

**MEMORANDUM**

**TO:** The Honorable Joe Negron, President of the Florida Senate  
The Honorable Richard Corcoran, Speaker of the Florida House of Representatives  
Jonathan Zachem, Secretary, Dept. of Business & Professional Regulation  
Kenneth Todd, Jr., P.E., Chair, FBPE  
Charles K. Fleming, P.E, Vice Chair, FBPE  
Dylan Albergo, P.E., FBPE  
Vivian Boza, Public Member, FBPE  
Scott Drury, P.E., FBPE  
Elizabeth Ferguson, Public Member, FBPE  
Pankaj (PJ) Shah, P.E., FBPE  
Walid Sobh, P.E., FBPE  
Babu Varghese, P.E., S.I., FBPE

**FROM:** Zana Raybon, President  
Florida Engineers Management Corporation

**DATE:** September 18, 2018

**RE:** Transmittal of Annual Report

In accordance with Section 471.038(3)(1), Florida Statutes, enclosed is the 2017-2018 Annual Report of the Florida Engineers Management Corporation.

cc: w/attachment

Stephen Kowkabany, P.E., Chair, FEMC  
Barney Bishop, Vice Chair, FEMC  
Jeff Arey, P.E., FEMC  
Kimberlee DeBosier, P.E., FEMC  
Donald Goddeau, P.E., FEMC  
Shannon LaRocque, P.E., FEMC  
John Stewart, FEMC

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**Florida Engineers Management Corporation Board Members**

**STEPHEN KOWKABANY, P.E.**  
CHAIR  
10/7/15-10/31/19

**BARNEY T. BISHOP, III**  
VICE-CHAIR  
5/1/17-4/30/20

**JEFF AREY, P.E.**  
10/6/10-10/9/18

**KIMBERLEE DEBOSIER, P.E.**  
10/6/10-10/9/18

**DONALD GODDEAU, P.E.**  
12/7/12-8/17/20

**SHANNON LAROCQUE, P.E.**  
10/6/10-10/9/18

**JOHN STEWART, P.E.**  
5/29/14-5/28/22

**ZANA RAYBON**  
EXECUTIVE DIRECTOR

2018 FLORIDA ENGINEERS MANAGEMENT CORP.

# ANNUAL REPORT



2639 N Monroe St., Suite B-112, Tallahassee, FL 32303

Telephone: (850) 521-0500; Fax: (850) 521-0521

Online: [fbpe.org](http://fbpe.org)

2017-2018 Annual Report  
Florida Engineers Management Corporation

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. Section 471.038(3)(m), F.S., 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, 2017, and June 30, 2018, FEMC performed the following:

- Administered 55 meetings of FBPE and FBPE committees;
- Published 4 newsletters that were distributed to an average of 39,131 engineering licensees and others, not including newsletters mailed through telephone and email requests;
- Renewed 858 licenses that included Professional Engineers and Certificates of Authorization for engineering firms;
- Issued 22 Certifications of Special Inspectors of threshold-type buildings;
- Issued 570 Certificates of Authorization to firms providing engineering services in Florida;
- Received 5,226 applications for licensure;
- Approved 2,870 applications for licensure;
- Denied 136 applications for licensure;
- 44.16 days average time to issue a license;
- For October 2017, approved 604 candidates for the Principles and Practice of Engineering examination; of those 604 candidates, 275 passed, 180 failed, 26 did not show up for the examination, and 116 did not register with NCEES;

**Florida Engineers Management Corporation Board Members**

**STEPHEN KOWKABANY, P.E.**  
CHAIR  
10/7/15-10/31/19

**BARNEY T. BISHOP, III**  
VICE-CHAIR  
5/1/17-4/30/20

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10/6/10-10/9/18

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5/29/14-5/28/22

**ZANA RAYBON**  
EXECUTIVE DIRECTOR

- For April 2018, approved 538 candidates for the Principles and Practice examination; of those 538 candidates, 240 passed, 193 failed, 32 did not show up for the examination, and 131 did not register with NCEES;
- For the computer-based Fundamentals of Engineering examination from July 1, 2017, through June 30, 2018, 1,310 passed, and 839 failed.\*\*

\*\* In January 2014, NCEES moved to Computer- Based Testing for the Fundamentals examination. NCEES has contracted with a third-party vendor to administer the exam. FEMC now approves the applicant, but FEMC has no way of knowing when the applicant schedules to take the exam. The applicant has 12 months to take the exam anywhere in the United States. All FEMC is made aware of is who passed and who failed the examination. These results may contain candidates who have not applied with FEMC and who have been approved for licensure. The exam windows are for only two months at a time with one month off (January and February were exam windows, and March was closed).

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

- Processed 310 complaints regarding engineering practice, of which 261 were found to be legally sufficient;
- Filed 112 Administrative Complaints in cases where the Probable Cause Panel found probable cause to believe a violation of the Engineering Practice Act had occurred;
- Filed 30 Final Orders with DBPR;
- Entered 15 Settlement Stipulations;
- 2 respondents elected to appear before the Division of Administrative Hearings;
- Dismissed 4 after re-consideration by Probable Cause Panel;
- Issued 9 Reprimands;
- Issued 5 Suspensions;
- Issued 5 Probations;
- Issued 5 Project Reviews;
- Issued 1 License Restriction;
- Required 14 engineers to successfully complete a course in Engineering Professionalism and Ethics;
- Required 12 engineers to successfully complete the Board's Study Guide on Laws and Rules;
- Imposed \$36,768.50 in Administrative Costs;
- Imposed \$38,400.00 in Administrative Fines;
- Received 3 Voluntarily Licensure Relinquishments;
- Received 0 Voluntarily Licensure Inactivations;
- Revoked 0 licenses;
- Dismissed 2 cases at Board meetings;
- Dismissed 47 cases with a finding of no probable cause;

- Dismissed 28 cases with Letter of Guidance to engineers;
- FBPE issued 30 Final Orders against Professional Engineers.

#### Charter and By-Laws

The Corporation's articles of incorporation and bylaws are provided for informational purposes.

#### Statutory Requirements

In response to various requirements of Section 471.038, F.S., the following attachments are provided:

- Section 471.038, F.S.  
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 and maintained by FEMC at [fbpe.org](http://fbpe.org) to provide important information to the public and licensees. In addition to the names of FBPE members and FEMC directors and staff, the website also provides the most recent engineering rules and laws, 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, FBPE newsletters, Board meeting agendas and minutes, Board calendar for the year, and information on continuing education.
- Contract  
Section 471.038(3)(j), F.S., requires that FEMC operate on an annual contract with DBPR. Attached is a copy of the contract, which is titled "Agreement Between Florida Engineers Management Corporation and Department of Business and Professional Regulation."
- Annual Budget  
Section 471.038(3)(j)1, F.S., requires submission of an annual budget that has been approved by FBPE and DBPR. Attached please find a copy of the approved budget for the fiscal year 2017-2018.
- Annual Certification  
Section 471.038(3)(j)2, F.S., requires that FEMC be certified by FBPE and 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.

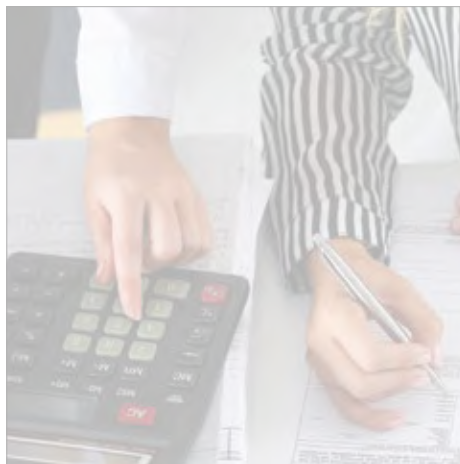
- Annual Financial and Compliance Audit  
Section 471.038(3)(k), F.S., requires an annual finance and compliance audit of financial accounts and records by the independent certified public accountant. The audit for the period of July 1, 2017, through June 30, 2018, is attached.

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).

# 2018 FEMC ANNUAL REPORT

# FLORIDA STATUTES

Section 471.038



Select Year:  

## The 2018 Florida Statutes

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[Title XXXII](#)  
REGULATION OF PROFESSIONS AND OCCUPATIONS

[Chapter 471](#)  
ENGINEERING

[View Entire Chapter](#)

### **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.

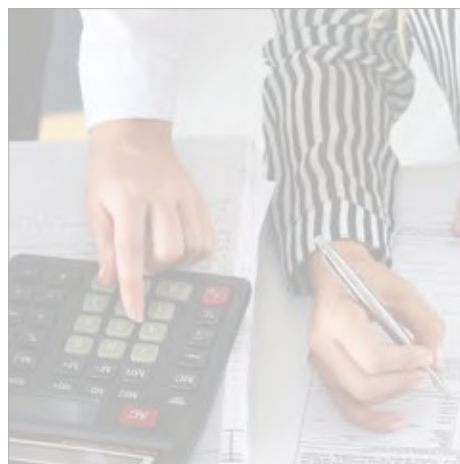
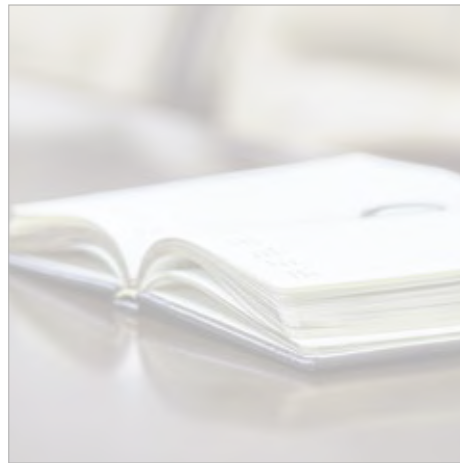
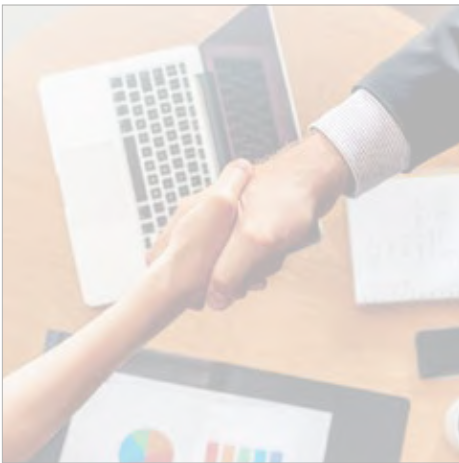
(9) The board shall provide by rule for the procedures the management corporation must follow to ensure that all licensure examinations are secure while under the responsibility of the management corporation and that there is an appropriate level of monitoring during the licensure examinations.

**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.

# 2018 FEMC ANNUAL REPORT

# RESOURCES/TOOLS

fbpe.org





**FBPE**  
FLORIDA BOARD OF  
PROFESSIONAL ENGINEERS

*Committed to protecting the interest  
of public health and safety by properly  
regulating the practice of engineering*

HOME

ABOUT

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MEETINGS & INFO

CONTINUING EDUCATION

CORPORATE

YOUR FBPE

CONTACT

**SIGNING AND SEAL**  
Physical & Electronic Engineering D

State of Florida  
Board of Professional E

Attests that

**WHY BECOME A LICENSED EN**  
A One-Page Guide to Engineering Licensure

## RENEW | LICENSE

Licensure renewal officially opens on **Nov. 5, 2018**. Visit our *License Renewal* page for more information.

 RENEW LICENSE

## SEARCH | FOR LICENSEE

DBPR's My Florida License website provides information about applicants and licensed individuals.

 SEARCH LICENSEE

## RECORDS | REQUEST

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

 RECORDS REQUEST

## FILE | A COMPLAINT

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

 FILE COMPLAINT

## EXAMS: FUNDAMENTALS (FE) / PRINCIPLES & PRACTICE (PE)

If you want to sit for the FE examination you have two choices to register: pre-approval from FBPE, or direct registration with NCEES. Having passed the fundamentals exam, either in Florida or in another state, a person must apply for the PE examination to complete the process for professional licensure.

 [FE EXAM DETAILS](#)

 [PE EXAM DETAILS](#)

## LATEST EVENTS

### FEMC Board Operations Committee Conference Call-CANCELLED

September 7 @ 10:00 am

### FBPE Probable Cause Panel Meeting

September 12 @ 8:30 am

### FBPE Experience Committee Application Review

September 12 @ 1:00 pm

### FBPE Education Committee Application Review

September 12 @ 3:00 pm

### FBPE Ratification Conference Call

September 21 @ 10:00 am

**[View All Events](#)**

 [VIEW FULL EVENTS CALENDAR](#)

# SIGNING AND SEALING

Physical & Electronic Engineering Documents



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**LATEST** FBPE NEWSLETTER



**FBPE**  
FLORIDA BOARD OF  
PROFESSIONAL ENGINEERS

# Connection

*Linking You With the Florida Board's Latest Engineering News and Information*

 [Click here to download a printable PDF version.](#)



## From the Executive Director: Watch for Changes to Renewal

Since the staff at FBPE is gearing up for the biennial renewal, which begins in November, I thought now would be a good time to alert licensees to some changes.

[Details >](#)



## Chair's Corner: Having Good Ethics Is a Must

From time to time, it is good to be reminded of the engineer's responsibility to act in an ethical manner. As the next P.E. renewal cycle approaches, licensed engineers need to have taken one hour of ethics as part of the CEU requirement for license renewal in Florida.

[Details >](#)



## FBPE Bids Farewell to Two Board Members

Longtime board members Anthony J. Fiorillo, PE, SI, CGC, and William C. Bracken, PE, SI, CFM, have left the Florida Board of Professional Engineers. Mr. Fiorillo resigned in April; Mr. Bracken resigned in June.

[Details >](#)



## Sobh Appointed to Fill FBPE Vacancy

Walid M. Sobh, 55, has been appointed by Gov. Rick Scott to fill a vacancy on the Florida Board of Professional Engineers. Mr. Sobh's term runs May 1 through Oct. 31, 2018.

[Details >](#)



## CE Audit Finds 10 Percent Out of Compliance

**LATEST** FEMC QUARTERLY REPORT



Florida Engineers Management Corporation

# 4th Quarter Report

## 2017-2018



2639 N Monroe St., Suite B-112, Tallahassee, Fla. 32303

Telephone: (850) 521-0500; Fax: (850) 521-0521

Online: [fbpe.org](http://fbpe.org)



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**Florida Board of Professional Engineers**  
23 hours ago

Professional Engineers whose work involves structures and systems covered by the Florida Building Code must complete an advanced CE course by Dec. 31 to retain their "Special Qualifications" designation. Find out more [fbpe.org/continuing](http://fbpe.org/continuing)

## LATEST NEWS



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## CONTACT | FBPE

FLORIDA BOARD OF PROFESSIONAL  
ENGINEERS

2639 N Monroe St., Suite B-112

Tallahassee, FL 32303-4064

Tel: (850) 521-0500 | Fax: (850) 521-0521

## HOURS | FBPE CONTACTS

**HOURS:** 8 A.M.-5 P.M. MONDAY TO FRIDAY

**GENERAL BOARD CONTACT:**

BOARD@FBPE.ORG

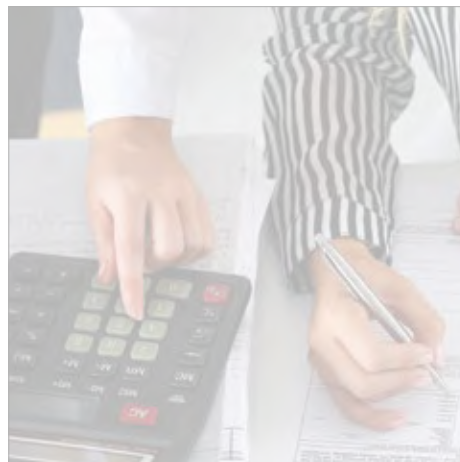
**WEBSITE CONTACT:** WEBMASTER@FBPE.ORG

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# 2018 FEMC ANNUAL REPORT

# FEMC/DBPR

Annual Agreement



**RENEWAL NUMBER 1  
TO CONTRACT  
BETWEEN  
THE DEPARTMENT OF BUSINESS and PROFESSIONAL REGULATION  
AND  
FLORIDA ENGINEERS MANAGEMENT CORPORATION**

WHEREAS, on July 2, 2013, the State of Florida, Department of Business and Professional Regulation, ("Department") and Florida Engineers Management Corporation (FEMC), entered into a contract for 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;

WHEREAS, Attachment I (Scope of Work) of the Contract provides that any renewal of the Contract shall be for a period no longer than the term of the original contract;

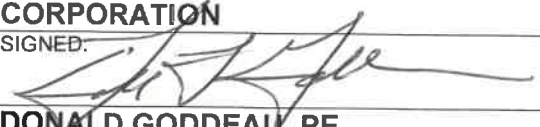

WHEREAS, paragraph 33 (Modifications) of the Core Contract states that modifications to the existing contract are valid only when they are reduced to a written amendment duly signed by both parties; and

WHEREAS, both parties wish to renew the Contract as set forth herein.

THEREFORE, the parties agree to the following

1. The contract is renewed for a period of four (4) years beginning on July 1, 2017 and ending on June 30, 2021. All contract terms and conditions in effect during the July 1, 2013 through June 30, 2017 contract period shall remain in full force and effect during the July 1, 2017 through June 30, 2021 renewal period.
2. The Department shall provide an additional \$8,683,500.00 in funding to pay for services provided in accordance with the terms and conditions of the contract during the renewal period contingent upon annual appropriation by the Florida Legislature. Total funding for the original contract period and subsequent renewal period shall not exceed \$17,367,000.00.
3. All other terms and conditions remain in effect.

IN WITNESS HEREOF, by signature below, both parties agree to abide by the terms, conditions, and provisions of the original Contract document as amended, that is hereby effective on July 1, 2017 or on the date the last party signs this Renewal, whichever is later.

<b>FLORIDA ENGINEERS MANAGEMENT CORPORATION</b>	<b>DEPARTMENT OF BUSINESS and PROFESSIONAL REGULATION</b>
SIGNED: 	SIGNED: 
<b>DONALD GODDEAU, PE</b> <b>CHAIR</b>	<b>Jonathan Zachem</b> <b>SECRETARY</b>
DATE: <i>21 Jun 2017</i>	DATE: <i>6-29-17</i>

**AMENDED and RESTATED CONTRACT  
BETWEEN  
THE DEPARTMENT OF BUSINESS and PROFESSIONAL REGULATION  
AND  
FLORIDA ENGINEERS MANAGEMENT CORPORATION**

This Amended and Restated Contract ("Contract"), is by and between the State of Florida, Department of Business and Professional Regulation ("Department") and Florida Engineers Management Corporation ("FEMC").

WHEREAS, on July 2, 2013, the Department and FEMC entered into a contract for the provision of 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;

WHEREAS, Section XVII, General Provisions, paragraph M, Modifications, of the contract provides that any modification of the provisions of the contract shall only be valid when reduced to a written amendment duly signed by both parties;

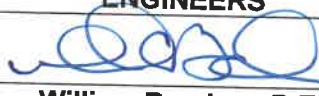
WHEREAS, for the purposes of clarity and convenience, Department and FEMC desire to amend and restate the terms of the original contract as set forth below.

NOW THEREFORE, in consideration of the premises and mutual covenants set forth herein, the parties agree as follows:

1. The amended and restated contract shall replace the original contract in its entirety and all parties agree to abide by the terms and conditions of the amended and restated contract and attachments thereto.
2. In case of dispute, the terms of the amended and restated contract are understood to supersede all terms of the original contract.

IN WITNESS HEREOF, by signature below, both parties agree to abide by the terms, conditions, and provisions of the original Contract document as amended, that is hereby effective on the date the last party signs this Amendment, whichever is later.

<b>FLORIDA ENGINEERS MANAGEMENT CORPORATION</b>	<b>DEPARTMENT OF BUSINESS and PROFESSIONAL REGULATION</b>
SIGNED: 	SIGNED: 
<b>Shannon LaRocque, P.E.</b>	<b>Ken Lawson</b>
<b>Board Chairman</b>	<b>Secretary</b>
DATE: 6/8/16	DATE: 6-9-16

<b>FLORIDA BOARD OF PROFESSIONAL ENGINEERS</b>
SIGNED: 
<b>William Bracken, P.E.</b>
<b>Board Chair</b>
DATE: 6/8/16

d. The State of Florida shall at all times be entitled to assign or transfer, in whole or part, its rights, duties, or obligations under this contract to another governmental agency in the State of Florida or to a contractor of the Department's selection, upon giving prior written notice to the FEMC. In the event the State of Florida approves transfer of the FEMC's obligations, the FEMC remains responsible for all work performed and all expenses incurred in connection with this contract. This contract shall remain binding upon the lawful successors in interest of the FEMC and the Department.

e. To the extent permitted by Florida Law, and in compliance with Section 8.c., the FEMC is responsible for all work performed and for all commodities produced pursuant to this contract whether actually furnished by the FEMC or by its subcontractors. Any subcontracts shall be evidenced by a written document. The FEMC further agrees that the Department shall not be liable to the subcontractor in any way or for any reason relating to this contract.

f. The FEMC shall include, in all subcontracts (at any tier) the substance of all clauses contained in this Core Contract that mention or describe subcontract compliance.

g. To the extent that a subcontract provides for payment after FEMC's receipt of payment from the Department, the FEMC shall make payments to any subcontractor within seven (7) working days after receipt of full or partial payments from the Department in accordance with section 287.0585, F.S., unless otherwise stated in the contract between the FEMC and subcontractor. Failure to pay within seven (7) working days will result in a penalty that shall be charged against the FEMC and paid by the FEMC to the subcontractor in the amount of one-half of one percent (.005) of the amount due per day from the expiration of the period allowed for payment. Such penalty shall be in addition to actual payments owed and shall not exceed fifteen (15%) percent of the outstanding balance due.

9. **Provider Liability and Indemnity.** The FEMC shall be fully liable for the actions of its agents, employees, partners, or subcontractors and shall fully indemnify, defend, and hold harmless the State and the Department, and their officers, agents, and employees, from suits, actions, damages, claims and costs of every name and description, including attorneys' fees:

a. arising out of or by reason of the execution of this contract or arising from or relating to any alleged act or omission by the FEMC, its agents, employees, partners, or subcontractors in relation to this contract provided; however, that this indemnity shall not include that portion of any loss or damages proximately caused by the negligent act or omission of the Department. This indemnity specifically precludes compensation of the FEMC for any obligations of any kind to any person, paid or unpaid, incurred as a result of a culpable act or omission of the FEMC, its agents, employees or subcontractors.

b. arising from or relating to violation or infringement of a trademark, copyright, patent, trade secret or intellectual property right associated with a service or product of the FEMC; provided, however, that the foregoing obligation shall not apply to Department's misuse or modification of FEMC's products or a Department's operation or use of FEMC's products in a manner not contemplated by this contract. If any product is the subject of an infringement suit or claim or in the FEMC's opinion is likely to become the subject of such a suit or claim, the FEMC may at its sole expense procure for the Department the right to continue using the product or to modify it to become non-infringing. If the FEMC is not reasonably able to modify or otherwise secure the Department the right to continue using the product, the FEMC shall, without limiting the Department's remedies at law for breach or nonperformance, remove the product and provide a fully-licensed replacement to the Department's satisfaction. The Department shall not be liable for any royalties. The FEMC's indemnification for violation or infringement of a trademark, copyright, patent, trade secret or intellectual property right shall encompass all such items used or accessed by the FEMC, its officers, agents or subcontractors in the performance of this contract or delivered to the Department for the use of the Department, its employees, agents or contractors.

c. arising from or relating to FEMC's claim that a record contains trade secret information that is exempt from disclosure or the scope of the FEMC's redaction of the record, as provided for under Section 29.c., including litigation initiated by the Department.

The FEMC's inability to evaluate liability or its evaluation of liability shall not excuse its duty to defend and indemnify after receipt of notice. Only an adjudication or judgment after the highest appeal is exhausted finding the Department negligent shall excuse the FEMC of performance under this provision, in which case the Department shall have no obligation to reimburse the FEMC for the cost of its defense. If the FEMC is an agency or subdivision of the State, its obligation to indemnify, defend and hold harmless the Department shall be to the extent permitted by section 768.28, F.S. or other applicable law, and without waiving the limits of sovereign immunity.

10. **Insurance.** The FEMC shall maintain continuous adequate liability insurance coverage during the existence of this contract and any renewal(s) and extension(s) thereof. With the exception of a state agency or subdivision as defined by subsection 768.28(2), F.S., by execution of this contract, the FEMC accepts full responsibility for identifying and determining the type(s) and extent of liability insurance necessary to provide reasonable financial protections for the FEMC and the clients to be served under this contract. The limits of coverage under each policy maintained by the FEMC do not limit the FEMC's liability and obligations under this contract. Upon the execution of this contract, the FEMC shall furnish the Department written verification supporting both the determination and existence of such insurance coverage. Such coverage may be provided by a self-insurance program established and operating under the laws of the State of Florida. The Department reserves the right to require additional insurance as specified in this contract.

11. **Notice of Legal Actions.** The FEMC shall notify the Department of legal actions taken against them or potential actions such as lawsuits, related to services provided through this contract or that may impact the FEMC's ability to deliver the contractual services, or adversely impact the Department. The Department's contract manager will be notified within 10 days of the FEMC becoming aware of such actions or from the day of the legal filing, whichever comes first.

12. **Force Majeure.** Neither Party shall be liable to the other for any delay or failure to perform under this contract if such delay or failure is neither the fault nor the negligence of the Party or its employees or agents and the delay is due directly to acts of God, wars, acts of public enemies, strikes, fires, floods, or other similar cause wholly beyond the Party's control, or for any of the foregoing that affects subcontractors or suppliers if no alternate source of supply is available. The Department, in its sole discretion, will determine if the delay is excusable under this paragraph and will notify the FEMC of its decision in writing. No claim for damages, other than for an extension of time, shall be asserted against the Department. The FEMC shall not be entitled to an increase in the contract price or payment of any kind from the Department for direct, indirect, consequential, impact, or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency arising because of delay, disruption, interference, or hindrance from any cause whatsoever. If performance is suspended or delayed, in whole or in part, due to any of the causes described in this paragraph, after the causes have ceased to exist, the FEMC shall perform at no increased cost, unless the Department determines, in its sole discretion, that

Upon change of representatives (names, addresses, telephone numbers or e-mail addresses) by either party, notice shall be provided in writing to the other party and the notification attached to the originals of this contract.

19. **Invoices.** The FEMC shall submit bills for fees or other compensation for services or expenses in sufficient detail for proper pre-audit and post-audit. Where itemized payment for travel expenses is permitted in this contract, the FEMC shall submit bills for any travel expenses in accordance with section 112.061, F.S., or at such lower rates as may be provided in this contract.
20. **Final Invoice.** The final invoice for payment shall be submitted to the Department no more than 15 days after the contract ends or is terminated. If the FEMC fails to do so, all rights to payment are forfeited and the Department will not honor any requests submitted after the aforesaid time period. Any payment due under the terms of this contract may be withheld until all reports due from the FEMC and necessary adjustments thereto, have been approved by the Department.
21. **Electronic Funds Transfer.** The FEMC agrees to enroll in Electronic Funds Transfer (EFT) offered by the State's Chief Financial Officer within thirty (30) days of the date of execution of this contract. Copies of the State of Florida Direct Deposit Payment Authorization Form (DFS-A1-26E) can be found on the vendor instruction page at: [http://www.fldfs.com/aadir/direct\\_deposit\\_web/Vendors.htm](http://www.fldfs.com/aadir/direct_deposit_web/Vendors.htm)

Questions should be directed to the EFT Section at (850) 413-5517. Once enrolled, invoice payments will be made via EFT.

22. **Vendors on Scrutinized Companies Lists.** If this contract is in the amount of \$1 million or more, in executing this contract, the FEMC certifies that it is not listed on either the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to section 215.473, F.S.

- a. Pursuant to subsection 287.135(5), F.S., the Department may immediately terminate this contract for cause if the FEMC is found to have submitted a false certification or if the FEMC is placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or has business operations in Cuba or Syria during the term of this contract.
- b. If the Department determines that the FEMC has submitted a false certification, the Department will provide written notice to the FEMC. Unless the FEMC demonstrates in writing, within 90 days of receipt of the notice, that the Department's determination of false certification was made in error, the Department shall bring a civil action against the FEMC. If the Department's determination is upheld, a civil penalty equal to the greater of \$2 million or twice the amount of this contract shall be imposed on the FEMC, and the FEMC shall be ineligible to bid on any contract with an agency or local governmental entity for three (3) years after the date of the Department's determination of false certification by the FEMC.
- c. In the event that federal law ceases to authorize the states to adopt and enforce the contracting prohibition identified herein, this provision shall be null and void.

23. **Overpayments.** The FEMC shall return to the Department any overpayments due to unearned funds or funds disallowed that were disbursed to the FEMC by the Department and any interest attributable to such funds pursuant to the terms and conditions of this contract. In the event that the FEMC or its independent auditor discovers that an overpayment has been made, the FEMC shall repay said overpayment immediately without prior notification from the Department. In the event that the Department first discovers an overpayment has been made, the Department's contract manager, on behalf of the Department, will notify the FEMC by letter of such findings. Should repayment not be made forthwith, the FEMC will be charged interest at the lawful rate of interest on the outstanding balance after Department notification or FEMC discovery. Payments made for services subsequently determined by the Department to not be in full compliance with contract requirements shall be deemed overpayments. The Department shall have the right to offset or deduct from any amount due under this contract at any time any amount due to the Department from the FEMC under any other contract or agreement.

24. **Payment on Invoices.** Pursuant to section 215.422, F.S., the Department has five (5) working days to inspect and approve goods and services, unless the bid specifications, purchase order, or this contract specify otherwise. With the exception of payments to health care providers for hospital, medical, or other health care services, if payment is not available within forty (40) days, measured from the latter of the date a properly completed invoice is received by the Department or the goods or services are received, inspected, and approved, a separate interest penalty set by the Chief Financial Officer pursuant to section 55.03, F.S., will be due and payable in addition to the invoice amount. Financial penalties will be calculated at the daily interest rate of .033333%. Invoices returned to a FEMC due to preparation errors will result in a non-interest bearing payment delay. Interest penalties less than one (1) dollar will not be paid unless the FEMC requests payment. Payment shall be made only upon written acceptance by the Department and shall remain subject to subsequent audit or review to confirm contract compliance.

25. **MyFloridaMarketPlace Transaction Fee.**

- a. The State of Florida has instituted MyFloridaMarketPlace, a statewide eProcurement System (System). Pursuant to subsection 287.057(22), F.S., all payments shall be assessed a Transaction Fee of one percent (1.0%), which the Provider shall pay to the State, unless exempt pursuant to Rule 60A-1.032, F.A.C.
- b. For payments within the State accounting system (FLAIR or its successor), the Transaction Fee shall, when possible, be automatically deducted from payments to the FEMC. If automatic deduction is not possible, the FEMC shall pay the Transaction Fee pursuant to Rule 60A-1.031(2), F.A.C. By submission of these reports and corresponding payments, the FEMC certifies their correctness. All such reports and payments shall be subject to audit by the State or its designee.
- c. The FEMC shall receive a credit for any Transaction Fee paid by the FEMC for the purchase of any item(s) if such item(s) are returned to the FEMC through no fault, act, or omission of the FEMC. Notwithstanding the foregoing, a Transaction Fee is non-refundable when an item is rejected or returned, or declined, due to the FEMC's failure to perform or comply with specifications or requirements of this contract.



**28. Public Records.** The FEMC shall allow public access to all documents, papers, letters, or other public records as defined in subsection 119.011(12), F.S. as prescribed by subsection 119.07(1) and section 119.0701, F.S., made or received by the FEMC in conjunction with this contract except that public records which are made confidential by law must be protected from disclosure. It is expressly understood that the FEMC's failure to comply with this provision shall constitute an immediate breach of contract. FEMC's claim of dispute regarding such breach shall be addressed by the FEMC and Department in accordance with Section 31, Dispute Resolution.

- a. Unless exempted by law, all public records are subject to public inspection and copying under Florida's Public Records Law, Chapter 119, F.S. Any claim by the FEMC of trade secret (proprietary) confidentiality for any information contained in the FEMC's documents (reports, deliverables or work papers, etc., in paper or electronic form) submitted in connection with this contract will be waived, unless the claimed confidential information is submitted in accordance with Section 28.b.
- b. The FEMC must clearly label any portion of the documents, data, or records submitted that it considers exempt from public inspection or disclosure pursuant to Florida's Public Records Law as trade secret. The labeling will include a justification citing specific statutes and facts that authorize exemption of the information from public disclosure. If different exemptions are claimed to be applicable to different portions of the protected information, the FEMC shall include information correlating the nature of the claims to the particular protected information.
- c. The Department, when required to comply with a public records request including documents submitted by the FEMC, may require the FEMC to expeditiously submit redacted copies of documents marked as trade secret in accordance with Section 28.b. Accompanying the submission shall be an updated version of the justification under Section 28.b, correlated specifically to redacted information, either confirming that the statutory and factual basis originally asserted remain unchanged or indicating any changes affecting the basis for the asserted exemption from public inspection or disclosure. The redacted copy must exclude or obliterate only those exact portions that are claimed to be trade secret. If the FEMC fails to promptly submit a redacted copy, the Department is authorized to produce the records sought without any redaction of proprietary or trade secret information.
- d. The FEMC shall be responsible for defending its claim that each and every portion of the redactions of trade secret information are exempt from inspection and copying under Florida's Public Records Law.
- e. Subsection 215.985(16), F.S., requires the State's Chief Financial Officer to provide public access to a State contract management system. As a result the Department of Financial Services (DFS) developed a web-based system called the "Florida Accountability Contract Tracking System" (FACTS) that provides information and documentation about State government contracts to the public. A copy of this contract and any amendments, renewals, and extensions thereof will be posted in FACTS. The FEMC shall notify the Department in writing if it intends to defend the confidentiality of such public records through the completion of Attachment 3, "Affidavit – Notice of Trade Secret", to be submitted to the Department at the time of signature of this contract by the FEMC. If not filed within such time, the FEMC is deemed to have released the Department from liability for disclosure of the applicable public records.
- f. The FEMC shall comply with the following requirements of section 119.0701, F.S.:
  - i. Keep and maintain public records that ordinarily and necessarily would be required by the Department in order to perform the service.
  - ii. Provide the public with access to public records on the same terms and conditions that the Department would provide the records and at a cost that does not exceed the cost provided in Chapter 119, F.S., or as otherwise provided by law.
  - iii. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.
  - iv. Meet all requirements for retaining public records and transfer, at no cost, to the Department all public records in possession of the FEMC upon termination of this contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the Department in a format that is compatible with the information technology systems of the Department.

If the FEMC does not comply with a public records request, the Department shall enforce the contract provisions in accordance with the contract.

**29. Data Security.** For contracts requiring FEMC access to or use of Department information technology systems or software, the FEMC shall comply with the information technology and data security provisions specified in Attachment 10.

**30. The following termination provisions apply to this Contract:**

- a. In the event funds for payment pursuant to this contract become unavailable, the Department may terminate this contract upon no less than twenty-four (24) hour notice in writing to the FEMC. Said notice shall be sent by U.S. Postal Service or any expedited delivery service that provides verification of delivery. The Department shall be the final authority as to the availability and adequacy of funds. In the event of termination of this contract, the FEMC will be compensated for any work satisfactorily completed.
- b. In the event the FEMC fails to fully comply with the terms and conditions of this contract, the Department may terminate this contract upon no less than twenty-four (24) hours (excluding Saturday, Sunday, and Holidays) notice in writing to the FEMC after FEMC's failure to fully cure such noncompliance within the time specified in a written notice of noncompliance issued by the Department specifying the nature of the noncompliance and the actions required to cure such noncompliance. In addition, the Department may employ the default provisions in Rule 60A-1.006(3), F.A.C., but is not required to do so in order to terminate this contract. The Department's failure to demand performance of any provision of this contract shall not be deemed a waiver of such performance. The Department's waiver of any one breach of any provision of this contract shall not be deemed to be a waiver of any other breach and neither event shall be construed to be a modification of the terms and conditions of this contract. The provisions herein do not limit the Department's right to remedies at law or in equity.
- c. Failure to have performed any contractual obligations under any other contract with the Department in a manner satisfactory to the Department will be a sufficient cause for termination. To be terminated as a Contractor under this provision, the FEMC must have: (1) previously failed to satisfactorily perform in a contract with the Department, been notified by the Department of the

k. In the event of a conflict between the provisions of the documents, the documents shall govern in the following order of precedence:

- i. Attachment I and other attachments, if any;
- ii. Any documents incorporated into any attachment by reference;
- iii. This Core Contract;
- iv. Any documents incorporated into this Core Contract by reference.

33. **Modifications.** Modifications of provisions of this contract shall be valid only when they have been reduced to a written amendment and duly signed by both parties. The rate of payment and the total dollar amount may be adjusted retroactively to reflect price level increases and changes in the rate of payment when these have been established through the appropriations process and subsequently identified in the Department's operating budget.

34. **Additional Requirements of Law, Regulation and Funding Source.** As provided in Section 6 of this contract, the FEMC is required to comply with the following requirements, as applicable to its performance under this contract. The FEMC acknowledges that it is independently responsible for investigating and complying with all State and Federal laws, rules and regulations relating to its performance under this contract and that the below is only a sample of the State and Federal laws, rules and regulations that may govern its performance under this contract.

a. **Federal Law**

i. Unauthorized aliens shall not be employed. The Department shall consider the employment of unauthorized aliens a violation of section 274A(e) of the Immigration and Nationality Act (8 U.S.C. 1324 a) and section 101 of the Immigration Reform and Control Act of 1986. Such violation shall be cause for unilateral cancellation of this contract by the Department.

Pursuant to Executive Order 11-116, signed on January 4, 2011, the Department shall require the FEMC to:

- Utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the FEMC during the contract term; and
- Include in all subcontracts under this contract, the requirement that subcontractors performing work or providing services pursuant to this contract utilize the E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the term of the subcontract.

E-Verify is an Internet-based system that allows an employer, using information reported on an employee's Form I-9, Employment Eligibility Verification, to determine the eligibility of all new employees hired to work in the United States. There is no charge to employers to use E-Verify. The Department of Homeland Security's E-Verify system can be found at [http://www.dhs.gov/files/programs/gc\\_1185221678150.shtm](http://www.dhs.gov/files/programs/gc_1185221678150.shtm).

b. **Civil Rights Requirements.** In accordance with Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, or the Florida Civil Rights Act of 1992, as applicable the FEMC shall not discriminate against any employee (or applicant for employment) in the performance of this contract because of race, color, religion, sex, national origin, disability, age, pregnancy, or marital status. Further, the FEMC agrees not to discriminate against any applicant, client, or employee in service delivery or benefits in connection with any of its programs and activities in accordance with 45 CFR 80, 83, 84, 90, and 91, Title VI of the Civil Rights Act of 1964, or the Florida Civil Rights Act of 1992, as applicable and DBPR Policy # 1002-0022, Unlawful Discrimination and Harassment. These requirements shall apply to all contractors, subcontractors, subgrantees or others with whom it arranges to provide services or benefits to clients or employees in connection with its programs and activities. The FEMC shall complete the Civil Rights Compliance Checklist in accordance with DBPR Policy # 1002-0022, Unlawful Discrimination and Harassment, and 45 CFR 80. This is required of all Contractors that have fifteen (15) or more employees.

c. **Use of Funds for Lobbying Prohibited.** The FEMC shall comply with the provisions of sections 11.062 and 216.347, F.S., which prohibit the expenditure of contract funds for the purpose of lobbying the Legislature, judicial branch, or a state agency.

d. **Public Entity Crime and Discriminatory Contractors** Pursuant to sections 287.133 and 287.134, F.S., the following restrictions are placed on the ability of persons placed on the convicted vendor list or the discriminatory vendor list. When a person or affiliate has been placed on the convicted vendor list following a conviction for a public entity crime, or an entity or affiliate has been placed on the discriminatory vendor list, such person, entity or affiliate may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or the repair of a public building or public work; may not submit bids, proposals, or replies 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; provided, however, that the prohibition on persons or affiliates placed on the convicted vendor shall be limited to business in excess of the threshold amount provided in section 287.017, F.S., for CATEGORY TWO (\$35,000) for a period of thirty-six (36) months from the date of being placed on the convicted vendor list.

e. **Whistleblower's Act Requirements.** In accordance with subsection 112.3187(2), F.S., the FEMC and its subcontractors shall not retaliate against an employee for reporting violations of law, rule, or regulation that creates substantial and specific danger to the public's health, safety, or welfare to an appropriate agency. Furthermore, agencies or independent contractors shall not retaliate against any person who discloses information to an appropriate agency alleging improper use of governmental office, gross waste of funds, or any other abuse or gross neglect of duty on the part of an agency, public officer, or employee. The FEMC and any subcontractor shall inform its employees that they and other persons may file a complaint with the Office of Chief Inspector General, Agency Inspector General, the Florida Commission on Human Relations or the Whistle-blower's Hotline number at 1-800-543-5353.

By signing this contract, the parties agree that they have read and agree to the entire contract, as described in Section 5.

IN WITNESS THEREOF, the parties hereto have caused this <sup>53</sup> page contract to be executed by their undersigned officials as duly authorized.

## **Attachment 1 SCOPE OF WORK**

*Precedence: If there are any conflicts between terms in the core contract and this Attachment I, the provisions of Attachment I shall govern. Notwithstanding the provisions of paragraph 32 k of the core contract, the scope of work controls.*

### **I. Renewal**

Subsection 287.057(3)(c), F.S., provides that contracts for commodities or contractual services may be renewed on a yearly basis for a period of up to three (3) years after the initial contract, or for a period no longer than the term of the original contract, whichever period is longer, subject to the availability of funds, satisfactory performance evaluations by the Department, and at the discretion of the Department. This contract may be renewed for a period not to exceed the original term of this contract, subject to annual funding appropriation by the Florida legislature.

### **II. 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 the FEMC operate under a written contract with the Department, which is to be approved by the FBPE, to provide the above outlined services.

### **III. Contract Manager**

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

Upon request, FEMC shall allow the Contract Manager 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 Manager 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 Manager, 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.

## **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 (Versa: Regulation) until such time as FEMC is authorized by the Department to develop and implement its own licensure management system. Both parties agree that information entered into Versa: Regulation 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 Versa: Regulation 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.

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

## **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;

- 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 contract, 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, 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 contract remains solely with the FBPE and the Department.
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 action plans to respond to informal and formal complaints received by the Department, deficiencies that result in noncompliance with the performance standard provisions of Rule 61G15-37.001, Florida Administrative Code, or that result in noncompliance with this Agreement as determined by the Contract Manager. The Department or its Contract Manager will notify FEMC of any formal or informal complaints received by the Department within 48 hours of receipt.

A corrective action plan must include:

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

The corrective action plan must be submitted electronically to the Contract Manager within seven (7) business days of a request by the Contract Manager and with the Quarterly Report, unless more time has been requested by the FEMC and approved by the Contract Manager. The Department reserves the right to determine the efficacy of corrective action plans submitted by the FEMC.

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 this contract.
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 VI(G.) of this contract.
7. A detailed report of expenditures and cash balance, including information required by Section VII(G.) of this contract.
8. Long-range estimates of revenue, as required by this contract (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

Proof of liability insurance and a performance bond, as required by Section 471.038(3)(j)5., Florida Statutes, and this contract shall be submitted annually by FEMC to the Department.

**G. Litigation Inventory Schedule**

On or before September 15<sup>th</sup> of each year (2013-2017), FEMC shall submit an Agency Litigation Inventory Schedule, using the format shown in Attachment 6.

**H. Budget**

On or before June 1<sup>st</sup> of each year of the contract term (Fiscal Years 2013-2016), the FEMC shall submit a Proposed Budget for Grants and Aid and Proposed Budget for Unlicensed Activity for the coming fiscal year. Upon receipt of each year's proposed budget, the Department shall conduct a cost analysis in accordance with s. 216.3475, F.S., as part of the Department review and approval process. Each year the approved Proposed Budget shall be attached hereto collectively as Attachment 7, Proposed Budget.

**I. Budget Amendment**

On or before June 1<sup>st</sup> of each year (2014-2017), FEMC shall submit a proposed budget amendment of unexpended funds for the fiscal year ending June 30<sup>th</sup> (2014-2017). The proposed budget amendment shall be submitted to the Department's Director of Administration and Financial Services, with a copy to the Contract Manager and FBPE. The Department shall either approve or deny the proposed budget amendment within ten (10) business days of receipt of the request. Failure by the Department to respond within ten (10) business days of receipt of the proposed budget amendment shall constitute approval by the Department of the budget amendment. Any requests for budget amendments prior to June 1<sup>st</sup> of each fiscal year must be submitted to the Department twenty-one (21) business days before the beginning of the fiscal quarter for which the amendment is being requested.

**J. Legislative Budget Request**

FEMC shall submit to the Department a legislative budget request justifying any additional funding needs each Fiscal Year (2014-2017) as directed by the Department's Director of Administration and Financial Services.

**VIII. Financial Consequences**

If the FEMC fails to meet the minimum level of service or performance identified in this contract, the Department will apply financial consequences commensurate with the deficiency. Financial consequences may include but are not limited to refusing payment, withholding payments until deficiency is cured, tendering only partial payments, applying liquidated damages to the extent that this contract so provides, imposition of penalties per Section X.

**IX. Financial Penalties for Failure to Take Corrective Action**

- A. Corrective action plans may be required for noncompliance, nonperformance, or unacceptable performance under this contract. Penalties may be imposed for failures to implement or to make acceptable progress on such corrective action plans.
- B. The increments of penalty imposition that shall apply, unless the Department determines that extenuating circumstances exist, shall be based upon the severity of the noncompliance, nonperformance, or unacceptable performance that generated the need for corrective action plan. The penalty, if imposed, shall not exceed ten percent

2. Invoice Requirements  
*(Fixed Price)* FEMC shall request payment quarterly or as often as activity has been performed on behalf of the program through submission of a properly completed invoice within fifteen (15) days following the end of the quarter for which payment is being requested.

*(Cost Reimbursement)* FEMC shall request reimbursement on a monthly basis or as often as activity has been performed on behalf of the program through submission of a properly completed cost reimbursement invoice within fifteen (15) days following the end of the month for which reimbursement is being requested.

Payment shall be authorized only for allowable expenditures on the invoice which are in accord with the limits specified in the line item budget (Attachment 7). The approved line item budget may be modified only through amendment to the contract initiated by a written request that includes justification supporting the need for modification. Such modifications cannot be made retroactive to a date prior to the execution date of the formal amendment.

3. Supporting Documentation  
*(Fixed Price)* Invoices shall include Deliverables as stated in Section VIII above. FEMC shall retain sufficient records documenting services provided so that an audit trail can be maintained.

*(Cost Reimbursement)* Reimbursement requests from FEMC for Unlicensed Activity expenditures will include supporting documentation for all requests. Examples include but are not limited to; For Professional Services Fees an actual invoice showing the service and amount due and copy of cleared check; For hardware or software an actual invoice and copy of paid check; For travel [e.g. bills for travel submitted in accordance with s.112.061, F.S.] actual invoices and copy of paid check; For office supplies, telephone calls, printing and postage actual invoices or a copy of supply orders, telephone bills, number of copies times per copy rate and number of mailings at postage rate; and Administrative Services or Staff time, timesheets showing actual or estimated percentage of time spent, rate of pay and related payroll expenses applied. FEMC shall maintain records documenting the expenditures so that an audit trail documenting the service provision is available.

## **XI. 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 shall provide FEMC with sequentially numbered deposit slips. Each deposit slip must be accounted for. FEMC shall stamp the back of all checks deposited with the endorsement contained in Attachment 11 , Endorsement Stamp.
- B. All revenue collected by FEMC shall be entered in Versa: Regulation system using the appropriate "object code" listed in Attachment 5, Fee Codes.



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's cash account has a deficit or projected deficit, this contract shall be amended to address the deficit.

- D. The FEMC may provide for salary increases, merit increases, bonuses, and other forms of pay increases for FEMC staff. The FEMC shall include any such increase or bonus in their Proposed Budget or Proposed Budget Amendment for Department review and approval prior to implementation.
- E. 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).
- F. FEMC shall apply the guidelines found in the Reference Guide for the State P-card program to its use of credit cards.
- G. 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.

### **XIII. Insurance**

#### **A. Liability Insurance**

FEMC shall secure and maintain during the term of this contract and for all acts performed during the term of this contract, the insurance coverage required by Section 471.038(3)(j)5., Florida Statutes. FEMC shall ensure that all of the insurers indicated on the insurance policies are qualified and do business with the State of Florida.

FEMC shall 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 shall immediately acquire such insurance. Failure by FEMC to secure and maintain the insurance coverage provided for in this paragraph or in violation of Section 471.038(3)(j)5, Florida Statutes, shall be grounds for terminating this contract.

#### **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 contract.

### **XIV. General Provisions**

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

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

#### **E. Termination**

Upon termination of this contract or revision thereof whereby FEMC no longer is approved to provide services as contemplated by this contract, 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 contract shall be grounds for the Department to terminate this contract.

#### **F. Entire Contract**

This contract and the following attachments constitute the entire contract between the parties:

- Attachment 1 - Scope of Work
- Attachment 2 - Certifications and Assurances
- Attachment 3 - Affidavit – Notice of Trade Secret
- Attachment 4 - Financial and Compliance Audit Form
- Attachment 5 - Fee Codes
- Attachment 6 - Schedule VII: Agency Litigation Inventory
- Attachment 7 - Proposed Budget for Year Ending June 30, 2016 (Grants and Aid / Unlicensed Activity)
- Attachment 8 - Accounts Receivable and Write-Off Policies and Procedures
- Attachment 9 - Year-End Incurred Obligations Procedure
- Attachment 10 - Department Information Technology Resources and Data Access Security
- Attachment 11 – Endorsement Stamp

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### **Section XV. Special Provisions**

#### **A. Provider Liability and Indemnity**

The FEMC's obligation to indemnify, defend and hold harmless the Department shall be to the extent permitted by section 768.28, Florida Statutes, or other applicable law, and without waiving the limits of sovereign immunity. This section shall supersede Section 9 of the Core Contract.

#### **B. Insurance**

The FEMC shall maintain continuous adequate liability insurance coverage during the existence of this contract and any renewal(s) and extension(s) thereof. With the exception of a state agency or subdivision as defined by subsection 768.28(2), F.S., by execution of this contract, the FBPE accepts full responsibility for identifying and determining the type(s) and extent of liability insurance necessary to provide reasonable financial protections for the FEMC and the clients to be served under this contract. The limits of coverage under each policy maintained by the FEMC do

**Attachment 2  
CERTIFICATIONS AND ASSURANCES**

The Department will not award this contract unless the FEMC completes the CERTIFICATIONS AND ASSURANCES contained in this Attachment. In performance of this contract, the FEMC provides the following certifications and assurances:

- A. Debarment and Suspension Certification (29 CFR Part 95 and 45 CFR Part 74)**
  - B. Nondiscrimination & Equal Opportunity Assurance (29 CFR Part 37 and 45 CFR Part 80)**
  - C. Certification Regarding Public Entity Crimes, section 287.133, F.S.**
  - D. Association of Community Organizations for Reform Now (ACORN) Funding Restrictions Assurance (Pub. L. 111-117)**
  - E. Certification Regarding Scrutinized Companies Lists, section 287.135, F.S.**
- A. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS – PRIMARY COVERED TRANSACTION.**

The undersigned FEMC certifies to the best of its knowledge and belief, that it and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a Federal department or agency;
2. Have not within a three-year period preceding this contract been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
3. Are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph A.2. of this certification; and/or
4. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause of default.

If the FEMC is unable to certify to any of the statements in this certification, the FEMC shall attach an explanation to this contract.

**B. NON DISCRIMINATION & EQUAL OPPORTUNITY ASSURANCE (29 CFR PART 37 AND 45 CFR PART 80).**

As a condition of this contract, the FEMC assures that it will comply fully with the nondiscrimination and equal opportunity provisions of the following laws:

1. Section 188 of the Workforce Investment Act of 1998 (WIA), (Pub. L. 105-220), which prohibits discrimination against all individuals in the United States on the basis of race, color, religion, sex national origin, age, disability, political affiliation, or belief, and against beneficiaries on the basis of either citizenship/status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA Title I-financially assisted program or activity;
2. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 CFR Part 80), to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United

If this contract is in the amount of \$1 million or more, in accordance with the requirements of section 287.135, F.S., FEMC hereby certifies that it is not listed on either the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List. Both lists are created pursuant to section 215.473, F.S.

The FEMC understands that pursuant to section 287.135, F.S., the submission of a false certification may subject the FEMC to civil penalties, attorney's fees, and/or costs.

If FEMC is unable to certify to any of the statements in this certification, the FEMC shall attach an explanation to this contract.

By signing below, the FEMC certifies the representations outlined in parts A through F above are true and correct.

\_\_\_\_\_  
(Signature and Title of Authorized Representative)

\_\_\_\_\_  
FEMC

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Street)

\_\_\_\_\_  
(City, State, ZIP Code)

**-End of Attachment 2 -**

[Title of Affiant]

\_\_\_\_\_  
Notary Public  
My commission expires: \_\_\_\_\_

**- End of Attachment 3 -**

## PART II: STATE REQUIREMENTS

This part is applicable if the recipient is a nonstate entity as defined by Section 215.97(2), Florida Statutes.

In the event that the recipient expends a total amount of state financial assistance equal to or in excess of \$500,000 in any fiscal year of such recipient, the recipient 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. EXHIBIT 1 to this agreement indicates state financial assistance awarded through the Department by this agreement. In determining the state financial assistance expended in its fiscal year, the recipient 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 non-state entity for Federal program matching requirements.

In connection with the audit requirements addressed in Part II, paragraph 1, the recipient 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.

If the recipient expends less than \$500,000 in state financial assistance in its fiscal year, an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, is not required. In the event that the recipient expends less than \$500,000 in state financial assistance in its fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the non-state entity's resources (i.e., the cost of such an audit must be paid from the recipient's resources obtained from other than State entities).

(NOTE: The Department program office should address other miscellaneous matters affecting Part II audits, *such as* Web sites where information that would help facilitate the recipient's compliance can be obtained.)

In the event the recipient expends \$500,000 or more in state financial assistance during its fiscal year, the recipient must have a State single or project-specific audit conducted 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. The recipient agrees to provide a copy of the single audit to the Department's Single Audit Unit and its contract manager. In the event the recipient expends less than \$500,000 in State financial assistance during its fiscal year, the recipient agrees to provide certification to the Department's Single Audit Unit and its contract manager that a single audit was not required. In determining the state financial assistance expended during its fiscal year, the recipient shall consider all sources of state financial assistance, including state financial assistance received from the Department of Business and Professional Regulation, 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.

In connection with the audit requirements addressed in the preceding paragraph, the recipient shall ensure that the audit complies with the requirements of Section 215.97(8), Florida

Copies of financial reporting packages required by PART II of this agreement shall be submitted by or on behalf of the recipient directly to each of the following:

A. The Department at each of the following addresses:

Department Contract manager for this agreement (1 copy):  
Patrick Cunningham  
Office of the General Counsel  
2601 Blainstone Road  
Tallahassee, FL. 32399-1040

Department of Business and Professional Regulation (1 electronic copy and management letter, if issued)

Office of the Inspector General  
2601 Blainstone Road  
Tallahassee, FL. 32399-1040

B. The Auditor General's Office at the following address:

Auditor General's Office  
Room 401, Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Any reports, management letter, or other information required to be submitted to the Department pursuant to this agreement shall be submitted timely in accordance with OMB Circular A-133, Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

Recipients, when submitting financial reporting packages to the Department for audits done in accordance with OMB Circular A-133 or 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.

#### **PART IV: RECORD RETENTION**

The recipient shall retain sufficient records demonstrating its compliance with the terms of this agreement for a period of six years from the date the audit report is issued and shall allow the Department or its designee, Chief Financial Officer, or Auditor General access to such records upon request. The recipient shall ensure that audit working papers are made available to the Department or its designee, Chief Financial Officer, or Auditor General upon request for a period of three years from the date the audit report is issued, unless extended in writing by the Department. *NOTE: Records need to be retained for at least five years to comply with record retention requirements related to original vouchers prescribed by the Department of State, Division of Library and Information Services, Bureau of Archives and Records Management.*

**COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:**

The department has allotted \$100,875 from the unlicensed activity account established under s. 455.2281 to be used by the Board of professional Engineers (FBPE) to perform the duties relating to unlicensed activity. FEMC shall provide administrative, investigative and prosecutorial services to FBPE in accordance with S. 471.038, F.S., and make only prudent expenditures directly related to the responsibilities of the board, and in accordance with the contract required by section 471.038, Florida Statutes.

FEMC shall not perform the following services:

(1) Except when providing those prosecutorial and investigative services set forth in Section IV (D) and (E) of 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 the Florida Board of Professional Engineers.

(3) Any and all activities with relation 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 on behalf of the FBPE.

(5) FEMC shall not have the authority to issue emergency suspension or restriction orders.

***End of Attachment 4***



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

End of Attachment 5

## ATTACHMENT 7

### Proposed Budget for Year Ending June 30, 2014 (Grants and Aid / Unlicensed Activity)

**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	\$ 4,800.00
600.40.30 - Life & Disability	\$ 9,070.00	\$ 10,169.00
600.50 · Accrued Leave Liability	\$ 54,000.00	\$ 70,183.00
610.50 · Worker's Comp (Hartford)	\$ 2,840.00	\$ 1,700.00
<b>Total 600 · Salaries &amp; Benefits</b>	<b>\$ 1,362,643.00</b>	<b>\$ 1,436,737.00</b>
601 · Other Personnel Services (OPS)	\$ 44,000.00	\$ 15,000.00
610 · Insurance		
610.10 · Directors & Officers	\$ 5,750.00	\$ 6,080.00
610.20 · Commercial Liability	\$ 8,000.00	\$ 4,500.00
610.30 · Professional Liability	\$ 10,500.00	\$ 9,322.00
<b>Total 610 · Insurance</b>	<b>\$ 24,250.00</b>	<b>\$ 19,872.00</b>
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
638 · Court Reporters	\$ 5,000.00	\$ 5,000.00
638 · Prosecution/Enforcement	\$ 178,500.00	\$ 148,800.00
639 · Contract Monitor	\$ -	\$ 19,200.00
<b>Total 630 · Consultant Expense</b>	<b>\$ 276,500.00</b>	<b>\$ 284,302.00</b>
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
<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		\$ 47,366.00
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
<b>Total 600 - Salaries &amp; Benefits</b>	\$ 54,473.00	\$ 62,208.00
601 - Other Personnel Services (OPS)		
638 - Court Reporters		\$ 1,500.00
638 - Prosecution/Enforcement		\$ 20,757.00
638 - Contract Monitor		\$ 950.00
<b>Total 630 - Consultant Expense</b>		\$ 23,217.00
670 - Public Information		\$ 1,200.00
626 - Copying & Printing		
626.20 - General Office		\$ 2,250.00
<b>Total 626 - Copying &amp; Printing</b>		\$ 2,250.00
620 - Office Supplies		\$ 3,750.00
625 - Postage		
625.40 - General Office		\$ 2,250.00
<b>Total 625 - Postage</b>		\$ 2,250.00
650 - Office Space		
651 - Lease Payment		
652 - Utilities		\$ -
653 - Janitorial		
656 - Pest Control		
657 - Security Monitoring		
<b>Total 650 - Office Space</b>		\$ -
680 - Travel		
880.60 - Public Information Travel		\$ 6,000.00
<b>Total 680 - Travel</b>		\$ 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		\$ -
<b>Total 740 - Total Renewal Expenses</b>	\$ -	\$ -
<b>Total Expenses</b>	\$ 64,473.00	\$ 100,875.00
<b>Net Ordinary Income (Loss)</b>	\$ -	\$ -

- B. Account Receivable Number- A number assigned in the debit memo system to represent a claim against a customer for services rendered.
- C. Bureau of Finance & Accounting (BFA)- The Bureau of Finance and Accounting within DBPR.
- D. Chargeback- A debit to the state treasurer's account from a merchant services company as a result of a cardholder's successfully disputed claim. The transaction includes the unique merchant number linking the transaction to the merchant service company and DBPR.
- E. Collection Agency- A private entity approved by the Department of Financial Services (DFS), whose responsibility is the collection of past due account receivable.
- F. Debit Memo- A sequentially numbered, bank debit memorandum generated by the Division of Treasury and charged to DBPR denoting a chargeback has occurred. It contains the amount of the chargeback and identifies the merchant services company that debited the treasury account.
- G. Debit Memo System- A data base system maintained by the Bureau of Finance and Accounting to record debit memos and information related to each debit memo. H.

Department- The Department of Business & Professional Regulation (DBPR).

- I. Dishonored Check/ Non-sufficient Funds (NSF)- Accounting transactions denied (denoting a chargeback) or otherwise not honored by the financial institution or company because of insufficient funds or inaccurate account information. These include online payments.
- J. Division of Treasury- The Division of Treasury within the Department of Financial Services responsible for state treasury functions as it relates to debit memos, charge backs and liaison functions that fall under the purview of the state's Chief Financial Officer.
- K. Electronic Funds Transfer (EFT) – Refers to a computer-based system used to perform financial transactions electronically. The common types of transactions include cardholder-initiated transactions whereby a cardholder makes use of a payment card, electronic payments by businesses including salary payments or electronic check clearing
- L. Generally Accepted Accounting Principles (GAAP)- A collection of commonly followed accounting rules and standards for financial reporting.
- M. Versa Regulation- The proprietary software, used by the Department to process applications, issue licenses, account for financial transactions and execute applicable business-related transactions used by DBPR as required for licensing and regulatory activity.
- N. Municipal Services Bureau (MSB) – The first choice collection agency, selected by the Department. Past due account receivable that are 120 days to 2 years old are submitted to MSB.
- O. Recognized Account Receivable – An Account Receivable is recognized by the Department when the Bureau of Finance and Accounting is notified of a non-sufficient Funds (NSF), that a chargeback has occurred, or a fine is past due.

- E. The BFA will use the Excel submission form provided by Department of Financial Services to submit fines, penalties, and other account receivable to MSB and/or UCB for collection. Account updates received from the boards, divisions and collection agencies will be recorded in the monthly account inventory.
- F. Accounts submitted to MSB will remain with that collection agency for two (2) years. After accounts that have been placed at MSB become two years old, they will be moved to UCB where they will remain until the end of the contract period with UCB.
- G. The BFA will send accounts to the Department of Financial Services for write off pursuant to Generally Accepted Accounting Principles.

**1.6.07 FORMS**

None

**End of Attachment 8**

**DEPARTMENT INFORMATION TECHNOLOGY RESOURCES  
AND DATA ACCESS SECURITY**

The FEMC shall comply with Rule 71A-1.005, Florida Administrative Code (F.A.C.), and comply with the following data security requirements in the event the FEMC has access to any Department data systems or software:

- U
- a. Data Security Officer: The FEMC shall designate an appropriately skilled individual to function as its Data Security Officer. The Data Security Officer shall act as the liaison to the Department's Division of Technology and shall maintain an appropriate level of data security for the information the FEMC is collecting or using in the performance of this contract. An appropriate level of security includes submitting required access request documents for Department approval, and tracking all FEMC employees that have access to any Departmental data system or information. The Data Security Officer shall ensure that user access to the data system or information is timely removed for all separated FEMC employees. The FEMC agrees to notify the Department's assigned contract manager in writing within twenty-four (24) hours of employee resignations or layoffs, and immediately for involuntary terminations for staff that have access to the Department's information systems. As applicable, the FEMC shall execute a network connection agreement that shall ensure compliance with Department security policies prior to connection to the Department's internal network as required by Rule 71A-1.005, F.A.C.
  - b. Security Policies and Attestation: All FEMC employees who have access to Departmental information technology systems and/or Department data shall be required to read and comply with all appropriate Department information technology security policies and shall sign and submit to the Department's assigned contract manager an attestation that they have read, understood and agree to comply with each policy. Upon execution of this contract, the Department's assigned contract manager shall provide a copy of all appropriate Department information technology security policies to the FEMC.
  - c. Technology Access: The Department reserves the right, at its sole discretion, to grant permissions for access to Department network, systems, and data. Any staff employed by an entity under contract to the Department must be granted specific permission by the Department for access to the Department's network, systems, and data. The Department reserves the right to unilaterally suspend access for security reasons. FEMC employees shall be granted access to Department information technology resources based on the principles of "least privilege" and "need to know." The Department's assigned contract manager, in conjunction with the Department's Division of Technology, shall conduct quarterly access reviews of the FEMC's employees to ensure that access for separated employees was timely reported and removed.

- h. Sensitive, Exempt and Confidential Information: Vendors, contractors, and providers employed by the Department or acting on behalf of the Department shall protect sensitive, exempt and confidential information from unauthorized access and use as required by the Department's information technology security policies. Such information includes, but is not limited to, personal information as described in ss. 501.171(g), F.S. Access to sensitive, exempt and confidential data shall be granted to the FEMC and subcontractors by the Department on a need to know basis. Except as required by law or legal process and after notice to the Department, the FEMC shall not divulge to third parties any sensitive, exempt or confidential information obtained by the FEMC or its agents, distributors, resellers, subcontractors, officers or employees in the course of performing contractual services.
- i. Investigation of Breaches: The Department shall have the right to investigate any error attributable to the FEMC relating to access or dissemination of exempt or confidential and exempt records, as well as any instance of lost or missing data. The Department may take appropriate legal action as a result of such investigation.
- j. Security Breach Notification: The FEMC agrees to notify the Department's assigned contract manager as soon as possible, but no later than 3 business days following the determination of any breach or potential breach of personal information and/or confidential departmental data. The FEMC shall provide notice to affected parties of a security breach in accordance with s. 501.171, F.S.
- k. Equipment Sanitization: The FEMC shall enforce a procedure for sanitizing surplus or transferred equipment to protect any sensitive or confidential Department data that may reside on that equipment. At a minimum, the FEMC shall ensure that sanitization is completed according to acceptable methods described in Rule 71A-1.016, F.A.C., and provide documentation to the Department's Division of Technology, evidencing completion of the equipment sanitization.
- l. Contract Termination: Upon contract termination or expiration, the FEMC will:
  - i. Copies: Submit to the Department's assigned contract manager copies of all finished or unfinished documents, data studies, correspondence, reports and other products prepared by or for the FEMC under this contract; submit copies of all Department data to the Department in a format to be designated by the Department in accordance with s. 119.0701, F.S.; shred or erase parts of any retained duplicates containing personal information (as defined by s. 501.171, F.S.) of all copies to make any personal information unreadable;
  - ii. Originals: Retain its original records such as data required by this contract and maintain (in confidence to the extent required by law) the FEMC's original records in un-redacted form, until the records retention schedule expires according to State of Florida General Records Schedule GS1-SL, and to reasonably protect such documents and data during any pending legal hold, investigation or audit;
  - iii. Both copies and originals: Upon expiration of all retention schedules and legal holds, audits or investigations, with notice to the Department, destroy all Department data from the FEMC's systems, including but not limited to, electronic data and documents containing personal information or other data that is confidential and exempt under Florida public records law.

**ATTACHMENT 11**

**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**

*End of Attachment 11*



**CONTRACTUAL SERVICES AGREEMENT #13-00008  
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.

**I. Effective and Ending Dates**

Contractual services shall begin on **July 1, 2013** or upon full execution of this Agreement, whichever is the later date, and shall end at midnight EDST on **June 30, 2017**, subject to annual funding appropriation by the Florida legislature.

**II. Renewal**

Subsection 287.057(13), F.S., provides that contracts for commodities or contractual services may be renewed on a yearly basis for a period of up to three (3) years after the initial contract, or for a period no longer than the term of the original contract, whichever period is longer, subject to the availability of funds, satisfactory performance evaluations by the Department, and at the discretion of the Department. This contract may be renewed for a period not to exceed the original term of this contract, subject to annual funding appropriation by the Florida legislature.

**III. 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.

**IV. 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.

FEMC shall allocate payment out of its budget to the Department for reasonable costs associated with the contract monitoring. The Department will invoice FEMC quarterly for reimbursement costs associated with monitoring the contract.

**V. 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.

**VI. 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.

FEMC shall operate under a fiscal year that begins on July 1 and ends at midnight EDST on June 30 of each fiscal year.

**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 XIV, 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 (Versa: Regulation) until such time as FEMC is authorized to develop and implement its own licensure management system. Both parties agree that information entered into Versa: Regulation 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 Versa: Regulation 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 Versa: Regulation 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, 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 noncompliance with the performance standard provisions of Rule 61G15-37.001, Florida Administrative Code, or that result in noncompliance 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.

**VII. 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 IV, 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 VI (G.) 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.

**VIII. 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 IV, 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 VI(G.) of this Agreement.
  7. A detailed report of expenditures and cash balance, including information required by Section VII(G.) 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, of each year (2013-2016), 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<sup>th</sup> of each year:

- 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.

Receipt of reports by the Department shall not be construed to mean or imply acceptance of those reports. It is specifically intended by the parties that acceptance of required reports shall constitute a separate act. The Department reserves the right to reject reports as incomplete, inadequate, or unacceptable according to the parameters set forth in this contract. The Department, at its option, may allow additional time where the Contractor may remedy the objections noted by the Department.

**D. Annual Certification**

On or before October 1st of each year 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 each year ending June 30<sup>th</sup> (2013-2017). 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. Audit**

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<sup>st</sup> of each year.

**F. Insurance & Bond**

Proof of liability insurance and a performance bond, as required by Section 471.038(3)(j)5., Florida Statutes, and this Agreement.

**G. Litigation Inventory Schedule**

On or before September 15<sup>th</sup> of each year, FEMC shall submit an Agency Litigation Inventory Schedule, using the format shown in Attachment 6.

**H. Budget**

On or before June 1<sup>st</sup> of each year, FEMC shall submit a Proposed Budget for Grants and Aid and Proposed Budget for Unlicensed Activity for Fiscal Year 2013-2014, 2014-2015, 2015-2016 and 2016-2017, which shall be attached hereto collectively as Attachment 7, Proposed Budget.

**I. Budget Transfer**

On or before June 1<sup>st</sup> of each year, FEMC shall submit a proposed budget transfer of unexpended funds for the fiscal year ending June 30<sup>th</sup> (2014-2017). 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.

**J. Legislative Budget Request**

FEMC shall submit to the Department a legislative budget request justifying any additional funding needs each Fiscal Year (2014-2017) as directed by the Department's Director of Budget and Financial Management.

**IX. Financial Consequences**

If FEMC fails to meet the minimum level of service or performance as identified in sections VI thru VIII of this contract, the Department will apply financial consequences commensurate with the deficiency. Financial consequences may include but are not limited to refusing payment, withholding payments until deficiency is cured, tendering only partial payments, applying liquidated damages to the extent that this contract so provides, imposition of penalties per Section X.

**X. Financial Penalties for Failure to Take Corrective Action**

A. Corrective action plans may be required for noncompliance, nonperformance, or unacceptable performance under this contract. Penalties may be imposed for failures to implement or to make acceptable progress on such corrective action plans.

- B. The increments of penalty imposition that shall apply, unless the Department determines that extenuating circumstances exist, shall be based upon the severity of the noncompliance, nonperformance, or unacceptable performance that generated the need for corrective action plan. The penalty, if imposed, shall not exceed ten percent (10%) of the total contract payments during the period in which the corrective action plan has not been implemented or in which acceptable progress toward implementation has not been made.
- C. Noncompliance involving the provision of service shall result in the imposition of a five percent (5%) penalty. Noncompliance as a result of unacceptable performance of administrative tasks shall result in the imposition of a two percent (2%) penalty.
- D. The deadline for payment shall be as stated in the Order imposing the financial penalties. In the event of nonpayment the Department may deduct the amount of the penalty from invoices submitted by the Contractor.

## XI. Funding

- A. The total funding of this Agreement is **\$2,170,875.00 annually** and **\$8,683,500.00 for the contract period**, subject to appropriation and release by the Legislature. The Legislature has appropriated Two Million Seventy Thousand Dollars (**\$2,070,000.00**) allocated to the regulation of professional engineers and special inspectors of threshold buildings from the Professional Regulation Trust Fund to the first fiscal year of this agreement.

The Department has approved the use of One Hundred Thousand Eight Hundred Seventy-Five Dollars **\$100,875.00** from the unlicensed activity funds allocation for the first fiscal year of this contract. 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.

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."

- B. Method of Payment:

### 1. Payment Clause

*(Fixed Price – Professional Regulation Trust Fund)* The Department shall pay the contractor for delivery of service units provided in accordance with the terms of this contract for a dollar amount of \$517,500.00 per quarter, not to exceed a total of \$2,070,000.00 annually or **\$8,280,000.00 for the entire contract period**, subject to availability of funds.

An advance payment not to exceed 25 percent of the contract amount may be made as soon after July 1<sup>st</sup> of each fiscal year (2013-2017), as feasible. The remaining funding will be provided in equal payments on a quarterly basis beginning on or after October 1, January 1, and April 1 of each year (2013-2017).

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.

*(Cost Reimbursement – Unlicensed Activity Funds)* The Department shall reimburse FEMC for allowable expenditures incurred pursuant to the terms of this contract for a dollar amount not to exceed \$100,875.00 annually, subject to the availability of funds.

## 2. Invoice Requirements

*(Fixed Price)* FEMC shall request payment quarterly or as often as activity has been performed on behalf of the program through submission of a properly completed invoice within fifteen (15) days following the end of the quarter for which payment is being requested.

*(Cost Reimbursement)* FEMC shall request reimbursement on a monthly basis or as often as activity has been performed on behalf of the program through submission of a properly completed cost reimbursement invoice within fifteen (15) days following the end of the month for which reimbursement is being requested.

Payment may be authorized only for allowable expenditures on the invoice which are in accord with the limits specified in the line item budget. The approved line item budget may be modified only through amendment to the contract initiated by a written request that includes justification supporting the need for modification. Such modifications cannot be made retroactive to a date prior to the execution date of the formal amendment.

## 3. Supporting Documentation

*(Fixed Price)* Invoices shall include Deliverables as stated in Section VIII above. FEMC shall retain sufficient records documenting services provided so that an audit trail can be maintained.

*(Cost Reimbursement)* Reimbursement requests from FEMC for Unlicensed Activity expenditures will include supporting documentation for all requests. Examples include but are not limited to; for Professional Services Fees an actual invoice showing the service and amount due and copy of cleared check; for hardware or software an actual invoice and copy of paid check; for travel [e.g. bills for travel submitted in accordance with s.112.061, F.S.] actual invoices and copy of paid check; for office supplies, telephone calls, printing and postage actual invoices or a copy of supply orders, telephone bills, number of copies at per copy rate and number of mailings at postage rate; and for Administrative Services or Staff time, timesheets showing actual or estimated percentage of time spent, rate of pay and related payroll expenses applied. FEMC must maintain records documenting the expenditures so that an audit trail documenting the service provision is available.

## XII. 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 4, 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 Versa: Regulation.
- D. FEMC will have in place a method to collect checks written on insufficient funds ("bad checks"). Re-deposits of money from bad checks shall be made in accordance with the procedures stated in Attachment 5 , 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 8 .
- 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.

### **XIII. Expenditures**

- A. 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<sup>th</sup> of each year. Any funds remaining with FEMC after the accounts payable have been certified will be returned to the Department no later than September 30<sup>th</sup> of each year and will remain as cash to the credit of the FBPE within the Professional Regulation Trust Fund. By July 16<sup>th</sup> of each year, FEMC will notify the Department of incurred obligations that were not disbursed by June 30<sup>th</sup> of each year 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.
- B. 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.
- C. 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.
- D. FEMC may provide for a bonus plan for Years 2013-2014, 2014-2015, 2015-2016 and 2016-2017 commensurate with what the legislature provides annually for state employees.
- E. 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)
- F. FEMC shall apply the guidelines found in the Reference Guide for the state program to its use of credit cards.
- G. 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.

#### **XIV. Technology**

##### **A. Versa: Regulation**

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

**XV. Insurance**

**A. Liability Insurance**

FEMC will secure and maintain during the term of this Agreement and for all acts performed during the term of this Agreement, the insurance coverage required by Section 471.038(3)(j)5., Florida Statutes, as exemplified by Attachment 5 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 coverage 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**

When applicable, 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.

**XVI. Single Audit Act Requirements**

The administration of funds awarded by the Department to FEMC may be subject to audits and monitoring by the Department. (See Attachment 3)

1. FEMC is a non-state entity as defined by Section 215.97(2), Florida Statutes.
2. 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<sup>st</sup> of each I year. 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.
3. 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.
4. 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: J. 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
5. 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.

6. 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.

## **XVII. 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. Inspections and Corrective Action**

FEMC shall permit all persons who are duly authorized by the Department to inspect and copy any records, papers, documents, facilities, goods and services of FEMC which are relevant to this contract, and to interview any clients, employees and subcontractors of FEMC to assure the Department of the satisfactory performance of the terms and conditions of this contract. Following such review, the Department will deliver to FEMC a written report of its findings, and may direct the development, by FEMC, of a corrective action plan where appropriate. FEMC hereby agrees to timely correct all deficiencies identified in the corrective action plan.

**E. Notice of Legal Actions**

FEMC shall notify the Department of legal actions taken against them or potential actions such as lawsuits, related to services provided through this contract or that may impact FEMC's ability to deliver the contractual services, or adversely impact the Department. The Department's contract manager will be notified within 10 days of FEMC becoming aware of such actions or from the day of the legal filing, whichever comes first.

**F. Compliance with Laws and Rules**

In performing its obligations under this contract, FEMC shall without exception be aware of any compliance with State and Federal laws, Florida Administrative Rules and Regulations relating to its performance under this contract, including but not limited to those described in this section of the contract.

**G. Additional Requirements of Law, Regulation and Funding Source.**

FEMC is required to comply with the following requirements, as applicable to its performance under this contract. FEMC acknowledges that it is independently responsible for investigating and complying with all State and Federal laws, rules and regulations relating to its performance under this contract and that the below is only a sample of the State and Federal laws, rules and regulations that may govern its performance under this contract.

**1. Federal Law**

Unauthorized aliens shall not be employed. The Department shall consider the employment of unauthorized aliens a violation of section 274A(e) of the Immigration and Nationality Act (8 U.S.C. 1324 a) and section 101 of the Immigration Reform and Control Act of 1986. Such violation shall be cause for unilateral cancellation of this contract by the Department.

Pursuant to Executive Order 11-116, signed on January 4, 2011, the Department shall require FEMC to:

- Utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by FEMC during the contract term; and
- Include in all subcontracts under this contract, the requirement that subcontractors performing work or providing services pursuant to this contract utilize the E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the term of the subcontract.

E-Verify is an Internet-based system that allows an employer, using information reported on an employee's Form I-9, Employment Eligibility Verification, to determine the eligibility of all new employees hired to work in the United States. There is no charge to employers to use E-Verify. The Department of Homeland Security's E-Verify system can be found at [http://www.dhs.gov/files/programs/gc\\_1185221678150.shtm](http://www.dhs.gov/files/programs/gc_1185221678150.shtm).

**2. Civil Rights Requirements**

In accordance with Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, or the Florida Civil Rights Act of 1992, as applicable FEMC shall not discriminate against any employee (or applicant for employment) in the performance of this contract because of race, color, religion, sex, national origin, disability, age, or marital status. FEMC agrees not to discriminate against any applicant, client, or employee in service delivery or benefits in connection with any of its programs and activities in accordance with 45 CFR 80, 83, 84, 90, and 91, Title VI of the Civil Rights Act of 1964, or the Florida Civil Rights Act of 1992, as applicable and DBPR Policy # 1002-0022, Unlawful Discrimination and Harassment. These requirements shall apply to all contractors, subcontractors, subgrantees or others with whom it arranges to provide services or benefits to clients or employees in connection with its programs and activities. FEMC shall complete the Civil Rights Compliance Checklist in accordance with

DBPR Policy # 1002-0022, Unlawful Discrimination and Harassment, and 45 CFR 80. This is required of all Contractors that have fifteen (15) or more employees. 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.

3. Use of Funds for Lobbying Prohibited

FEMC shall comply with the provisions of sections 11.062 and 216.347, F.S., which prohibit the expenditure of contract funds for the purpose of lobbying the Legislature, judicial branch, or a state agency.

4. Public Entity Crime and Discriminatory Contractors

Pursuant to sections 287.133 and 287.134, F.S., the following restrictions are placed on the ability of persons placed on the convicted vendor list or the discriminatory vendor list. When a person or affiliate has been placed on the convicted vendor list following a conviction for a public entity crime, or an entity or affiliate has been placed on the discriminatory vendor list, such person, entity or affiliate may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or the repair of a public building or public work; may not submit bids, proposals, or replies 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; provided, however, that the prohibition on persons or affiliates placed on the convicted vendor shall be limited to business in excess of the threshold amount provided in section 287.017, F.S., for CATEGORY TWO (\$35,000) for a period of thirty-six (36) months from the date of being placed on the convicted vendor list.

5. Whistleblower's Act Requirements

In accordance with subsection 112.3187(2), F.S., FEMC and its subcontractors shall not retaliate against an employee for reporting violations of law, rule, or regulation that creates substantial and specific danger to the public's health, safety, or welfare to an appropriate agency. Furthermore, agencies or independent contractors shall not retaliate against any person who discloses information to an appropriate agency alleging improper use of governmental office, gross waste of funds, or any other abuse or gross neglect of duty on the part of an agency, public officer, or employee. FEMC and any subcontractor shall inform its employees that they and other persons may file a complaint with the Office of Chief Inspector General, Agency Inspector General, the Florida Commission on Human Relations or the Whistle-blower's Hotline number at 1-800-543-5353.

**H. 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.

**I. Public Documents**

Pursuant to Section 287.058, Florida Statutes, FEMC shall allow access to all documents, papers, letters or other materials as defined in subsection 119.011(12), F.S., as prescribed by subsection 119.07(1) F.S., made or received by FEMC in conjunction with this contract except that public records which are made confidential by law must be protected from disclosure.

- i. Unless exempted by law, all public records are subject to public inspection and copying under Florida's Public Records Law, Chapter 119, F.S. Any claim by FEMC of trade secret (proprietary) confidentiality for any information contained in FEMC's documents (reports, deliverables or workpapers, etc., in paper or electronic form) submitted in connection with this contract will be waived, unless the claimed confidential information is submitted in accordance with Section 28.b.
- ii. FEMC must clearly label any portion of the documents, data, or records submitted that it considers exempt from public inspection or disclosure pursuant to Florida's Public Records Law as trade secret. The labeling will include a justification citing specific statutes and facts that authorize exemption of the information from public disclosure. If different exemptions are claimed to be applicable to different portions of the protected information, FEMC shall include information correlating the nature of the claims to the particular protected information.
- iii. The Department, when required to comply with a public records request including documents submitted by FEMC, may require FEMC to expeditiously submit redacted copies of documents marked as trade secret in accordance with Section 28.b. Accompanying the submission shall be an updated version of the justification under Section 28.b, correlated specifically to redacted information, either confirming that the statutory and factual basis originally asserted remain unchanged or indicating any changes affecting the basis for the asserted exemption from public inspection or disclosure. The redacted copy must exclude or obliterate only those exact portions that are claimed to be trade secret. If FEMC fails to promptly submit a redacted copy, the Department is authorized to produce the records sought without any redaction of proprietary or trade secret information.
- iv. FEMC shall be responsible for defending its claim that each and every portion of the redactions of trade secret information is exempt from inspection and copying under Florida's Public Records Law.
- v. Subsection 215.985(16), F.S., requires the State's Chief Financial Officer to provide public access to a State contract management system. As a result the Department of Financial Services (DFS) developed a web-based system called the "Florida Accountability Contract Tracking System" (FACTS) that provides information and documentation about State government contracts to the public. A copy of this contract and any amendments, renewals, and extensions thereof will be posted in FACTS. FEMC shall notify the Department in writing if it intends to defend the confidentiality of such public

records through the completion of Attachment 2, "Affidavit – Notice of Trade Secret", to be submitted to the Department at the time of signature of this contract by FEMC. If not filed within such time, FEMC is deemed to have released the Department from liability for disclosure of the applicable public records.

- vi. 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.

**J. Access to All Records**

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

**K. 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.

**L. 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.

**M. Modifications**

Modifications of provisions of this contract shall be valid only when they have been reduced to a written amendment and duly signed by both parties.

**N. 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 this Agreement for default without prior notice or opportunity to cure.

**O. Extensions**

Pursuant to section 287.057(12), F.S., this contract may be extended for a period not to exceed six (6) months. Such extensions shall be valid only when they have been reduced to a written amendment and duly signed by both parties.

**P. Entire Agreement**


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

- Attachment 1 - Certifications and Assurances
- Attachment 2 - Affidavit – Notice of Trade Secret
- Attachment 3 - Financial and Compliance Audit Form
- Attachment 4 - Fee Codes
- Attachment 5 - Debit Memo Process Steps
- Attachment 6 - Schedule VII: Agency Litigation Inventory
- Attachment 7 - Proposed Budget for Year Ending June 30, 2014 (Grants and Aid / Unlicensed Activity)
- Attachment 8 - Accounts Receivable and Write-Off Policies and Procedures
- Attachment 9 - Year-End Incurred Obligations Procedure
- Attachment 10 - Link to Department of Financial Services, Reference Guide for State Expenditures
- Attachment 11 - Certificate of Liability Insurance

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 2<sup>nd</sup> day of July, 2013.

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

  
\_\_\_\_\_  
Florida Engineers Management Corp.  
by Jeff Aray, as its Board Chairman

Approved by the **Board of Professional  
Engineers**



by Warren Hahn, as its Board Chairman



**Attachment 1  
CERTIFICATIONS AND ASSURANCES**

The Department will not award this contract unless the Contractor completes the CERTIFICATIONS AND ASSURANCES contained in this Attachment. In performance of this contract, the Contractor provides the following certifications and assurances:

- A. Debarment and Suspension Certification (29 CFR Part 95 and 45 CFR Part 74)**
  - B. Nondiscrimination & Equal Opportunity Assurance (29 CFR Part 37 and 45 CFR Part 80)**
  - C. Certification Regarding Public Entity Crimes, section 287.133, F.S.**
  - D. Association of Community Organizations for Reform Now (ACORN) Funding Restrictions Assurance (Pub. L. 111-117)**
  - E. Certification Regarding Scrutinized Companies Lists, section 287.135, F.S.**
- A. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS – PRIMARY COVERED TRANSACTION.**

The undersigned Contractor certifies to the best of its knowledge and belief, that it and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a Federal department or agency;
2. Have not within a three-year period preceding this contract been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
3. Are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph A.2. of this certification; and/or
4. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause of default.

If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall attach an explanation to this contract.

**B. NON DISCRIMINATION & EQUAL OPPORTUNITY ASSURANCE (29 CFR PART 37 AND 45 CFR PART 80).**

As a condition of this contract, the Contractor assures that it will comply fully with the nondiscrimination and equal opportunity provisions of the following laws:

1. Section 188 of the Workforce Investment Act of 1998 (WIA), (Pub. L. 105-220), which prohibits discrimination against all individuals in the United States on the basis of race, color, religion, sex national origin, age, disability, political affiliation, or belief, and against beneficiaries on the basis

of either citizenship/status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA Title I-financially assisted program or activity;

2. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 CFR Part 80), to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department.
3. Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112) as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 CFR Part 84), to the end that, in accordance with Section 504 of that Act, and the Regulation, no otherwise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department.
4. The Age Discrimination Act of 1975 (Pub. L. 94-135), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 CFR Part 91), to the end that, in accordance with the Act and the Regulation, no person in the United States shall, on the basis of age, be denied the benefits of, be excluded from participation in, or be subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department.
5. Title IX of the Educational Amendments of 1972 (Pub. L. 92-318), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 CFR Part 86), to the end that, in accordance with Title IX and the Regulation, no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any education program or activity for which the Applicant receives Federal financial assistance from the Department.
6. The American with Disabilities Act of 1990 (Pub. L. 101-336), prohibits discrimination in all employment practices, including, job application procedures, hiring, firing, advancement, compensation, training, and other terms, conditions, and privileges of employment. It applies to recruitment, advertising, tenure, layoff, leave, fringe benefits, and all other employment-related activities, and;

The Contractor also assures that it will comply with 29 CFR Part 37 and all other regulations implementing the laws listed above. This assurance applies to the Contractor's operation of the WIA Title I – financially assisted program or activity, and to all agreements the Contractor makes to carry out the WIA Title I – financially assisted program or activity. The Contractor understands that the department and the United States have the right to seek judicial enforcement of the assurance.

**D. CERTIFICATION REGARDING PUBLIC ENTITY CRIMES, SECTION 287.133, F.S.**

The Contractor hereby certifies that neither it, nor any person or affiliate of the Contractor, has been convicted of a Public Entity Crime as defined in section 287.133, F.S., nor placed on the convicted vendor list.

The Contractor understands and agrees that it is required to inform the Department immediately upon any change of circumstances regarding this status.

**E. ASSOCIATION OF COMMUNITY ORGANIZATIONS FOR REFORM NOW (ACORN) FUNDING RESTRICTIONS ASSURANCE (Pub. L. 111-117).**

As a condition of this contract, the Contractor assures that it will comply fully with the federal funding restrictions pertaining to ACORN and its subsidiaries per the Consolidated Appropriations Act, 2010, Division E, Section 511 (Pub. L. 111-117). The Continuing Appropriations Act, 2011, Sections 101 and 103 (Pub. L. 111-242), provides that appropriations made under Pub. L. 111-117 are available under the conditions provided by Pub. L. 111-117. Note: As of June 20, 2011, this matter is in litigation in the District Court for the Eastern District of New York.

The Contractor shall require that language of this assurance be included in the documents for all subcontracts at all tiers (including subcontracts, sub-grants and contracts under grants, loans and cooperative agreements) and that all sub recipients and contractors shall provide this assurance accordingly.

**F. SCRUTINIZED COMPANIES LISTS CERTIFICATION, SECTION 287.135, F.S.**

If this contract is in the amount of \$1 million or more, in accordance with the requirements of section 287.135, F.S., the Contractor hereby certifies that it is not listed on either the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List. Both lists are created pursuant to section 215.473, F.S.

The Contractor understands that pursuant to section 287.135, F.S., the submission of a false certification may subject the Contractor to civil penalties, attorney's fees, and/or costs.

If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall attach an explanation to this contract.

By signing below, the Contractor certifies the representations outlined in parts A through F above are true and correct.

  
\_\_\_\_\_  
(Signature and Title of Authorized Representative)  
FEMC  
7/1/13  
Contractor Date

2639 N. Monroe St. Sk B112  
(Street)

Tallahassee FL 32303  
(City, State, ZIP Code)

i.

**End of Attachment 1 –**

**Attachment 2**  
**AFFIDAVIT - NOTICE OF TRADE SECRET**

I, Jeff Arey, the undersigned, being first duly sworn, do hereby state under oath and under penalty of perjury, the following:

1. I am an authorized representative of (FEMC), and I am duly empowered and authorized to certify under oath to the truth of the statements contained in this affidavit.
2. Based upon our review/determination of all contract documents for any trade secret information meeting the statutory definition provided in subsection 812.081(1)(c), F.S., there are documents or information claimed to be trade secrets under Florida law pertaining to our entities response to the formal solicitation and related materials in (13-00008). YES  or NO  (Check one)

Executed this 1 day of July, 2013, in Jacksonville, Florida.

Jeffrey M. Arey  
[Name of Affiant]  
Contractor  
[Title of Affiant]

Melanie I. Nichols  
Notary Public

My commission expires: MELANIE I. NICHOLS  
Notary Public, State of Florida  
My Comm. Expires Sept. 20, 2015  
Commission No. EE 122798  
**AFTER CONTRACT EXECUTION**

3. Upon receipt of the fully executed contract (13-00008) and if in the initial submission of this affidavit to the Department the Contractor indicated a YES response to Section 2 above, the Contractor shall complete this Section 3 and resubmit this affidavit accompanied by a redacted copy of this contract to the Department within three (3) business days of receipt of the fully executed contract. The Contractor states that:

All documents or information claimed to be trade secrets under Florida law have been redacted in the electronic copy of the response to the formal solicitation and related materials in (13-00008) provided to the Department of Business and Professional regulation under cover letter dated \_\_\_\_\_, 20\_\_\_\_. Further, (FEMC):

- a. Considers the redacted information to be trade secret that has value and provides an advantage or opportunity to obtain an advantage over those who do not know or use it.
- b. Has taken measures to prevent the disclosure of the redacted trade secret information to anyone other than those who have been selected to have access for limited purposes, and such measures continue to be taken.
- c. States that the redacted trade secret information is not, and has not been, reasonably obtainable, without consent, by other persons by use of legitimate means.
- d. States that the redacted trade secret information is not publicly available elsewhere.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, in \_\_\_\_\_.

*2 pages*

\_\_\_\_\_  
[Name of Affiant]

\_\_\_\_\_  
[Title of Affiant]

\_\_\_\_\_  
Notary Public  
My commission expires: \_\_\_\_\_

**- End of Attachment 2 -**

**ATTACHMENT 3**  
**Financial and Compliance Audit Form**

The administration of resources awarded by the Department of Business and Professional Regulation (Department) to the recipient may be subject to audits and/or monitoring as described in this attachment.

**MONITORING**

In addition to reviews of audits conducted in accordance with OMB Circular A-133 and Section 215.97, F.S., as revised (see "AUDITS" below), monitoring procedures may include, but not be limited to, on-site visits by Department staff, limited scope audits as defined by OMB Circular A-133, as revised, or other procedures. By entering into this agreement, the recipient agrees to comply and cooperate with any monitoring procedures deemed appropriate by the Department. In the event the Department determines that a limited scope audit of the recipient is appropriate, the recipient agrees to comply with any additional instructions provided by the Department staff to the recipient regarding such audit. The recipient further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the State's Chief Financial Officer or the Auditor General.

**AUDITS**

**PART I: FEDERALLY FUNDED**

This part is applicable if the recipient is a State or local government or a non-profit organization as defined in OMB Circular A-133, as revised.

In the event the recipient expends \$500,000 or more in Federal awards in its fiscal year, the recipient must have a single or program-specific audit conducted in accordance with the provisions of OMB Circular A-133, as revised. EXHIBIT 1 to this agreement indicates Federal resources awarded through the Department by this agreement. In determining the Federal awards expended in its fiscal year, the recipient shall consider all sources of Federal awards, including Federal resources received from the Department. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised. An audit of the recipient conducted by the Auditor General in accordance with the provisions of OMB Circular A-133, as revised, will meet the requirements of this part.

In connection with the audit requirements addressed in Part 1, paragraph 1, the recipient shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of OMB Circular A-133, as revised.

If the recipient expends less than \$500,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, is not required. In the event that the recipient expends less than \$500,000 in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, the cost of the audit must be paid from non-Federal resources.

(NOTE: If applicable, Department program office should address other miscellaneous matters affecting Part I audits, such as Web sites where information that would help facilitate the recipient's compliance can be obtained.)

## **PART II: STATE REQUIREMENTS**

This part is applicable if the recipient is a nonstate entity as defined by Section 215.97(2), Florida Statutes.

In the event that the recipient expends a total amount of state financial assistance equal to or in excess of \$500,000 in any fiscal year of such recipient, the recipient 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. EXHIBIT 1 to this agreement indicates state financial assistance awarded through the Department by this agreement. In determining the state financial assistance expended in its fiscal year, the recipient 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 non-state entity for Federal program matching requirements.

In connection with the audit requirements addressed in Part II, paragraph 1, the recipient 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.

If the recipient expends less than \$500,000 in state financial assistance in its fiscal year, an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, is not required. In the event that the recipient expends less than \$500,000 in state financial assistance in its fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the non-state entity's resources (i.e., the cost of such an audit must be paid from the recipient's resources obtained from other than State entities).

(NOTE: The Department program office should address other miscellaneous matters affecting Part II audits, *such as* Web sites where information that would help facilitate the recipient's compliance can be obtained.)

In the event the recipient expends \$500,000 or more in state financial assistance during its fiscal year, the recipient must have a State single or project-specific audit conducted 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. The recipient agrees to provide a copy of the single audit to the Department's Single Audit Unit and its contract manager. In the event the recipient expends less than \$500,000 in State financial assistance during its fiscal year, the recipient agrees to provide certification to the Department's Single Audit Unit and its contract manager that a single audit was not required. In determining the state

financial assistance expended during its fiscal year, the recipient shall consider all sources of state financial assistance, including state financial assistance received from the Department of Children & Families, 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.

In connection with the audit requirements addressed in the preceding paragraph, the recipient 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 or 10.650, Rules of the Auditor General.

The schedule of expenditures should disclose the expenditures by contract number for each contract with the department in effect during the audit period. The financial statements should disclose whether or not the matching requirement was met for each applicable contract. All questioned costs and liabilities due the department shall be fully disclosed in the audit report package with reference to the specific contract number.

### **PART III: REPORT SUBMISSION (N/A)**

Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by PART I of this agreement shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the recipient directly to each of the following:

- A. Department Contract manager for this agreement (1 copy): [Name and Address]

Department of Business and Professional Regulation  
ATTN: J. Yvette Pressley, Contract Monitor  
Office of the General Counsel  
1940 North Monroe Street  
Tallahassee, FL 32399

- B. Department of Business and Professional Regulation (1 electronic copy and management letter, if issued)

Office of the Inspector General  
1940 North Monroe Street  
Tallahassee, FL. 32399-0791

- C. The Federal Clearinghouse designated in OMB Circular A-133, as revised (the number of copies required by Sections .320 (d) (1) and (2), OMB Circular A-133, as revised, should be submitted to the Federal Audit Clearinghouse), at the following address:

Federal Audit Clearinghouse



Bureau of the Census  
1201 East 10<sup>th</sup> Street  
Jefferson, IN 47132

- D. Other Federal agencies and pass-through entities in accordance with Sections .320 (e) and (f), OMB Circular A-133, as revised.

Pursuant to Section .320 (f), OMB Circular A-133, as revised, the recipient shall submit a copy of the reporting package described in Section .320 (c), OMB Circular A-133, as revised, and any management letter issued by the auditor, to the Department at each of the following addresses:

- A. Department Contract manager for this agreement (1 copy): [Name and Address]

Department of Business and Professional Regulation  
ATTN: J. Yvette Pressley, Contract Monitor  
Office of the General Counsel  
1940 North Monroe Street  
Tallahassee, FL 32399

- B. Department of Business and Professional Regulation (1 electronic copy and management letter, if issued)

Office of the Inspector General  
1940 North Monroe Street  
Tallahassee, FL. 32399-0791

Copies of financial reporting packages required by PART II of this agreement shall be submitted by or on behalf of the recipient directly to each of the following:

- A. The Department at each of the following addresses:

Department Contract manager for this agreement (1 copy): [Name and Address]

Department of Business and Professional Regulation  
ATTN: J. Yvette Pressley, Contract Monitor  
Office of the General Counsel  
1940 North Monroe Street  
Tallahassee, FL 32399

Department of Business and Professional Regulation (1 electronic copy and management letter, if issued)

Office of the Inspector General  
1940 North Monroe Street  
Tallahassee, FL. 32399-0791

- B. The Auditor General's Office at the following address:

Auditor General's Office  
Room 401, Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Any reports, management letter, or other information required to be submitted to the Department pursuant to this agreement shall be submitted timely in accordance with OMB Circular A-133, Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

Recipients, when submitting financial reporting packages to the Department for audits done in accordance with OMB Circular A-133 or 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.

#### **PART IV: RECORD RETENTION**

The recipient shall retain sufficient records demonstrating its compliance with the terms of this agreement for a period of six years from the date the audit report is issued and shall allow the Department or its designee, Chief Financial Officer, or Auditor General access to such records upon request. The recipient shall ensure that audit working papers are made available to the Department or its designee, Chief Financial Officer, or Auditor General upon request for a period of three years from the date the audit report is issued, unless extended in writing by the Department. *NOTE: Records need to be retained for at least five years to comply with record retention requirements related to original vouchers prescribed by the Department of State, Division of Library and Information Services, Bureau of Archives and Records Management.*

## EXHIBIT – 1

### FEDERAL RESOURCES AWARDED TO THE RECIPIENT PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

*NOTE: If the resources awarded to the recipient represent more than one Federal program, provide the same information shown below for each Federal program and show total Federal resources awarded.*

Federal Program (*list Federal agency, Catalog of Federal Domestic Assistance title and number*) - \$ (*amount*) **N/A**

### COMPLIANCE REQUIREMENTS APPLICABLE TO THE FEDERAL RESOURCES AWARDED PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:

*NOTE: If the resources awarded to the recipient represent more than one Federal program, list applicable compliance requirements for each Federal program in the same manner as shown below.*

Federal Program:

*List applicable compliance requirements as follows: N/A*

1. *First applicable compliance requirement (e.g., what services/purposes resources must be used for).*
2. *Second applicable compliance requirement (e.g., eligibility requirements for recipients of the resources).*
3. *Etc.*

*NOTE: Instead of listing the specific compliance requirements as shown above, the State awarding agency may elect to use language that requires the recipient to comply with the requirements of applicable provisions of specific laws, rules, regulations, etc. For example, for Federal Program 1, the language may state that the recipient must comply with a specific law(s), rule(s), or regulation(s) that pertains to how the awarded resources must be used or how eligibility determinations are to be made. The State awarding agency, if practical, may want to attach a copy of the specific law, rule, or regulation referred to.*

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

#### MATCHING RESOURCES FOR FEDERAL PROGRAMS:

*NOTE: If the resources awarded to the recipient for matching represent more than one Federal program, provide the same information shown below for each Federal program and show total State resources awarded for matching.*

Federal Program (*list Federal agency, Catalog of Federal Domestic Assistance title and number*) - \$ (*amount*) **N/A**

### SUBJECT TO SECTION 215.97, FLORIDA STATUTES:

NOTE: If the resources awarded to the recipient represent more than one State project, provide the same information shown below for each State project and show total state financial assistance awarded that is subject to Section 215.97, Florida Statutes.

**State Project: Department of Business and Professional Regulation, Florida Engineers Management Corporation (FEMC) #79.001, \$2,170,875.00 annually.**

**COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:**

The department has allotted \$100,875 from the unlicensed activity account established under s. 455.2281 to be used by the Board of Professional Engineers (FBPE) to perform the duties relating to unlicensed activity. FEMC shall provide administrative, investigative and prosecutorial services to FBPE in accordance with S. 471.038, F.S., and make only prudent expenditures directly related to the responsibilities of the board, and in accordance with the contract required by section 471.038, Florida Statutes.

FEMC shall not perform the following services:

- (1) Except when providing those prosecutorial and investigative services set forth in Section IV (D) and (E) of 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.
- (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 the Florida Board of Professional Engineers.
- (3) Any and all activities with relation 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 on behalf of the FBPE.
- (5) FEMC shall not have the authority to issue emergency suspension or restriction orders.

End of Attachment 3

## FEE CODES

BOARD OF PROFESSIONAL ENGINEERS (FEMC)  
79-50-2-547001  
79-50-00-00-009

### FEEES - 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.



- 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).



- 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).



- 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).



- 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):



- 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.

*27 pages*

- 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).



- 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).**



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



- iii) **Partial Payment (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  
 2001 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. Smith*

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

**EFT**  
**DEBIT MEMORANDUM**

**2**

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

ATTACHMENT II

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/CHARGE BACK	-105.00

Grand Total: **(\$105.00)**

2007 AUG 27 4:11:46  
CHARGE DATA SERVICE

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.

Process Date: 08/23/2007

*Alex Sink*

Chief Financial Officer

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 # a 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

Last Name

Street Address/Apt #

City

State

Country

Zip

**Account Information**

Reason  or  **Select Reason**

Board/Division  or  **Select Board/Division**

Receipt #

License #

AR Date

Check #  ✓

Check Amount \$

ID #

Type  (S=SSN, F=FEID, P=PIN #)

Bookkeeping Indicator

Doing Business As

Comments

Acct. I fills in highlighted fields based on research findings

**Check Owner Personal Information**

Title

First Name

Last Name

Street Address/Apt #

City

State

Zip

Add Account | Cancel

Click here when Account information has been filled in.



ATTACHMENT IV  
Page 1 of 1  
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

VERS



Vertical list of seven empty rectangular input fields.

Record: 1/1

<OSC>

Acct. I fills in highlighted fields then click enter

Receipt/Reverse Bad Check (pa14)

**Receipt**

Client: 05 Board of Cosmetology  
Validation #: 70143093  
Fiscal Year: 2007  
Date Posted: \_\_\_\_\_  
Replacing: \_\_\_\_\_  
Replaced By: \_\_\_\_\_

Received \$: \_\_\_\_\_  
Unassigned \$: \_\_\_\_\_  
Bed Check:

Memo #: \_\_\_\_\_  
Acct #: \_\_\_\_\_

**Remitter**

Client: \_\_\_\_\_  
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  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

Received \$: 50.00  
Unassigned \$: 50.00  
Bad Check:

Clear  
Mark  
Notes

Replacing: \_\_\_\_\_ Memo #: \_\_\_\_\_  
Replaced By: \_\_\_\_\_ Acct #: \_\_\_\_\_

Remitter

Client: 0502 Cosme  
Name: \_\_\_\_\_  
Lic #: 3890  
File #: 48444

Letter

Payment List

Client	Type	Charge Desc	Amount \$
05	M	CITN	50.00

Memo #: DM2099  
Acct #: 080860 → A/R #

OK Cancel

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 psapp 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] 90		
File #	48444		

Payment List

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

<< >> Exit

Record: 1/1

<OSC>

File Edit Record Go Help Window



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

Receipt header area with window title bar and close button

Client	05	Received \$	50 00
Validation #	70143093	Unassigned \$	50 00
Fiscal Year	2007	Bed Check	<input type="checkbox"/>
Date Posted	08/29/2007		
Replacing		Memo #	DM2099
Replaced By		Acct #	080880

Remitter

Client	0502	Cosmetology Salon
Name	[REDACTED] HAIR SALON	
Lic #	9890	
File #	48444	

Letter Selection (lp21) window title bar

Payment List

Client	Type	Charge	Description
05	M	CITN	Citation

Letter Selection (lp21) form fields

Group: C (dropdown) | Cash

Purpose: [REDACTED] (dropdown) | *click on arrow of drop down box*

Letter: [REDACTED] (dropdown)

Letter has "Ask" fields - edit only (checkbox)

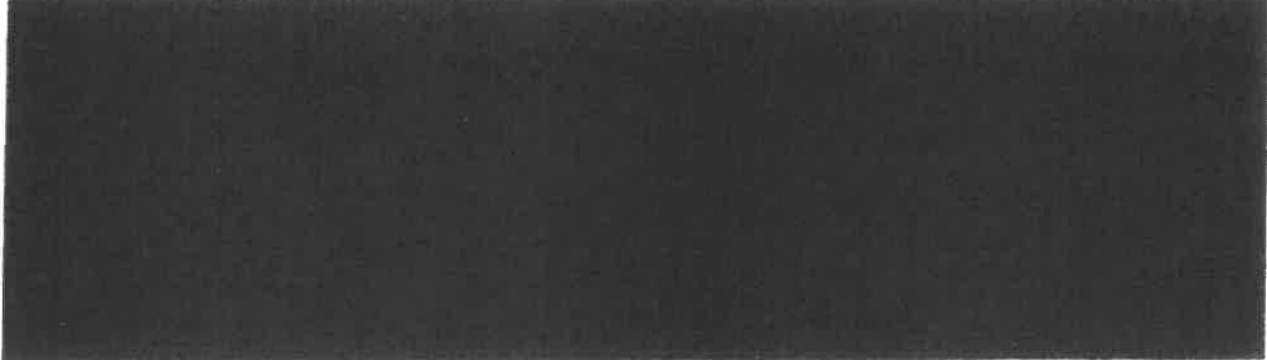
Letter has groups (checkbox) | comment text (checkbox)

Printer: DEFAULT (dropdown)

Print Preview Edit Exit buttons

FIELD VALUE IS REQUIRED

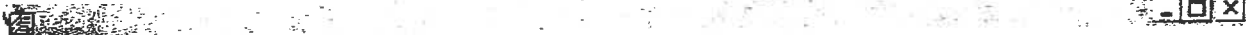
Record: 1/1 List of Valu... <OSC>



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	<input type="checkbox"/>
Date Posted	08/29/2007	Memo #	DM2099
Replacing		Acct #	080860
Replaced By			

Remitter

Client 0502 Cosmetology Salon  
 Name [REDACTED] HAIR SALON  
 Lic # 9890  
 File # 48444

Payment List

Client	Type	Charge	Description
05	M	CITH	Citation

Group C  
 Purpose  
 Letter  
 Printer DEFAULT

Letter Purpose

Find %

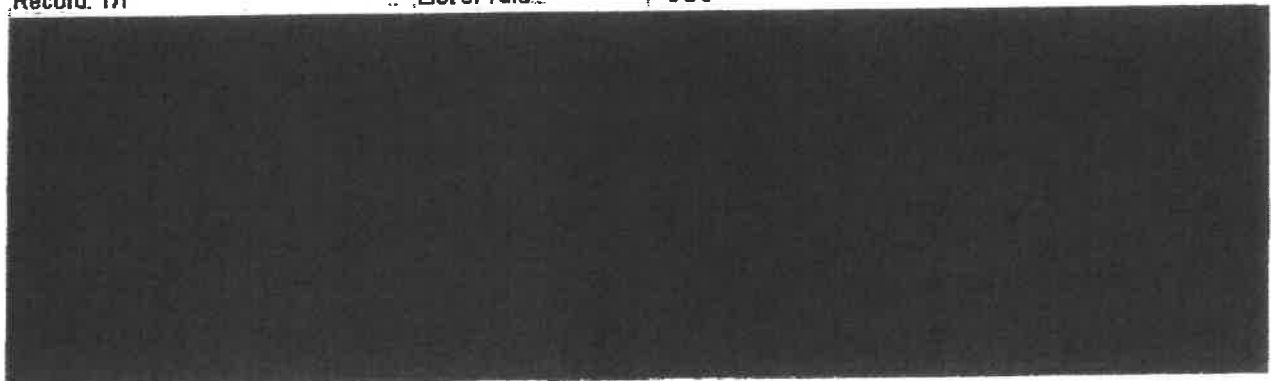
Purpose	Description
B	Bad Check
C	Cash
T	Temporary License
V	Validation

\* Choose purpose of letter from options given

Print Pre Find OK Cancel

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	<input type="checkbox"/>
Date Posted	08/29/2007		
Replacing		Memo #	DM2099
Replaced By		Acct #	080880

-- Remitter

Client 0502 Cosmetology Salon  
 Name HAIR SALON  
 Lic # 3890  
 File # 48444

Letter Code

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
CPAY_CBA	Bad Check Service Charge

\* Choose letter type from options given

Payment List

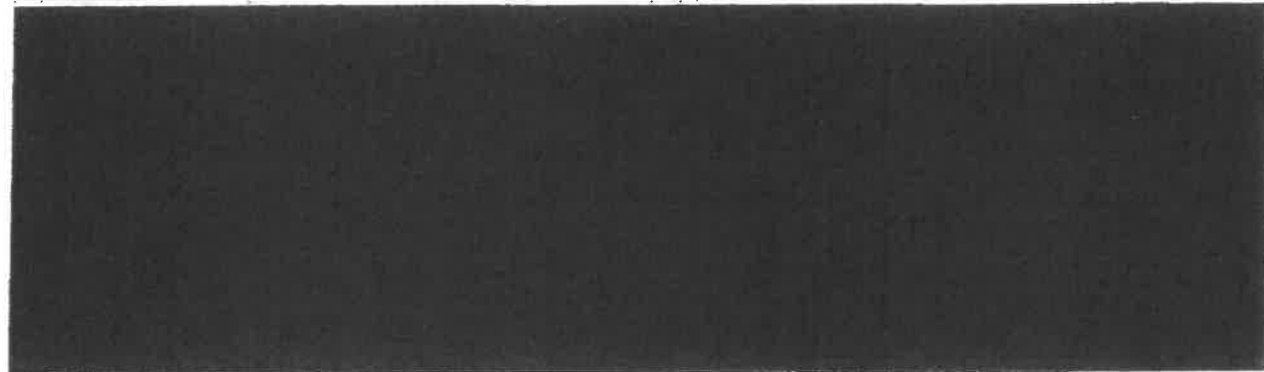
Client	Type	Charge	Description
05	M	CITH	Citation

Group C  
 Purpose B  
 Letter  
 Letter for 1937 bad  
 Letter for multiple of  
 Printer DEFAULT

Print Pre Find OK Cancel

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#	.

0111012422\*  
105/21/2007  
090009130752014

This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

RETURN REASON-A  
NOT SUFFICIENT  
FUNDS

\*184000001\*  
\*5316\*  
\*9\*  
\*00017\*

2007/05/14 122222 1111111111  
5529+8049900

062-1 607-17905 080075

SERVICES LLC  
Holmes Beach, FL 32117  
1037  
6-5-07 DATE

PAY TO THE ORDER OF

*Dept. of Business & Prof. Reg.*  
*City of*  
AMERIT BANK NSF NSF NSF NSF NSF

FOR *Rose Davis*

1000005900

1111111111

# Department of Business Professional Regulation

111012002 06/15/2007  
006640846295  
111012822 06/15/2007  
004892504144  
\*061000146\* 06/15/2007  
6415186903  
\*111012822\* 06/21/2007  
009130752014

BPR USE ONLY: 012094 \$15.00  
002106 \$5.00  
002110 \$4.00  
002102 \$50.00

026157003

8142 966 839737

BANK OF AMERICA  
674005734

0000011300752014  
PK=15

61207 2000000000

ANSOUTH BANK 86/10/07  
1394 N W 2337-16  
62000019

ANSOUTH BANK 86/10/07  
1394 N W 2337-16  
18200 6580000000

Do not enter a 9 or 0 before the line.

BOARD PAYMENT

BOARD PAYMENT REMITTED ON YOUR BEHALF HAS BEEN  
ISSUED PURSUANT TO SECTION 215.34, FLORIDA  
STATUTES. UPON RECEIPT OF THIS NOTICE TO TENDER YOUR  
PAYMENT (IF WAS APPLIED TO YOUR LICENSE).

IF PAYMENT OF \$ 74.00 IS RECEIVED WITHIN THE TIME  
STIPULATED, THE AUTHORITY TO TAKE DISCIPLINARY  
ACTION MAY BE SENT TO A COLLECTION  
AGENCY.

CHECK OR MONEY ORDER IN THE ENCLOSED  
REGARDING THIS LETTER, PLEASE CALL THE

PAYMENT AMOUNT

==

PROFESSIONAL REGULATION

BPR USE ONLY: 012094 \$15.00  
002106 \$5.00  
002110 \$4.00  
002102 \$50.00

BOARD: 0627  
FILE: 56934  
YEAR: 2006  
LICENSE NO: 46580

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.

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]  
[REDACTED] PALM BEACH GDN FL 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:

<u>Type</u>	<u>Amount</u>
012094	\$ 15.00
001000	\$ 36.00
<u>Original Amount:</u>	<u>\$ 51.00</u>

Payment Information

<u>Date</u>	<u>Method</u>	<u>Amount</u>	<u>Check/Receipt #</u>	<u>Deposit #</u>
6/11/2007	CK	\$ 36.00	60774264	500
8/21/2007	CK	\$ 15.00	70108407	900828
<u>Payment:</u>		<u>\$51.00</u>		

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.

	<b>\$ERROR! BOOKMARK NOT DEFINED. ORIGINAL PAYMENT</b>
<b>AMOUNT</b>	<b>+ ERROR! BOOKMARK NOT DEFINED. FEE</b>
	<hr/>
	<b>\$ BALANCE DUE</b>

Enclosure

cc

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



### 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 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

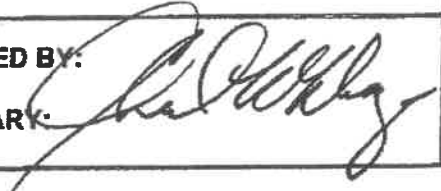
	APPROVED BUDGET 2012-13	PROPOSED BUDGET 2013-14
626 · Copying & Printing		
626.20 · General Office	\$ 20,000.00	\$ 15,000.00
Total 626 · Copying & Printing	\$ 20,000.00	\$ 15,000.00
620 · Office Supplies	\$ 22,000.00	\$ 25,000.00
625 · Postage		
625.40 · General Office	\$ 25,000.00	\$ 15,000.00
Total 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

	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	\$ 54,473.00	\$ 62,208.00
601 · Other Personnel Services (OPS)		\$ -
636 · Court Reporters		\$ 1,500.00
638 · Prosecution/Enforcement		\$ 20,757.00
639 · Contract Monitor		\$ 960.00
Total 630 · Consultant Expense		\$ 23,217.00
670 · Public Information		\$ 1,200.00
626 · Copying & Printing		
626.20 · General Office		\$ 2,250.00
Total 626 · Copying & Printing		\$ 2,250.00
620 · Office Supplies		\$ 3,750.00
625 · Postage		
625.40 · General Office		\$ 2,250.00
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
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>	<b>\$ 54,473.00</b>	<b>\$ 100,875.00</b>
<b>Net Ordinary Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>

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%20collection%20and%20property%20wri.htm)

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

## **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)**



# CERTIFICATE OF LIABILITY INSURANCE

FENGI-1

OP ID: SY

DATE (MM/DD/YYYY)  
06/19/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Wak-Rogers, Gunter, Vaughn Ins Wakulla Division 2190 Crawfordville Highway Crawfordville, FL 32327 Kevin Vaughn	<b>Phone: 850-926-7900</b> <b>Fax: 850-926-2924</b>	<b>CONTACT NAME:</b> Stacey Nelson <b>PHONE (A/C, No, Ext):</b> 850-926-7900 <b>E-MAIL ADDRESS:</b> snelson@rgvi.com <b>FAX (A/C, No):</b> 850-926-2924														
	<b>INSURED</b> FL Engineers Management 2639 N Monroe St Ste B-112 Tallahassee, FL 32303	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : The Hartford</td> <td>22357</td> </tr> <tr> <td>INSURER B : Allied Property &amp; Casualty</td> <td>42579</td> </tr> <tr> <td>INSURER C : Philadelphia Insurance Company</td> <td>18058</td> </tr> <tr> <td>INSURER D : Landmark American</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : The Hartford	22357	INSURER B : Allied Property & Casualty	42579	INSURER C : Philadelphia Insurance Company	18058	INSURER D : Landmark American		INSURER E :		INSURER F :
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INSURER F :																

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	<input checked="" type="checkbox"/> GENERAL LIABILITY		ACLBPOC5914882286	04/27/2013	04/27/2014	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person) \$ 5,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					PERSONAL & ADV INJURY \$ 1,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					GENERAL AGGREGATE \$ 2,000,000
	<b>AUTOMOBILE LIABILITY</b>					PRODUCTS - COM/OP AGG \$ 2,000,000
	<input type="checkbox"/> ANY AUTO					COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per person) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> UMBRELLA LIAB	<input type="checkbox"/> OCCUR				PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				\$
	DED RETENTION \$					EACH OCCURRENCE \$
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>		21WECRW4918	01/05/2013	01/05/2014	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N <input type="checkbox"/> N/A				E.L. EACH ACCIDENT \$ 100,000
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE \$ 100,000
C	Directors & Office		PHSD744406	05/12/2013	05/12/2014	D&O 1,000,000
D	Professional		LHR730169	05/12/2013	05/12/2014	Prfsnl 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

**CERTIFICATE HOLDER****CANCELLATION**

INFORM1

**Information Purpose Only**

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SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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## **FACTORS NECESSITATING CHANGES TO CONTRACT TERMS**

- Legislative revision of statutes affecting required terms for agency contract and procurement documents. (Example: 2015 Legislative Session – SB 982, SB 144, HB 371)
- Internal and external audits of agency contract documents and contract management practices.
- Enhanced auditing practices by new DFS Processing Unit auditors.
- Greater knowledge of contract document requirements and contract management responsibilities obtained by contract managers through internal and external training and certifications.

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## The 2014 Florida Statutes

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[Title XIX](#)  
PUBLIC  
BUSINESS

[Chapter 287](#)  
PROCUREMENT OF PERSONAL PROPERTY AND  
SERVICES

[View Entire  
Chapter](#)

### **287.058 Contract document.—**

(1) Every procurement of contractual services in excess of the threshold amount provided in s. [287.017](#) for CATEGORY TWO, except for the providing of health and mental health services or drugs in the examination, diagnosis, or treatment of sick or injured state employees or the providing of other benefits as required by chapter 440, shall be evidenced by a written agreement embodying all provisions and conditions of the procurement of such services, which shall, where applicable, include, but not be limited to, a provision:

(a) That bills for fees or other compensation for services or expenses be submitted in detail sufficient for a proper preaudit and postaudit thereof.

(b) That bills for any travel expenses be submitted in accordance with s. [112.061](#). A state agency may establish rates lower than the maximum provided in s. [112.061](#).

(c) Allowing unilateral cancellation by the agency for refusal by the contractor to allow public access to all documents, papers, letters, or other material made or received by the contractor in conjunction with the contract, unless the records are exempt from s. 24(a) of Art. I of the State Constitution and s. [119.07\(1\)](#).

(d) Specifying a scope of work that clearly establishes all tasks the contractor is required to perform.

(e) Dividing the contract into quantifiable, measurable, and verifiable units of deliverables that must be received and accepted in writing by the contract manager before payment. Each deliverable must be directly related to the scope of work and specify a performance measure. As used in this paragraph, the term “performance measure” means the required minimum acceptable level of service to be performed and criteria for evaluating the successful completion of each deliverable.

(f) Specifying the criteria and the final date by which such criteria must be met for completion of the contract.

(g) Specifying that the contract may be renewed for a period that may not exceed 3 years or the term of the original contract, whichever is longer, specifying the renewal price for the contractual service as set forth in the bid, proposal, or reply, specifying that costs for the renewal may not be charged, and specifying that renewals are contingent upon satisfactory performance evaluations by the agency and subject to the availability of funds. Exceptional purchase contracts pursuant to s. [287.057\(3\)\(a\)](#) and (c) may not be renewed.

(h) Specifying the financial consequences that the agency must apply if the contractor fails to perform in accordance with the contract.

(i) Addressing the property rights of any intellectual property related to the contract and the specific rights of the state regarding the intellectual property if the contractor fails to provide the services or is no longer providing services.

In lieu of a written agreement, the agency may authorize the use of a purchase order for classes of contractual services if the provisions of paragraphs (a)-(i) are included in the purchase order or solicitation. The purchase order must include, but need not be limited to, an adequate description of the services, the contract period, and the method of payment. In lieu of printing the provisions of paragraphs (a)-(c) and (g) in the contract document or purchase order, agencies may incorporate the requirements of paragraphs (a)-(c) and (g) by reference.

(2) The written agreement shall be signed by the agency head or designee and the contractor before the rendering of any contractual service the value of which is in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO, except in the case of a valid emergency as certified by the agency head. The written statement of an emergency must be prepared within 30 days after the contractor begins rendering the service and must state the particular facts and circumstances which precluded the execution of the written agreement before the rendering of the service. If the agency fails to have the contract signed by the agency head or designee and the contractor before rendering the contractual service, and if an emergency does not exist, the agency head shall, within 30 days after the contractor begins rendering the service, certify the specific conditions and circumstances to the department as well as describe actions taken to prevent recurrence of such noncompliance. The agency head may delegate the written statement only to other senior management agency personnel. A copy of the written statement shall be furnished to the Chief Financial Officer with the voucher authorizing payment. The department shall report repeated instances of noncompliance by an agency to the Auditor General. This subsection does not authorize additional compensation prohibited under s. 215.425. The procurement of contractual services may not be divided so as to avoid the provisions of this section.

(3) Notwithstanding the provisions of subsections (1) and (2), in those cases in which state agencies are unable to procure a written agreement for the providing of health and mental health services or drugs in the examination, diagnosis, or treatment of sick or injured persons in the care or custody of a state agency, those services and drugs may be obtained by purchase order. The purchase order shall contain sufficient detail for a proper audit and shall be signed by purchasing or contracting personnel acting on behalf of the agency.

(4) Every procurement of contractual services of the value of the threshold amount provided in s. 287.017 for CATEGORY TWO or less, except for the providing of health and mental health services or drugs in the examination, diagnosis, or treatment of sick or injured state employees or the providing of other benefits as required by the provisions of chapter 440, shall be evidenced by a written agreement or purchase order. The written agreement or purchase order must contain sufficient detail for a proper audit, must be signed by purchasing or contracting personnel acting on behalf of the agency, and may contain the provisions and conditions provided in subsection (1).

(5) Unless otherwise provided in the General Appropriations Act or the substantive bill implementing the General Appropriations Act, the Chief Financial Officer may waive the requirements of this section for services which are included in s. 287.057(3)(e).

(6) A contract may not prohibit a contractor from lobbying the executive or legislative branch concerning the scope of services, performance, term, or compensation regarding any contract to which the contractor and a state agency are parties, after contract execution and during the contract term. The provisions of this subsection are supplemental to the provisions of ss. 11.062 and 216.347 and any other law prohibiting the use of state funds for lobbying purposes.

**History.**—s. 10, ch. 82-196; s. 4, ch. 83-192; s. 1, ch. 85-30; s. 47, ch. 86-183; s. 8, ch. 86-204; s. 10, ch. 88-384; s. 20, ch. 88-557; s. 18, ch. 90-268; s. 8, ch. 93-161; s. 2, ch. 95-420; s. 7, ch. 96-236; s. 83, ch. 98-279; s. 3, ch. 2001-266; s. 12, ch. 2001-278; s. 17, ch. 2002-207; s. 332, ch. 2003-261; s. 6, ch. 2006-224; s. 25, ch. 2010-151; s. 8, ch. 2013-154.

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## The 2014 Florida Statutes

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[Title XIV](#)[Chapter 215](#)[View Entire Chapter](#)

### TAXATION AND FINANCE FINANCIAL MATTERS: GENERAL PROVISIONS

#### **215.97 Florida Single Audit Act.—**

(1) The purposes of the section are to:

- (a) Establish uniform state audit requirements for state financial assistance provided by state agencies to nonstate entities to carry out state projects.
- (b) Promote sound financial management, including effective internal controls, with respect to state financial assistance administered by nonstate entities.
- (c) Promote audit economy and efficiency by relying to the extent possible on already required audits of federal financial assistance provided to nonstate entities.
- (d) Provide for identification of state financial assistance transactions in the state accounting records and recipient organization records.
- (e) Promote improved coordination and cooperation within and between affected state agencies providing state financial assistance and nonstate entities receiving state assistance.
- (f) Ensure, to the maximum extent possible, that state agencies monitor, use, and followup on audits of state financial assistance provided to nonstate entities.

(2) Definitions; as used in this section, the term:

(a) “Audit threshold” means the threshold amount used to determine when a state single audit or project-specific audit of a nonstate entity shall be conducted in accordance with this section. Each nonstate entity that expends a total amount of state financial assistance equal to or in excess of \$500,000 in any fiscal year of such nonstate entity shall be required to have a state single audit, or a project-specific audit, for such fiscal year in accordance with the requirements of this section. Every 2 years the Auditor General, after consulting with the Executive Office of the Governor, the Department of Financial Services, and all state awarding agencies, shall review the threshold amount for requiring audits under this section and may adjust such threshold amount consistent with the purposes of this section.

(b) “Auditing standards” means the auditing standards as stated in the rules of the Auditor General as applicable to for-profit organizations, nonprofit organizations, or local governmental entities.

(c) “Catalog of State Financial Assistance” means a comprehensive listing of state projects. The Catalog of State Financial Assistance shall be issued by the Department of Financial Services after conferring with the Executive Office of the Governor and all state awarding agencies. The Catalog of State Financial Assistance shall include for each listed state project: the responsible state awarding agency; standard state project number identifier; official title; legal authorization; and description of the state project, including objectives, restrictions, application and awarding procedures, and other relevant information determined necessary.

(d) “Coordinating agency” means the state awarding agency that provides the predominant amount of state financial assistance expended by a recipient, as determined by the recipient’s Schedule of

Expenditures of State Financial Assistance. To provide continuity, the determination of the predominant amount of state financial assistance shall be based upon state financial assistance expended in the recipient's fiscal years ending in 2006, 2009, and 2012, and every third year thereafter.

(e) "Financial reporting package" means the nonstate entities' financial statements, Schedule of Expenditures of State Financial Assistance, auditor's reports, management letter, auditee's written responses or corrective action plan, correspondence on followup of prior years' corrective actions taken, and such other information determined by the Auditor General to be necessary and consistent with the purposes of this section.

(f) "Federal financial assistance" means financial assistance from federal sources passed through the state and provided to nonstate organizations to carry out a federal program. "Federal financial assistance" includes all types of federal assistance as defined in applicable United States Office of Management and Budget circulars.

(g) "For-profit organization" means any organization or sole proprietor that is not a governmental entity or a nonprofit organization.

(h) "Independent auditor" means an independent certified public accountant licensed under chapter 473.

(i) "Internal control over state projects" means a process, effected by a nonstate entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

1. Effectiveness and efficiency of operations.
2. Reliability of financial operations.
3. Compliance with applicable laws and regulations.

(j) "Local governmental entity" means a county as a whole, municipality, or special district or any other entity excluding a district school board, charter school, Florida College System institution, or public university, however styled, which independently exercises any type of governmental function within the state.

(k) "Major state project" means any state project meeting the criteria as stated in the rules of the Department of Financial Services. Such criteria shall be established after consultation with all state awarding agencies and shall consider the amount of state project expenditures and expenses or inherent risks. Each major state project shall be audited in accordance with the requirements of this section.

(l) "Nonprofit organization" means any corporation, trust, association, cooperative, or other organization that:

1. Is operated primarily for scientific, educational service, charitable, or similar purpose in the public interest.
2. Is not organized primarily for profit.
3. Uses net proceeds to maintain, improve, or expand the operations of the organization.
4. Has no part of its income or profit distributable to its members, directors, or officers.

(m) "Nonstate entity" means a local governmental entity, nonprofit organization, or for-profit organization that receives state financial assistance.

(n) "Recipient" means a nonstate entity that receives state financial assistance directly from a state awarding agency.

(o) "Schedule of Expenditures of State Financial Assistance" means a document prepared in accordance with the rules of the Department of Financial Services and included in each financial reporting package required by this section.

(p) "State awarding agency" means a state agency, as defined in s. [216.011](#), that is primarily

responsible for the operations and outcomes of a state project, regardless of the state agency that actually provides state financial assistance to a nonstate entity.

(q) "State financial assistance" means state resources, not including federal financial assistance and state matching on federal programs, provided to a nonstate entity to carry out a state project. "State financial assistance" includes the types of state resources stated in the rules of the Department of Financial Services established in consultation with all state awarding agencies. State financial assistance may be provided directly by state awarding agencies or indirectly by nonstate entities. "State financial assistance" does not include procurement contracts used to buy goods or services from vendors and contracts to operate state-owned and contractor-operated facilities.

(r) "State matching" means state resources provided to a nonstate entity to meet federal financial participation matching requirements.

(s) "State program" means a set of special purpose activities undertaken to realize identifiable goals and objectives in order to achieve a state agency's mission and legislative intent requiring accountability for state resources.

(t) "State project" means a state program that provides state financial assistance to a nonstate organization and that must be assigned a state project number identifier in the Catalog of State Financial Assistance.

(u) "State Projects Compliance Supplement" means a document issued by the Department of Financial Services, in consultation with all state awarding agencies. The State Projects Compliance Supplement shall identify state projects, the significant compliance requirements, eligibility requirements, matching requirements, suggested audit procedures, and other relevant information determined necessary.

(v) "State project-specific audit" means an audit of one state project performed in accordance with the requirements of subsection (10).

(w) "State single audit" means an audit of a nonstate entity's financial statements and state financial assistance. Such audits shall be conducted in accordance with the auditing standards as stated in the rules of the Auditor General.

(x) "Subrecipient" means a nonstate entity that receives state financial assistance through another nonstate entity.

(y) "Vendor" means a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a state project. These goods or services may be for an organization's own use or for the use of beneficiaries of the state project.

(3) The Executive Office of the Governor is responsible for notifying the Department of Financial Services of any actions during the budgetary process that impact the Catalog of State Financial Assistance.

(4) The Department of Financial Services shall:

(a) Upon conferring with the Executive Office of the Governor and all state awarding agencies, adopt rules necessary to provide appropriate guidance to state awarding agencies, nonstate entities, and independent auditors of state financial assistance relating to the requirements of this section, including:

1. The types or classes of state resources considered to be state financial assistance that would be subject to the requirements of this section. This would include guidance to assist in identifying when the state awarding agency or a nonstate entity has contracted with a vendor rather than with a recipient or subrecipient.

2. The criteria for identifying a major state project.

3. The criteria for selecting state projects for audits based on inherent risk.

- (b) Be responsible for coordinating revisions to the Catalog of State Financial Assistance after consultation with the Executive Office of the Governor and all state awarding agencies.
- (c) Be responsible for coordinating with the Executive Office of the Governor actions affecting the budgetary process under paragraph (b).
- (d) Be responsible for coordinating revisions to the State Projects Compliance Supplement, after consultation with the Executive Office of the Governor and all state awarding agencies.
- (e) Make enhancements to the state's accounting system to provide for the:
1. Recording of state financial assistance and federal financial assistance appropriations and expenditures within the state awarding agencies' operating funds.
  2. Recording of state project number identifiers, as provided in the Catalog of State Financial Assistance, for state financial assistance.
  3. Establishment and recording of an identification code for each financial transaction, including awarding state agencies' disbursements of state financial assistance and federal financial assistance, as to the corresponding type or organization that is party to the transaction (e.g., other governmental agencies, nonprofit organizations, and for-profit organizations), and disbursements of federal financial assistance, as to whether the party to the transaction is or is not a nonstate entity.
- (f) Upon conferring with the Executive Office of the Governor and all state awarding agencies, adopt rules necessary to provide appropriate guidance to state awarding agencies, nonstate entities, and independent auditors of state financial assistance relating to the format for the Schedule of Expenditures of State Financial Assistance.
- (g) Perform any inspections, reviews, investigations, or audits of state financial assistance considered necessary in carrying out the Department of Financial Services' legal responsibilities for state financial assistance or to comply with the requirements of this section.
- (5) Each state awarding agency shall:
- (a) Provide to each recipient information needed by the recipient to comply with the requirements of this section, including:
    1. The audit and accountability requirements for state projects as stated in this section and applicable rules of the Department of Financial Services and rules of the Auditor General.
    2. Information from the Catalog of State Financial Assistance, including the standard state project number identifier; official title; legal authorization; and description of the state project including objectives, restrictions, and other relevant information determined necessary.
    3. Information from the State Projects Compliance Supplement, including the significant compliance requirements, eligibility requirements, matching requirements, suggested audit procedures, and other relevant information determined necessary.
  - (b) Require the recipient, as a condition of receiving state financial assistance, to allow the state awarding agency, the Department of Financial Services, and the Auditor General access to the recipient's records and the recipient's independent auditor's working papers as necessary for complying with the requirements of this section.
  - (c) Notify the recipient that this section does not limit the authority of the state awarding agency to conduct or arrange for the conduct of additional audits or evaluations of state financial assistance or limit the authority of any state awarding agency inspector general, the Auditor General, or any other state official.
  - (d) Be provided one copy of each financial reporting package prepared in accordance with the requirement of this section.
  - (e) Review the recipient's financial reporting package, including the management letters and



corrective action plans, to the extent necessary to determine whether timely and appropriate corrective action has been taken with respect to audit findings and recommendations pertaining to state financial assistance that are specific to the state awarding agency.

(f) Designate within the state awarding agency an organizational unit that will be responsible for reviewing financial reporting packages pursuant to paragraph (e).

If the state awarding agency is not the coordinating agency as defined in paragraph (2)(d), the state awarding agency's designated organizational unit shall communicate to the coordinating agency the state awarding agency's approval of the recipient's corrective action plan with respect to findings and recommendations that are not specific to the state awarding agency.

(6) Each coordinating agency shall:

(a) Review the recipient's financial reporting package, including the management letter and corrective action plan, to identify audit findings and recommendations that affect state financial assistance that are not specific to a particular state awarding agency.

(b) For any findings and recommendations identified pursuant to paragraph (a):

1. Determine whether timely and appropriate corrective action has been taken.
2. Promptly inform the state awarding agency, as provided in paragraph (5)(f), of actions taken by the recipient to comply with the approved corrective action plan.

(c) Maintain records of followup actions taken for the use of any succeeding coordinating agency.

(7) As a condition of receiving state financial assistance, each nonstate entity that provides state financial assistance to a subrecipient shall:

(a) Provide to each subrecipient information needed by the subrecipient to comply with the requirements of this section, including:

1. Identification of the state awarding agency.
2. The audit and accountability requirements for state projects as stated in this section and applicable rules of the Department of Financial Services and rules of the Auditor General.
3. Information from the Catalog of State Financial Assistance, including the standard state project number identifier; official title; legal authorization; and description of the state project, including objectives, restrictions, and other relevant information.
4. Information from the State Projects Compliance Supplement including the significant compliance requirements, eligibility requirements, matching requirements, and suggested audit procedures, and other relevant information determined necessary.

(b) Review the financial reporting package of the subrecipient, including the management letter and corrective action plan, to the extent necessary to determine whether timely and appropriate corrective action has been taken with respect to audit findings and recommendations pertaining to state financial assistance provided by a state awarding agency or nonstate entity.

(c) Perform any other procedures specified in terms and conditions of the written agreement with the state awarding agency or nonstate entity, including any required monitoring of the subrecipient's use of state financial assistance through onsite visits, limited scope audits, or other specified procedures.

(d) Require subrecipients, as a condition of receiving state financial assistance, to permit the independent auditor of the nonstate entity, the state awarding agency, the Department of Financial Services, and the Auditor General access to the subrecipient's records and the subrecipient's independent auditor's working papers as necessary to comply with the requirements of this section.

(8) Each recipient or subrecipient of state financial assistance shall comply with the following:

- (a) Each nonstate entity that meets the audit threshold requirements, in any fiscal year of the nonstate entity, stated in the rules of the Auditor General, shall have a state single audit conducted for such fiscal year in accordance with the requirements of this act and with additional requirements established in rules of the Department of Financial Services and rules of the Auditor General. If only one state project is involved in a nonstate entity's fiscal year, the nonstate entity may elect to have only a state project-specific audit.
- (b) Each nonstate entity that does not meet the audit threshold requirements, in any fiscal year of the nonstate entity, stated in this law or the rules of the Auditor General is exempt for such fiscal year from the state single audit requirements of this section. However, such nonstate entity must meet terms and conditions specified in the written agreement with the state awarding agency or nonstate entity.
- (c) If a nonstate entity has extremely limited or no required activities related to the administration of a state project, and only acts as a conduit of state financial assistance, none of the requirements of this section apply to the conduit nonstate entity. However, the nonstate entity that is provided state financial assistance by the conduit nonstate entity is subject to the requirements of this section.
- (d) Regardless of the amount of the state financial assistance, this section does not exempt a nonstate entity from compliance with provisions of law relating to maintaining records concerning state financial assistance to such nonstate entity or allowing access and examination of those records by the state awarding agency, the nonstate entity, the Department of Financial Services, or the Auditor General.
- (e) Audits conducted pursuant to this section shall be performed annually.
- (f) Audits conducted pursuant to this section shall be conducted by independent auditors in accordance with auditing standards stated in rules of the Auditor General.
- (g) Upon completion of the audit required by this section, a copy of the recipient's financial reporting package shall be filed with the state awarding agency and the Auditor General. Upon completion of the audit required by this section, a copy of the subrecipient's financial reporting package shall be filed with the nonstate entity that provided the state financial assistance and the Auditor General. The financial reporting package shall be filed in accordance with the rules of the Auditor General.
- (h) All financial reporting packages prepared pursuant to this section shall be available for public inspection.
- (i) If an audit conducted pursuant to this section discloses any significant audit findings relating to state financial assistance, including material noncompliance with individual state project compliance requirements or reportable conditions in internal controls of the nonstate entity, the nonstate entity shall submit as part of the financial reporting package to the state awarding agency or nonstate entity a plan for corrective action to eliminate such audit findings or a statement describing the reasons that corrective action is not necessary.
- (j) An audit conducted in accordance with this section is in addition to any audit of federal awards required by the federal Single Audit Act and other federal laws and regulations. To the extent that such federally required audits provide the state awarding agency or nonstate entity with information it requires to carry out its responsibilities under state law or other guidance, the state awarding agency or nonstate entity shall rely upon and use that information.
- (k) Unless prohibited by law, the costs of audits pursuant to this section are allowable charges to state projects. However, any charges to state projects should be limited to those incremental costs incurred as a result of the audit requirements of this section in relation to other audit requirements. The nonstate entity should allocate such incremental costs to all state projects for which it expended state

financial assistance.

(l) Audit costs may not be charged to state projects when audits required by this section have not been made or have been made but not in accordance with this section. If a nonstate entity fails to have an audit conducted consistent with this section, a state awarding agency or nonstate entity may take appropriate corrective action to enforce compliance.

(m) This section does not prohibit the state awarding agency or nonstate entity from including terms and conditions in the written agreement which require additional assurances that state financial assistance meets the applicable requirements of laws, regulations, and other compliance rules.

(n) A state awarding agency or nonstate entity that conducts or arranges for audits of state financial assistance that are in addition to the audits conducted under this act, including audits of nonstate entities that do not meet the audit threshold requirements, shall, consistent with other applicable law, arrange for funding the full cost of such additional audits.

(o) A contract involving the State University System or the Florida College System funded by state financial assistance may be in the form of:

1. A fixed-price contract that entitles the provider to receive full compensation for the fixed contract amount upon completion of all contract deliverables;
2. A fixed-rate-per-unit contract that entitles the provider to receive compensation for each contract deliverable provided;
3. A cost-reimbursable contract that entitles the provider to receive compensation for actual allowable costs incurred in performing contract deliverables; or
4. A combination of the contract forms described in subparagraphs 1., 2., and 3.

(9) The independent auditor when conducting a state single audit of a nonstate entity shall:

(a) Determine whether the nonstate entity's financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles.

(b) Determine whether state financial assistance shown on the Schedule of Expenditures of State Financial Assistance is presented fairly in all material respects in relation to the nonstate entity's financial statements taken as a whole.

(c) With respect to internal controls pertaining to each major state project:

1. Obtain an understanding of internal controls.
2. Assess control risk.
3. Perform tests of controls unless the controls are deemed to be ineffective.
4. Determine whether the nonstate entity has internal controls in place to provide reasonable assurance of compliance with the provisions of laws and rules pertaining to state financial assistance that have a material effect on each major state project.

(d) Determine whether each major state project complied with the provisions of laws, rules, and guidelines as identified in the State Projects Compliance Supplement, or otherwise identified by the state awarding agency, which have a material effect on each major state project. When major state projects are less than 50 percent of the nonstate entity's total expenditures for all state financial assistance, the auditor shall select and test additional state projects as major state projects as necessary to achieve audit coverage of at least 50 percent of the expenditures for all state financial assistance provided to the nonstate entity. Additional state projects needed to meet the 50-percent requirement may be selected on an inherent risk basis as stated in the rules of the Department of Financial Services.

(e) Report on the results of any audit conducted pursuant to this section in accordance with the rules of the Department of Financial Services and rules of the Auditor General. Financial reporting

packages shall include summaries of the auditor's results regarding the nonstate entity's financial statements; Schedule of Expenditures of State Financial Assistance; internal controls; and compliance with laws, rules, and guidelines.

(f) Issue a management letter as prescribed in the rules of the Auditor General.

(g) Upon notification by the nonstate entity, make available the working papers relating to the audit conducted pursuant to this section to the state awarding agency, the Department of Financial Services, or the Auditor General for review or copying.

(10) The independent auditor, when conducting a state project-specific audit of a nonstate entity, shall:

(a) Determine whether the nonstate entity's schedule of Expenditure of State Financial Assistance is presented fairly in all material respects in conformity with stated accounting policies.

(b) Obtain an understanding of internal controls and perform tests of internal controls over the state project consistent with the requirements of a major state project.

(c) Determine whether or not the auditee has complied with applicable provisions of laws, rules, and guidelines identified in the State Projects Compliance Supplement, or otherwise identified by the state awarding agency, which could have a direct and material effect on the state project.

(d) Report on the results of the state project-specific audit consistent with the requirements of the state single audit and issue a management letter as prescribed in the rules of the Auditor General.

(e) Upon notification by the nonstate entity, make available the working papers relating to the audit conducted pursuant to this section to the state awarding agency, the Department of Financial Services, or the Auditor General for review or copying.

(11) The Auditor General shall:

(a) Have the authority to audit state financial assistance provided to any nonstate entity when determined necessary by the Auditor General or when directed by the Legislative Auditing Committee.

(b) Adopt rules that state the auditing standards that independent auditors are to follow for audits of nonstate entities required by this section.

(c) Adopt rules that describe the contents and the filing deadlines for the financial reporting package.

(d) Provide technical advice upon request of the Department of Financial Services and state awarding agencies relating to financial reporting and audit responsibilities contained in this section.

(e) Be provided one copy of each financial reporting package prepared in accordance with this section.

(f) Perform ongoing reviews of a sample of financial reporting packages filed pursuant to this section to determine compliance with the reporting requirements of this section and applicable rules of the Department of Financial Services and rules of the Auditor General.

**History.**—s. 2, ch. 98-91; s. 58, ch. 2000-371; s. 233, ch. 2003-261; s. 11, ch. 2005-152; ss. 14, 16, ch. 2006-122; s. 26, ch. 2013-15.

**Note.**—Former s. 216.3491.

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[Title XIV](#)[Chapter 215](#)[View Entire Chapter](#)

### TAXATION AND FINANCE FINANCIAL MATTERS: GENERAL PROVISIONS

#### **215.971 Agreements funded with federal or state assistance. –**

(1) An agency agreement that provides state financial assistance to a recipient or subrecipient, as those terms are defined in s. [215.97](#), or that provides federal financial assistance to a subrecipient, as defined by applicable United States Office of Management and Budget circulars, must include all of the following:

(a) A provision specifying a scope of work that clearly establishes the tasks that the recipient or subrecipient is required to perform.

(b) A provision dividing the agreement into quantifiable units of deliverables that must be received and accepted in writing by the agency before payment. Each deliverable must be directly related to the scope of work and specify the required minimum level of service to be performed and the criteria for evaluating the successful completion of each deliverable.

(c) A provision specifying the financial consequences that apply if the recipient or subrecipient fails to perform the minimum level of service required by the agreement. The provision can be excluded from the agreement only if financial consequences are prohibited by the federal agency awarding the grant. Funds refunded to a state agency from a recipient or subrecipient for failure to perform as required under the agreement may be expended only in direct support of the program from which the agreement originated.

(d) A provision specifying that a recipient or subrecipient of federal or state financial assistance may expend funds only for allowable costs resulting from obligations incurred during the specified agreement period.

(e) A provision specifying that any balance of unobligated funds which has been advanced or paid must be refunded to the state agency.

(f) A provision specifying that any funds paid in excess of the amount to which the recipient or subrecipient is entitled under the terms and conditions of the agreement must be refunded to the state agency.

(g) Any additional information required pursuant to s. [215.97](#).

(2) For each agreement funded with federal or state financial assistance, the state agency shall designate an employee to function as a grant manager who shall be responsible for enforcing performance of the agreement's terms and conditions and who shall serve as a liaison with the recipient or subrecipient.

(a)1. Each grant manager who is responsible for agreements in excess of the threshold amount for CATEGORY TWO under s. [287.017](#) must, at a minimum, complete training conducted by the Chief Financial Officer for accountability in contracts and grant management.

2. Effective December 1, 2014, each grant manager responsible for agreements in excess of \$100,000 annually must complete the training and become a certified contract manager as provided under s.

287.057(14). All grant managers must become certified contract managers within 24 months after establishment of the training and certification requirements by the Department of Management Services and the Department of Financial Services.

(b) The Chief Financial Officer shall establish and disseminate uniform procedures for grant management pursuant to s. 17.03(3) to ensure that services have been rendered in accordance with agreement terms before the agency processes an invoice for payment. The procedures must include, but need not be limited to, procedures for monitoring and documenting recipient or subrecipient performance, reviewing and documenting all deliverables for which payment is requested by the recipient or subrecipient, and providing written certification by the grant manager of the agency's receipt of goods and services.

(c) The grant manager shall reconcile and verify all funds received against all funds expended during the grant agreement period and produce a final reconciliation report. The final report must identify any funds paid in excess of the expenditures incurred by the recipient or subrecipient.

(3) After execution of a grant agreement, the Chief Financial Officer shall perform audits of the executed state and federal grant agreement documents and grant manager's records in order to ensure that adequate internal controls are in place for complying with the terms and conditions of such agreements and for validation and receipt of goods and services.

(a) At the conclusion of the audit, the Chief Financial Officer's designee shall discuss the audit and potential findings with the official whose office is subject to audit. The final audit report shall be submitted to the agency head.

(b) Within 30 days after receipt of the final audit report, the agency head shall submit to the Chief Financial Officer or designee his or her written statement of explanation or rebuttal concerning findings requiring corrective action, including corrective action to be taken to preclude a recurrence.

History.—s. 8, ch. 2010-151; s. 2, ch. 2013-154.

Select Year: 2014 [Go](#)

## The 2014 Florida Statutes

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[Title XIV](#)

## TAXATION AND FINANCE

[Chapter 216](#)

## PLANNING AND BUDGETING

[View Entire Chapter](#)

**216.3475** **Maximum rate of payment for services funded under General Appropriations Act or awarded on a noncompetitive basis.**—A person or entity that is designated by the General Appropriations Act, or that is awarded funding on a noncompetitive basis, to provide services for which funds are appropriated by that act may not receive a rate of payment in excess of the competitive prevailing rate for those services unless expressly authorized in the General Appropriations Act. Each agency shall maintain records to support a cost analysis, which includes a detailed budget submitted by the person or entity awarded funding and the agency's documented review of individual cost elements from the submitted budget for allowability, reasonableness, and necessity.

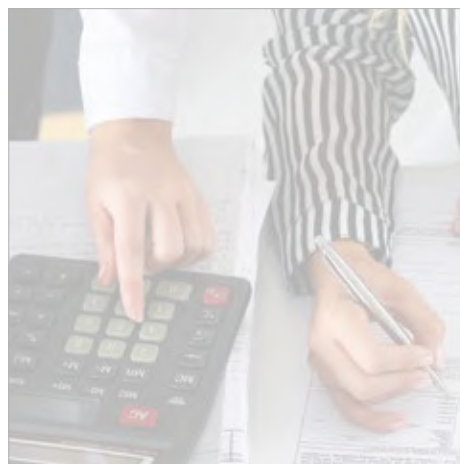
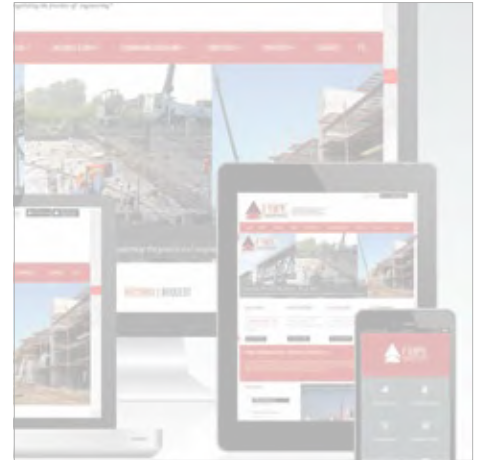
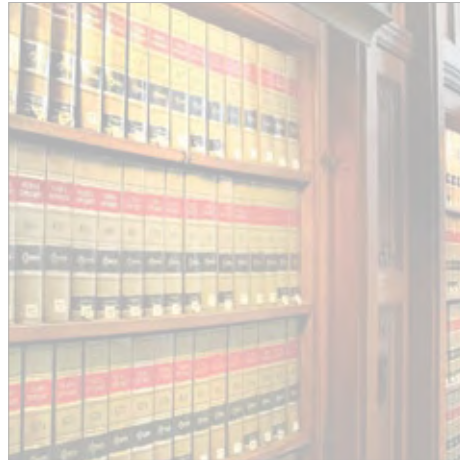
**History.**—s. 28, ch. 91-109; s. 9, ch. 2010-151.

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# 2018 FEMC ANNUAL REPORT

# ARTICLES OF INCORPORATION

And By-laws





# 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.

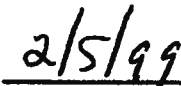
**ARTICLE XIII. ASSETS UPON DISSOLUTION**

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

CAUSERSDLINEMCEENGINEERLAGI



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.

## **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 term expires.

### **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 MANAGAMENT**

##### **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 4 day of April  
2018.

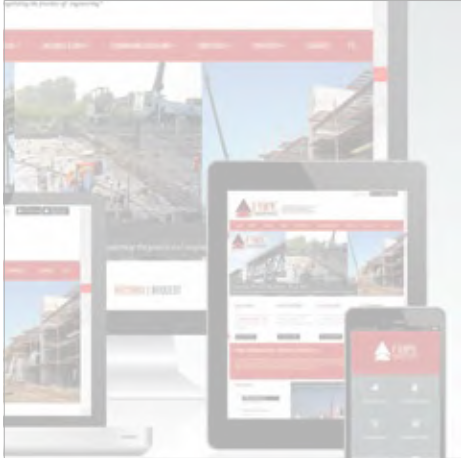
  
Secretary



# 2018 FEMC ANNUAL REPORT

# ANNUAL BUDGET

Fiscal Year 2018



FLORIDA ENGINEERS MANAGEMENT CORP  
 APPROVED PROPOSED BUDGET 2017-2018

As approved by the FEMC Board of Directors on 04/12/2017

	APPROVED BUDGET 2017-2018	APPROVED BUDGET 2016-2017
<b>Income</b>		
500 · State Contract		
DBPR	\$ (2,070,000)	\$ (2,070,000)
UNLICENSED ACTIVITY	\$ (100,875)	\$ (100,875)
	\$ (2,170,875)	\$ (2,170,875)

**Expenses**

**600 · Salaries & Benefits**

600.10 · Salaries - Full Time Wages	\$ 914,790	\$ 935,682
600.20 · Retirement	\$ 82,263	\$ 77,139
600.30 · Payroll Taxes	\$ 64,999	\$ 65,008
600.40 · Personnel Insurance		
600.40.10 - Health	\$ 77,581	\$ 90,933
600.40.20 - Dental	\$ 3,037	\$ 3,453
600.40.30 - Life & Disability	\$ 9,862	\$ 10,153
600.50 · Accrued Leave Liability	\$ 75,000	\$ 65,000
601.00 · Other Personnel Services (OPS)	\$ -	\$ 5,000
610.50 · Worker's Comp (The Zenith)	\$ 3,590	\$ 2,032
<b>Total 600 · Salaries &amp; Benefits</b>	<b>\$ 1,231,122</b>	<b>\$ 1,254,400</b>

**610 · Insurance**

610.10 · Directors & Officers	\$ 6,137	\$ 6,000
610.20 · Commercial Liability	\$ 6,782	\$ 6,577
610.30 · Professional Liability	\$ 8,200	\$ 9,214
610.25 · CyberRisk Liability	\$ 2,381	\$ -
<b>Total 610 · Insurance</b>	<b>\$ 23,500</b>	<b>\$ 21,790</b>

**630 · Consultant Expense**

632 · Legal - FEMC General Counsel	\$ 10,000	\$ 10,000
633 · Accounting Services	\$ 35,300	\$ 34,000
634 · Computer Consultants/Services	\$ 100,000	\$ 88,208
635 · Human Resource Consultant	\$ 500	\$ 2,400

FLORIDA ENGINEERS MANAGEMENT CORP  
 APPROVED PROPOSED BUDGET 2017-2018

As approved by the FEMC Board of Directors on 04/12/2017

	APPROVED BUDGET 2017-2018	APPROVED BUDGET 2016-2017
636 · Court Reporters	\$ 6,484	\$ 6,000
638 · Prosecution/Enforcement	\$ 249,600	\$ 167,500
639 · Contract Monitor	\$ 19,200	\$ 19,200
<b>Total 630 · Consultant Expense</b>	<b>\$ 421,083</b>	<b>\$ 327,308</b>
<b>650 · Office Space</b>		
651 · Lease Payment	\$ 128,019	\$ 127,290
652 · Utilities	\$ -	\$ -
653 · Janitorial	\$ 870	\$ 1,360
656 · Pest Control	\$ 300	\$ 300
657 · Security Monitoring	\$ 5,454	\$ 5,371
658 · Moving Expenses	\$ -	\$ -
115 · Leasehold Improvements	\$ -	\$ 3,000
<b>Total 650 · Office Space</b>	<b>\$ 134,642</b>	<b>\$ 137,321</b>
<b>Other General and Administrative</b>		
110 · Furniture & Equipment	\$ 10,000	\$ 7,000
110 · Computers & Software	\$ 20,000	\$ 40,000
616 · Publications (includes Study Guide)	\$ 14,802	\$ 11,207
620 · Office Supplies	\$ 35,252	\$ 28,828
625 · Postage	\$ 12,200	\$ 10,488
626 · Copying & Printing	\$ 18,409	\$ 22,215
655 · Leased Equipment & Repair	\$ 22,014	\$ 21,314
670 · Public Information & Outreach	\$ 15,000	\$ 15,000
672 · Training/Board Members	\$ 800	\$ 750
673 · Board Member Honorarium	\$ 11,800	\$ 11,800
770 · Memberships/Registrations	\$ 5,310	\$ 5,000
775 · Employment/Training	\$ 19,692	\$ 12,000
<b>Total Other General and Administrative</b>	<b>\$ 185,280</b>	<b>\$ 185,602</b>
<b>640 · Telephone</b>		
640.10 · Local/Line Charges	\$ 9,864	\$ 8,580
640.20 · Long Distance	\$ 2,340	\$ 2,340

FLORIDA ENGINEERS MANAGEMENT CORP  
 APPROVED PROPOSED BUDGET 2017-2018

As approved by the FEMC Board of Directors on 04/12/2017

	APPROVED BUDGET 2017-2018	APPROVED BUDGET 2016-2017
640.30 · Internet Access Charges	\$ 5,227	\$ 3,762
640.40 · Conference Calls	\$ 1,200	\$ 1,200
<b>Total 640 · Telephone</b>	<b>\$ 18,631</b>	<b>\$ 15,882</b>
680 · Travel		
680.10 · Board/Committee Meetings	\$ 109,691	\$ 102,091
680.20 · Investig./Prosecut./Challenge	\$ 1,200	\$ 2,400
680.30 · NCEES Travel	\$ 21,200	\$ 15,870
680.40 · General Travel	\$ 120	\$ 512
680.50 · Employee Training	\$ 12,905	\$ 12,000
680.60 · Public Information Travel	\$ 5,000	\$ 5,000
<b>Total 680 · Travel</b>	<b>\$ 150,116</b>	<b>\$ 137,873</b>
<b>702 · Testing Services and Fees</b>	<b>\$ 6,500</b>	<b>\$ 6,500</b>
<b>740 · Renewal Expenses</b>		
740.10 · Printing Renewal Notice	\$ -	\$ 9,885
740.20 · Mailing Renewal Notice	\$ -	\$ 21,320
740.30 · Printing Licenses	\$ -	\$ 8,666
740.40 · Mailing Licenses	\$ -	\$ 19,200
740.50 · Renewal OPS	\$ -	\$ 25,000
740.60 · Renewal Supplies	\$ -	\$ 129
<b>740 · Total Renewal Expenses</b>	<b>\$ -</b>	<b>\$ 84,200</b>
<b>900 · Legal Settlements</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>\$ 2,170,875</b>	<b>\$ 2,170,875</b>
	<b>\$ (0)</b>	<b>\$ (0)</b>

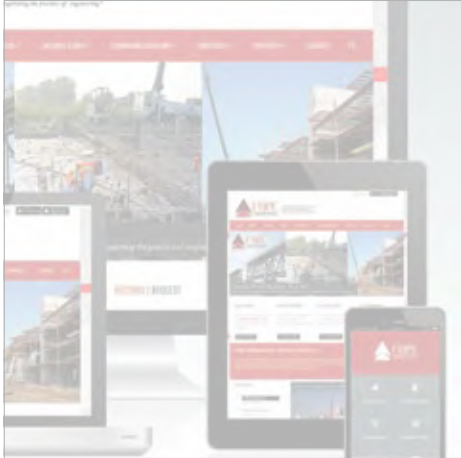
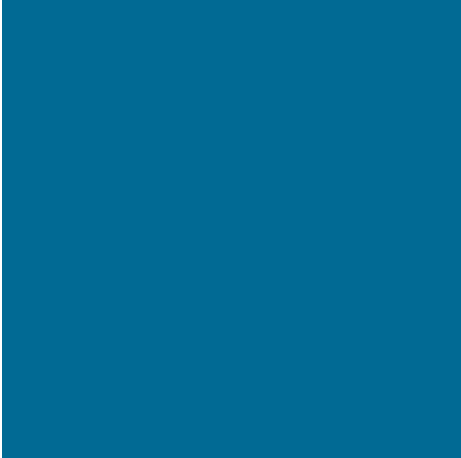
FLORIDA ENGINEERS MANAGEMENT CORP  
 PROPOSED UNLICENSED ACTIVITY BUDGET 2017-201

	PROPOSED BUDGET 2017-18	APPROVED BUDGET 2016-2017
<b>Income</b>		
500 · State Contract		
UNLICENSED ACTIVITY	\$ (100,875)	\$ (100,875)
<b>Total Income</b>	<b>\$ (100,875)</b>	<b>\$ (100,875)</b>
<b>Expenses</b>		
600 · Salaries & Benefits		
600.10 · Salaries - Full Time Wages	\$ 50,615	\$ 47,920
600.20 · Retirement	\$ 5,062	\$ 4,792
600.30 · Payroll Taxes	\$ 3,872	\$ 3,666
600.40 · Personnel Insurance		
600.40.10 - Health	\$ 5,278	\$ 5,278
600.40.20 - Dental	\$ 214	\$ 214
600.40.30 - Life & Disability	\$ 550	\$ 550
600.50 · Accrued Leave Liability		
610.50 · Worker's Comp (The Zenith)	\$ 95	\$ 95
Total 600 · Salaries & Benefits	\$ 65,686	\$ 62,515
601 · Other Personnel Services (OPS)	\$ -	\$ -
636 · Court Reporters	\$ 750	\$ 750
638 · Prosecution/Enforcement	\$ 18,000	\$ 20,000
639 · Contract Monitor	\$ 934	\$ 960
Total 630 · Consultant Expense	\$ 19,684	\$ 21,710
670 · Public Information & Outreach	\$ 7,500	\$ 2,400
626 · Copying & Printing		
626.20 · General Office	\$ 2,000	\$ 3,000
Total 626 · Copying & Printing	\$ 2,000	\$ 3,000
620 · Office Supplies	\$ -	\$ 3,000
625 · Postage		
625.40 · General Office	\$ 1,006	\$ 2,250
Total 625 · Postage	\$ 1,006	\$ 2,250
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	\$ 5,000	\$ 6,000
Total 680 · Travel	\$ 5,000	\$ 6,000
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	\$ -	\$ -
740.60 · Renewal Supplies	\$ -	\$ -
740 · Total Renewal Expenses	\$ -	\$ -
<b>Total Expenses</b>	<b>\$ 100,875</b>	<b>\$ 100,875</b>
<b>Net Ordinary Income (Loss)</b>	<b>\$ (0)</b>	<b>\$ 0</b>

# 2018 FEMC ANNUAL REPORT

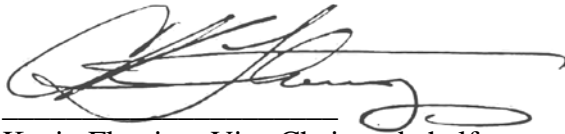
# ANNUAL CERTIFICATION

Florida Engineers Management Corp.



**Certification of the  
Florida Engineers Management Corporation  
2017-2018**

Pursuant to Section 471.038(3)(j)2., Florida Statutes, and the terms of Contract Number 13-00008 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 2017-2018 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.

A handwritten signature in black ink, appearing to read 'Kevin Fleming', written over a horizontal line.

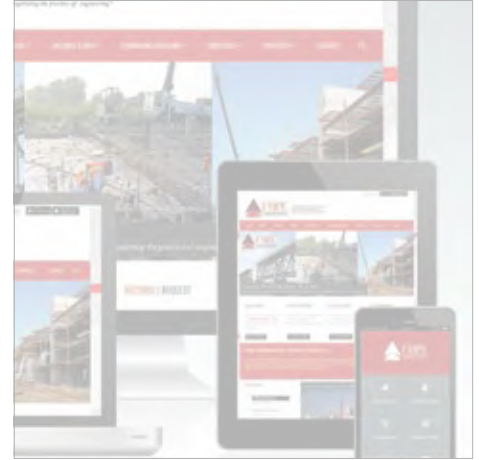
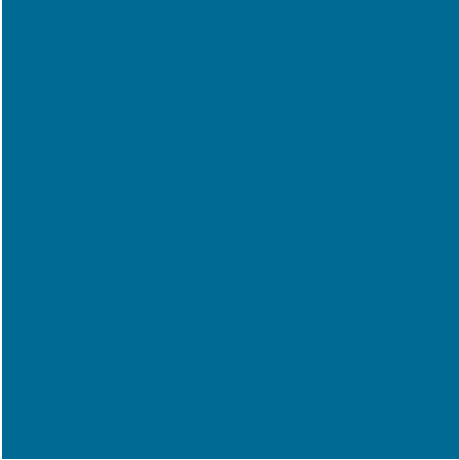
Kevin Fleming, Vice Chair on behalf  
of Kenneth Todd, Chair  
Board of Professional Engineers

Date: August 8, 2018

# 2018 FEMC ANNUAL REPORT

# FINANCIAL COMPLIANCE

Annual Audit







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

*Certified Public Accountants*

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, 2018, and we will issue our report thereon dated August 28, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and Chapter 10.650, Rules of the Auditor General, 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 October 16, 2017. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *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. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2018. 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.

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 estimate affecting the financial statements was:

- 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 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 clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following misstatements detected as a result of audit procedures were corrected by management:

1. An audit adjusting entry of \$48,103 to remove fixed assets no longer in service.
2. An audit adjusting entry of \$3,950 to increase prepaid expenses as of June 30, 2018.

*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.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 28, 2018.

*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.

Board of Directors  
Florida Engineers Management Corporation  
Page Three

Other Matters

We applied certain limited procedures to the management discussion and analysis, which is required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of state financial assistance, schedule of findings and questioned costs - state financial assistance projects, and the summary schedule of prior year audit findings, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with Chapter 10.650, Rules of the Auditor General, 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.

Restriction on Use

This information is intended solely for the information and 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.*

**Law, Redd, Crona & Munroe, P.A.**  
Tallahassee, Florida  
August 28, 2018

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

**Financial Statements  
and Supplementary Information**

**For the Years ended June 30, 2018 and 2017**



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

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

## 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 statements of net position as of June 30, 2018 and 2017, and the related statements of revenues, expenses and changes in net position, and cash flows for the years 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 audits. We conducted our audits 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 audits 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, 2018 and 2017, and the changes in its net financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***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 the Governmental Accounting Standards Board, 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 audits were 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 28, 2018 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 the effectiveness of the Corporation's 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.*

**LAW, REDD, CRONA & MUNROE, P.A.**  
Tallahassee, Florida  
August 28, 2018



## 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 years ended June 30, 2018 and 2017. 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 (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 (the Board). Florida Engineers Management Corporation receives funding from legislative appropriations to the Florida Department of Business and Professional Regulation (the Department). 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 one enterprise fund. Therefore, the financial statements provide information about the Corporation's overall financial status. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

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

- The Statements of Net Position present 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 position.
- The Statements of Cash Flows present information regarding changes in cash resulting from cash receipts and cash disbursements during the reporting period.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

### Financial Highlights

The Corporation has an ongoing commitment to provide outstanding service to applicants, licensees and the public while maintaining focus on the fiduciary responsibility of proper budget management. Management and staff continue to streamline workflow processes through technological upgrades and allowing for application processing efficiency. In order to promote professional licensure and to help alleviate unlicensed activity, the Corporation has increased public education regarding the services it provides. This has been accomplished through presentations at universities in Florida and various professional organizations, along with professional publications and social media platforms.

### 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, 2018 and 2017:

	<b>Assets</b>	
	<b>2018</b>	<b>2017</b>
Current Assets	\$ 459,628	\$ 450,903
Capital Assets, net	81,520	108,870
Total Assets	<u>\$ 541,148</u>	<u>\$ 559,773</u>
	<b>Liabilities and Net Position</b>	
Current Liabilities	\$ 382,807	\$ 398,756
Net Investment in Capital Assets	81,520	108,870
Net Position - Restricted	76,821	52,147
Total Liabilities	<u>\$ 541,148</u>	<u>\$ 559,773</u>

Total assets decreased primarily due to current year depreciation expense. Total liabilities decreased due to the reduction of excess funds to be returned to the Department compared to the prior year.

## 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, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Operating revenues	\$ 2,170,875	\$ 2,149,795
Operating expenses	<u>1,969,153</u>	<u>1,926,353</u>
Excess of revenues over expenses	201,722	223,442
Reversion to State of Florida	<u>(204,398)</u>	<u>(232,366)</u>
Change in net position	(2,676)	(8,924)
Total net position, beginning of year	<u>161,017</u>	<u>169,941</u>
Total net position, end of year	<u>\$ 158,341</u>	<u>\$ 161,017</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 revenue over expenses of \$201,722 is due to continued diligence in reducing operating expenses combined with an increase in billable Unlicensed Activity revenue. Annual operating expenses of \$1,969,153 were 9% under budget and \$42,800 more than fiscal year ended June 30, 2017, primarily due to fully staffing vacant positions and the corresponding increase in personnel benefits.

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

The Corporation's operating expenses for the fiscal year ended June 30, 2018 focused on three (3) major areas:

- The Corporation continued to streamline workflow processes and provide staff with the tools necessary to perform their work in keeping with its commitment to technological advancement by replacing two workstations and various other technological upgrades.
- The Corporation continued to provide for employee training by sending multiple staff to several computer-training courses with a local computer training company. Additional training included various conferences for executive staff as well as tuition reimbursement for two staff.
- In an effort to educate the public regarding the importance of becoming a licensed engineer as well as to increase awareness of the dangers of unlicensed activity, more public outreach was done this past year. Presentations included the University of North Florida College of Engineering and attending the American Society of Civil Engineers SE Student Conference as presenters and judges of various engineering events.

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

The Corporation's operating budget was approved for four fiscal years beginning July 1, 2017 and ending June 30, 2021. Grants and aid funds in the amount of \$2,070,000 for each fiscal year and unlicensed activity funds in the amount of \$100,875 for each fiscal year will comprise the total budget of \$2,170,875 for each fiscal year for a four year total of \$8,683,500. A fee of \$19,200 per fiscal year for a four-year total of \$76,800 for services provided by the contract monitor at DBPR are included in the four-year contract.

**FLORIDA ENGINEERS MANAGEMENT CORPORATION**  
**(A COMPONENT UNIT OF THE STATE OF FLORIDA)**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 382,807	\$ 392,977
Accounts Receivable	-	5,779
Prepaid Expenses	76,821	52,147
<b>Total Current Assets</b>	459,628	450,903
<b>NONCURRENT ASSETS</b>		
Capital Assets, net	81,520	108,870
<b>Total Noncurrent Assets</b>	81,520	108,870
<b>Total Assets</b>	\$ 541,148	\$ 559,773
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 159,845	\$ 147,190
Due to Florida Department of Business and Professional Regulation	222,962	251,566
<b>Total Current Liabilities</b>	382,807	398,756
<b>Total Liabilities</b>	382,807	398,756
<b>NET POSITION</b>		
Net Investment in Capital Assets	81,520	108,870
Restricted	76,821	52,147
<b>Total Net Position</b>	158,341	161,017
<b>Total Liabilities and Net Position</b>	\$ 541,148	\$ 559,773

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, 2018 AND 2017**

	2018	2017
<b>OPERATING REVENUES:</b>		
Transfer In - Florida Department of Business and Professional Regulation	\$ 2,170,875	\$ 2,149,795
<b>TOTAL OPERATING REVENUES</b>	<b>2,170,875</b>	<b>2,149,795</b>
<b>OPERATING EXPENSES:</b>		
Salaries and benefits	1,107,509	1,072,429
Professional and consulting fees	364,289	317,974
Occupancy costs	131,726	131,112
Meeting and travel expenses	153,117	131,639
Depreciation	36,551	42,290
Renewal activities	-	54,666
Postage	12,197	11,079
Repairs and maintenance	22,162	21,044
Printing and copying	13,724	16,753
Telephone	18,250	17,961
Office supplies and expenses	35,411	32,516
Insurance	20,244	25,167
Contract monitoring	18,564	19,200
Dues and subscriptions	16,931	12,671
Testing services and fees	6,500	6,500
Employee training	11,978	13,352
<b>TOTAL OPERATING EXPENSES</b>	<b>1,969,153</b>	<b>1,926,353</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>201,722</b>	<b>223,442</b>
<b>REVERSION TO FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION</b>	<b>(204,398)</b>	<b>(232,366)</b>
<b>CHANGE IN NET POSITION</b>	<b>(2,676)</b>	<b>(8,924)</b>
<b>NET POSITION, Beginning of Year</b>	<b>161,017</b>	<b>169,941</b>
<b>NET POSITION, End of Year</b>	<b>\$ 158,341</b>	<b>\$ 161,017</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, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Florida Department of Business and Professional Regulation	\$ 2,176,654	\$ 2,151,438
Payments to Vendors	(1,067,553)	(1,111,369)
Payments to Employees	(1,109,406)	(1,060,548)
<b>Net Cash Used in Operating Activities</b>	<b>(305)</b>	<b>(20,479)</b>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of Capital Assets	(9,865)	(36,847)
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(10,170)</b>	<b>(57,326)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>392,977</b>	<b>450,303</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 382,807</b>	<b>\$ 392,977</b>
 <b>RECONCILIATION OF CHANGE IN NET POSITION TO THE NET CASH USED IN OPERATING ACTIVITIES</b>		
Change in Net Position	\$ (2,676)	\$ (8,924)
Adjustments to Reconcile Change in Net Position to Net Cash Used in Operating Activities:		
Depreciation	36,551	42,290
Loss on Disposal of Capital Assets	664	2,662
Changes in Operating Assets and Liabilities		
Accounts Receivable	5,779	1,643
Prepaid Expenses	(24,674)	819
Accounts Payable and Accrued Expenses	12,655	23,216
Due to Florida Department of Business and Professional Regulation	(28,604)	(82,185)
<b>Net Cash Used in Operating Activities</b>	<b>\$ (305)</b>	<b>\$ (20,479)</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, 2018 AND 2017**

**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). 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 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** – The Corporation is a component unit of the State of Florida. The Corporation has no component units for the years ended June 30, 2018 and 2017.

**Income Taxes** – The Corporation qualifies for exemption from federal income taxes as a governmental entity and is not required to file a Return of Organization Exempt from Income Tax, Form 990. Therefore, no provision for income taxes has been recorded.

**Cash and Cash Equivalents** – Cash and cash equivalents include demand deposits with financial institutions and deposits in highly-liquid money market funds.



**FLORIDA ENGINEERS MANAGEMENT CORPORATION**  
**(A COMPONENT UNIT OF THE STATE OF FLORIDA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

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

**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 three to seven years. The Corporation capitalizes all capital assets with a purchase price over \$500.

**Operating Revenues – Transfers In** – As a component unit of the State of Florida, the fixed portion of the base, annual contract from the Florida Department of Business & Professional Regulation (the Department) is recognized as a transfer-in. Transfers-in also include amounts the Corporation invoices to the Department for unlicensed activity up to a maximum amount, based on actual expenses of the activity. Unexpended funds are reverted back to the Department on an annual basis.

**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.

**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, 2018 are \$382,807 and \$412,581, respectively. Bank balances are secured by the Federal Deposit Insurance Corporation (FDIC), up to \$250,000 per bank. Amounts in excess of FDIC insurance are entirely insured or collateralized pursuant to Chapter 280, *Florida Statutes*.

**NOTE 3 – ACCOUNTS RECEIVABLE**

The accounts receivable balances at June 30, 2017 represent amounts due from the State of Florida, Department of Business and Professional Regulation for unlicensed activity billed during the fiscal year ended June 30, 2017. There were no amounts receivable at June 30, 2018.

**FLORIDA ENGINEERS MANAGEMENT CORPORATION**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 4 – 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 \$939,000 and \$899,000 of fees and revenues on the Board’s behalf during the years ended June 30, 2018 and 2017, respectively. These amounts were deposited directly into the Department’s trust fund account and are not recognized as 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, 2018 is \$2,170,875. In July 2017, the Corporation entered into a four year contract beginning July 1, 2017 through June 30, 2021. 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 5 – CAPITAL ASSETS**

Capital assets consist of the following:

	<u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2018</u>
Furniture and Equipment	\$ 76,637	\$ -	\$ (1,499)	\$ 75,138
Leasehold Improvements	96,212	-	(30,310)	65,902
Computers and Software	309,523	9,865	(16,294)	303,094
	<u>482,372</u>	<u>9,865</u>	<u>(48,103)</u>	<u>444,134</u>
Less: accumulated depreciation	(373,502)	(36,551)	47,439	(362,614)
	<u>\$ 108,870</u>	<u>\$ (26,686)</u>	<u>\$ (664)</u>	<u>\$ 81,520</u>

Depreciation expense was \$36,551 and \$42,290 for the years ended June 30, 2018 and 2017, respectively.

**FLORIDA ENGINEERS MANAGEMENT CORPORATION**  
**(A COMPONENT UNIT OF THE STATE OF FLORIDA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 6 – RETIREMENT BENEFITS**

The Corporation maintains a defined contribution retirement plan for all eligible employees having performed services within the past one year of the immediately preceding five years. The Corporation has designated a quarterly contribution of ten percent (10%) of each eligible employee's gross quarterly earnings. Contributions to the plan for the years ended June 30, 2018 and 2017 were \$74,111 and \$79,765, respectively.

**NOTE 7 – OPERATING LEASE COMMITMENTS**

The Corporation leases office space and equipment under operating leases expiring at various dates through September 2021. 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 payments under these leases as of June 30, 2018 are as follows:

<u>For the year ending June 30.</u>	
2019	\$ 152,031
2020	152,773
2021	150,481
2022	<u>35,229</u>
Total	<u>\$ 490,514</u>

Lease expenses for the years ended June 30, 2018 and 2017 were \$148,190 and \$145,212, respectively.

**NOTE 8 – 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, 2018 AND 2017**

**NOTE 9 – INCOME TAXES**

For the year ended June 30, 2018, 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 10 – EVALUATION OF SUBSEQUENT EVENTS**

The Corporation has evaluated subsequent events through August 28, 2018, the date which the financial statements were available to be issued.

## Supplementary Information

**FLORIDA ENGINEERS MANAGEMENT CORPORATION  
(A COMPONENT UNIT OF THE STATE OF FLORIDA)  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2018**

<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>\$ 1,969,153</u>

**Notes:**

- (1) The accompanying Schedule of Expenditures of State Financial Assistance (the Schedule) presents the activity of all state projects of the Corporation for the year ended June 30, 2018. All expenditures related to state projects received directly from state agencies, as well as state projects passed through other governmental agencies, are included in the accompanying Schedule. The information in this Schedule is presented in accordance with the requirements of the *Florida Single Audit Act*.
- (2) The Schedule was prepared on the accrual basis of accounting.
- (3) There were no state awards expended in non-cash assistance.
- (4) There were no transfers to subrecipients during the fiscal year.

See independent auditor's report.

## **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 net position as of June 30, 2018, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 28, 2018.

**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 the 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.



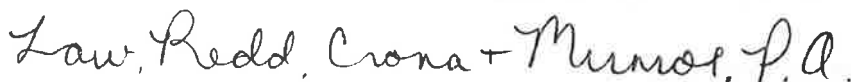
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 and contracts, 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*.

**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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

Tallahassee, Florida

August 28, 2018



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

*Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE  
PROJECT AND REPORT 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 the Corporation's major state project for the year ended June 30, 2018. 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 state statutes, regulations, contracts, and terms and conditions of its state project.

**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; and 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 major 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 its 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, 2018.

**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 its major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its 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, Crona & Munroe, P.A.*

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

Tallahassee, Florida

August 28, 2018

**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, 2018**

**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 projects:	
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 projects?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.654(1)(h)4., <i>Rules of the Auditor General</i> ?	No

Identification of major projects:	<u>CSFA Number</u> 79.001	<u>Name of State Financial Assistance</u> State of Florida Department of Business and Professional Regulation Direct Program Florida Engineers Management Corporation (FEMC)
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Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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**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 Findings and Questioned Costs**

- a.) We noted no matters involving noncompliance that are required to be reported in accordance with *Rules of the Auditor General of the State of Florida Chapter 10.654(1)(h)4* .
- b.) No management letter is required because there were no findings required to be reported in the management letter.
- c.) No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to State projects.

See independent auditor's report.