have not been received by June 30; provided the goods and services are received and the vendor is paid before October 1, of the following fiscal year.
- GASB 62 and GASB 63 are new accounting pronouncements that were implemented in the current year. The primary change in the 2013 financial statements is the presentation, format, and terminology of the statement of net position versus the prior year's statement of net assets.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the depreciation computed is based on using the straight-line method over the estimated useful lives of assets. We evaluated the key factors and assumptions used to develop the above-mentioned estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The Financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

1. An audit adjusting entry to reclassify \$9,025 in disbursements to Prepaid Expenses since they are for services that will be rendered in the fiscal year ending June 30, 2014.
2. An audit adjusting entry of \$8,083 to remove fixed assets no longer in service.
3. An audit adjusting entry of \$65,251 to record the current year depreciation expense.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Board of Directors  
Florida Engineers Management Corporation  
Page Three

*Management Representations*

We have requested certain representations from management that are included in the client representation letter dated August 27, 2013.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

*Other Matters*

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the State of Florida, the Florida Board of Professional Engineers and management of Florida Engineers Management Corporation, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

  
Law, Redd, Crona & Munroe, P.A.  
Tallahassee, Florida  
August 27, 2013