

## ALACHUA COUNTY PROMPT PAYMENT PROCEDURE

### I. PURPOSE AND POLICY:

- A. The purpose of the prompt payment procedure is:
  - 1. To provide for prompt payments by Alachua County.
  - 2. To provide a dispute resolution process for material disputes over payment obligations.
  - 3. To provide for interest payments on late payments made by Alachua County.
- B. It is the policy of Alachua County that payments for all purchases are made in a timely manner.

### II. PROCEDURE:

#### A. Proper Invoice Requirements

If an invoice conforms with all statutory requirements and does not differ materially from the requirements established by Alachua County, then the invoice is proper. The Clerk of the Circuit Court's Finance and Accounting Office has sole discretion to make a reasonable determination as to whether an invoice is improper because it differs materially from the requirements established by Alachua County. As such, the following represent the requirements for an invoice to be considered a proper invoice for payment.

- 1. The goods or services received must have been properly authorized by the County or Department. If a purchase order, field purchase order, or contract was required, the goods or services must have been received in the manner in which the purchase order, field purchase order, or contract specified. If a receiving report is required, it must be attached to the invoice.
- 2. The invoice shall contain the following minimum information:
  - a. Name of vendor
  - b. Address of vendor (i.e., where payment is to be mailed)
  - c. Date of invoice
  - d. Alachua County Purchase Order No./Field Purchase Order No., if appropriate
  - e. On contractual payments, date the contract was signed by Board of County Commissioners or County Manager
  - f. For invoices involving the purchase of goods -
    - (1) Item description

- (2) Quantity purchased
  - (3) Unit price
  - (4) Total price (for each item)
  - (5) Total amount of invoice (all items)
- g. For invoices involving the purchase of services -
- (1) Itemized description of services performed, including persons who performed services and hourly rate if required
  - (2) Date services were performed
  - (3) Itemization of other direct reimbursable costs (description, amount) including copies of invoices for reimbursable expenses when deemed appropriate by Finance and Accounting
  - (4) Billing method for services performed [approved hourly rates, percentage of completion, cost plus a fixed fee, direct (actual) costs, etc.]
- h. For Partial Payment Requests on Construction Contracts -
- (1) Partial Payment Request (invoice) on a form approved by the County (Application and Certification for Payment - A1A Doc. G702)
  - (2) Itemized Schedule of Values
  - (3) Copies of supporting invoices for all stored materials for which payment is being sought
  - (4) Release of liens - partial
- i. For Final Payment Requests - on Construction Contracts
- (1) Items in No. h above (1) through (3)
  - (2) Release of liens - final
  - (3) Consent of surety
  - (4) Certificate of Occupancy
  - (5) Operating manuals, maintenance manuals, all warranty information
  - (6) As constructed plans
- j. Any other information required by written agreement or contract with the Board of County Commissioners.

B. Invoices shall be submitted as follows:

- 1. Invoices submitted in connection with the issuance of a Purchase Order or Field Purchase Order - to the Alachua County Department receiving goods.
- 2. Invoices submitted in connection with construction contracts - Alachua County department for which construction contract specifies invoice is to be submitted.
- 3. Invoices not falling within the above two categories - Alachua County department for which goods were delivered and/or services were performed.

C. Calculation of Payment Due Date

1. Payments Other Than Construction

- a. The time at which payment is due for a purchase by departments under the Board of County Commissioners shall be 45 days from:
  - (1) The date on which proper invoice is received by Finance and Accounting after approval by the appropriate Board Department; or
  - (2) In those instances where a proper invoice is not required for payment, the date:
    - (a) On which the rental period begins; or
    - (b) On which the Board of County Commissioners and the vendor agree in a contract which may provide dates relative to payment periods.

2. Construction Payments

- a. If payment requires approval of architect or engineer - 20 business days after received by the County from the architect or engineer.
- b. If payment does not require approval of architect or engineer - 20 business days after receipt by the appropriate County Department.

D. Notification of Improper Invoice to Vendors by County Departments

- 1. (Must be material (significant) in nature, if not material in nature refer to Purchasing's "Operating Policies" Section 6, 3)
- 2. In any case in which an improper invoice is submitted, which is material in nature, by a vendor to departments under the Board of County Commissioners, said department shall, within ten (10) days after the improper invoice is received, notify the vendor in writing that the invoice is improper, specify the reasons therefore, and indicate what corrective action on the part of the vendor is needed to make the invoice proper. A copy of the notifications must be provided to Finance and Accounting and Purchasing.

E. **Dispute Resolution Procedures**

- 1. (Must be material (significant) in nature, if not material in nature refer to Purchasing's "Operating Policies" Section 6, 3)
- 2. A dispute, which is material in nature, may relate to timely payment, amount of payment, interpretation of contract terms, delivery of goods or services, proper authorization of purchase, quality of work, quality of services or products delivered, quantities, etc.
- 3. In the event a dispute occurs between a vendor and a department under

the Board of County Commissioners, the following procedures shall apply.

a. Disputes initiated by vendors:

- (1) The vendor shall, not later than 45 days from when a proper invoice was rendered to the County Department, submit a written statement via certified mail to the department for which the purchase was made, specifying the nature of any dispute they may have regarding non-payment of an invoice. A copy of this written statement must be provided to Finance and Accounting and Purchasing.
- (2) Within five (5) days of receipt of the written statement, the appropriate County Department shall investigate the dispute and render a decision concerning payment in writing to Finance and Accounting and Purchasing. The County department (Purchasing, County Attorney, etc. if needed) must make a recommendation to Finance and Accounting including quality of work, quality of service or products delivered, quantities, interpretation of contract terms, etc.
- (3) Within five (5) days of receipt of the written decision from the Department, Finance and Accounting shall review the dispute and shall make a final decision on the matter. A written explanation of the final decision made by Finance and Accounting shall be sent to the vendor via certified mail within five (5) days from the date the final decision is made by Finance and Accounting. Copies of this correspondence will be provided to the County Department and County Purchasing by Finance and Accounting.
- (4) If the dispute is not settled at this time Finance and Accounting will take the matter to the County Manager and then the Board if necessary with a copy to the County Attorney of all correspondence.

b. Disputes initiated by the County:

- (1) The appropriate County Department shall, not later than 10 days from when an improper invoice is received, submit a written statement via certified mail to the vendor from whom the purchase was made, specifying the nature of any dispute they may have regarding payment of an invoice (a copy of which is to be provided to Finance and Accounting and Purchasing).
- (2) The vendor shall, within 10 days of receipt of the written statement, submit a written response to such, indicating their agreement or disagreement as well as their reasons.
- (3) Within ten (10) days of receipt of the written response from the vendor, the County Department shall review the dispute

and shall make a final decision on the matter and forward their response to Finance and Accounting. A written explanation of the final decision made shall be sent to the vendor via certified mail by Finance and Accounting within (5) days from the date the final decision is made (a copy of which is to be provided to the Department and Purchasing). The County department (Purchasing, County Attorney, etc. if needed) must make a recommendation to Finance and Accounting including quality of work, quality of service or products delivered, quantities, interpretation of contract terms, etc.

- (4) If the dispute is not settled at this time Finance and Accounting will take the matter to the County Manager and then the Board, if necessary, with a copy to the County Attorney of all correspondence.

F. Interest Payments

1. Interest payments to vendors, if required, will be in accordance with Florida Statutes.
2. If more than \$250.00 of interest payments are made in a fiscal year, a report will be submitted to the Board.