



Annual Report 2012

Florida Engineers Management Corporation

2639 North Monroe Street, Suite B-112

Tallahassee, Florida 32303

www.fbpe.org





FLORIDA ENGINEERS MANAGEMENT CORPORATION

2639 NORTH MONROE ST.
SUITE B-112
TALLAHASSEE, FL
32303-5268
(850) 521-0500
(TELEPHONE)
(850) 521-0521 (FAX)

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

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

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

Bert Combs, Esquire
3/3/06 – 12/31/13

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

Roger Jeffery, P.E.
6/16/05 – 10/31/12

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

Zana Raybon
PRESIDENT

MEMORANDUM

TO: The Honorable Mike Haridopolos, President of the Florida Senate
The Honorable Dean Cannon, Speaker of the Florida House of Representatives
Ken Lawson, Secretary, Dept. of Business & Professional Regulation
John C. Burke, P.E., Chair, FBPE
Warren G. Hahn, P.E., Vice Chair, FBPE
Christian S. Bauer, Ph.D., P.E., C.M.S.P, FBPE
William Bracken, P.E., S.I., FBPE
David O. Charland, P.E., S.I., FBPE
Anthony Fiorillo, P.E., FBPE
Nola Garcia, Public Member, FBPE
Michelle Rambo Roddenberry, Ph.D., P.E., FBPE
Kenneth Todd, Jr., P.E., FBPE
Richard Wohlfarth, P.E., FBPE
Mary Young, Public Member, FPBE

FROM: Zana Raybon, President
Florida Engineers Management Corporation

DATE: September 28, 2012

RE: Transmittal of Annual Report

In accordance with Section 471.038(3)(1), Florida Statutes, enclosed is the 2011-2012 Annual Report of the Florida Engineers Management Corporation.

cc: w/attachment

Kimberlee DeBosier, P.E., Chair, FEMC
Jeff Arey, P.E., Vice Chair, FEMC
Ernest Cox, III, P.E., FEMC
Roger L. Jeffery, P.E., FEMC
Shannon LaRocque, P.E., FEMC
Bert Combs, Esquire, FEMC
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2011-2012 Annual Report Florida Engineers Management Corporation

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Zana Raybon
PRESIDENT

Introduction

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

Between July 1, 2011 and June 30, 2012, FEMC has performed the following:

- Administered 28 meetings of the FBPE and FBPE committees;
- Published 3 Newsletters that were distributed to an average of 31,582 engineering licensees, and others, not including newsletters mailed through telephone and email requests;
- Renewed 59 licenses that included professional engineers and Certificates of Authorization for engineering firms;
- Issued 38 Certifications of Special Inspectors of threshold-type buildings;
- Issued 747 Certificates of Authorization to firms providing engineering services in the State of Florida;
- Provided 1,080 licensure verifications for engineers;
- Received 7,083 applications for licensure;
- Approved 1,638 applications for licensure;
- Denied 175 applications for licensure;
- Average time to process applications: 29.84 days
- For October of 2011 administered 1,174 Fundamentals of Engineering Examinations, of those 1,174 Fundamental of Engineering Examinations, 534 passed the examination, 262 failed the examination and 378 did not show up for the examination;
- For October of 2011 administered 723 Principles and Practice of Engineering Examinations, of those 723 Principles and Practice of Engineering Examinations, 325 passed the examination, 247 failed the examination and 151 did not show up for the examination;
- For April 2012 approved 1,261 candidates for the Fundamentals of Engineering examinations, of those 1,261 Fundamental of Engineering Examinations, 631 passed the examination, 271 failed the examination and 359 did not show up for the examination;
- For April 2012 approved 572 candidates for the Principles and Practice examinations, of those 572 Principles and Practice of Engineering Examinations, 288 passed the examination, 174 failed the examination and 110 did not show up for the examination;

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

- Processed 150 complaints regarding engineering practice, of which 134 were found to be legally sufficient;
- Filed 32 Administrative Complaints in cases where the Probable Cause Panel found probable cause to believe a violation of the Engineering Practice Act had occurred;
- Issued 25 Reprimands;
- Issued 6 Suspensions;
- Issued 8 Probations;
- Issued 3 Project Reviews;
- Issued 7 License Restrictions
- Required 20 engineers to successfully complete a course in Engineering Professionalism and Ethics;
- Required 20 engineers to successfully complete the Board's Study Guide on Laws and Rules;
- Imposed \$37,388.92 in administrative costs and \$34,500.00 in fines;
- Received 2 Voluntary Relinquishments;
- Licenses Revoked – 4
- Dismissed 2 cases at Board Meetings;
- Dismissed 43 cases with a finding of no probable cause;
- Dismissed 11 cases with letters of guidance to engineers;
- FBPE issued 38 Final Orders against Professional Engineers.

Statutory Requirements

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

- Section 471.038, Florida Statutes
This is the enacting legislation for the Florida Engineers Management Corporation and sets forth the requirements of FEMC.
- Board Members and Organizations of the Corporation
Attached is a copy of the Board's website Home Page, created by FEMC at www.fbpe.org to provide important information to the public and licensees. In addition to the names of the members of the FBPE and FEMC Board and staff organization, the web site also provides the most recent engineering rules and laws, links by search function to DBPR's current listing of registrants and engineering companies, information on how to file a complaint, most frequently asked questions, all current applications for examinations and license, newsletters published by the Board, Board meeting agendas and minutes, Board calendar for the year, and information on continuing education.
- Contract
Section 471.038(3)(i), Florida Statutes, requires that FEMC operate on an annual contract between DBPR and FEMC. Attached is a copy of the contract which is entitled "Agreement Between Florida Engineers Management Corporation and Department of Business and Professional Regulation".
- Charter and By-Laws
Section 471.038(3)(1), F.S., requires approval of the Corporation's articles of incorporation and bylaws by the Department and FBPE.
- Annual Budget
Section 471.038(3)(i)2., F.S., requires submission of an annual budget that has been approved by the FBPE and the DBPR. Attached please find a copy of the approved budget for the fiscal year 2011-2012.

- Annual Certification
Section 471.038(3)(i)3., F.S., requires that FEMC be certified by the FBPE and the DBPR that it is complying with the terms of the contract and in a manner consistent with the goals and purposes of the Board and the best interest of the State. A copy of that Certification is attached.
- Annual Financial and Compliance Audit
Section 471.038(3)(j), F.S., requires an annual finance and compliance audit of financial accounts and records by the independent certified public accountant. The audit for the period of July 1, 2011 through June 30, 2012 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.

Legal

Permitted by law
lawful, allowed, recognizing
or not in violation of law
in conformity with state
regulations, principles,

Florida Statutes
Section 471.038

Select Year: 2012

The 2012 Florida Statutes

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

471.038 Florida Engineers Management Corporation.—

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

contract must provide for, but is not limited to:

1. Submission by the management corporation of an annual budget that complies with board rules for approval by the board and the department.
2. Annual certification by the board and the department that the management corporation is complying with the terms of the contract in a manner consistent with the goals and purposes of the board and in the best interest of the state. This certification must be reported in the board's minutes. The contract must also provide for methods and mechanisms to resolve any situation in which the certification process determines noncompliance.
3. Funding of the management corporation through appropriations allocated to the regulation of professional engineers from the Professional Regulation Trust Fund.
4. The reversion to the board, or the state if the board ceases to exist, of moneys, records, data, and property held in trust by the management corporation for the benefit of the board, if the management corporation is no longer approved to operate for the board or the board ceases to exist. All records and data in a computerized database shall be returned to the department in a form that is compatible with the computerized database of the department.
5. The securing and maintaining by the management corporation, during the term of the contract and for all acts performed during the term of the contract, of all liability insurance coverages in an amount to be approved by the board to defend, indemnify, and hold harmless the management corporation and its officers and employees, the department and its employees, and the state against all claims arising from state and federal laws. Such insurance coverage must be with insurers qualified and doing business in the state. The management corporation must provide proof of insurance to the department. The department and its employees and the state are exempt from and are not liable for any sum of money which represents a deductible, which sums shall be the sole responsibility of the management corporation. Violation of this subparagraph shall be grounds for terminating the contract.
6. Payment by the management corporation, out of its allocated budget, to the department of all costs of representation by the board counsel, including salary and benefits, travel, and any other compensation traditionally paid by the department to other board counsel.
7. Payment by the management corporation, out of its allocated budget, to the department of all costs incurred by the management corporation or the board for the Division of Administrative Hearings of the Department of Management Services and any other cost for utilization of these state services.
8. Payment by the management corporation, out of its allocated budget, to the department of reasonable costs associated with the contract monitor.

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

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

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

the number of examinations administered and the number of applicants who passed or failed the examination; the number of complaints received; the number determined to be legally sufficient; the number dismissed; the number determined to have probable cause; the number of administrative complaints issued and the status of the complaints; and the number and nature of disciplinary actions taken by the board.

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

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

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

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

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

(8) The management corporation is the sole source and depository for the records of the board, including all historical information and records. The management corporation shall maintain those

records in accordance with the guidelines of the Department of State and shall not destroy any records prior to the limits imposed by the Department of State.

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

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



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Resources & Tools



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PROFESSIONAL ENGINEERS

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MEETINGS AND
INFORMATION

About Florida Board of Professional Engineers

The Florida Board of Professional Engineers is established under Chapter 471, Florida Statutes, and is comprised of eleven members, nine of whom are Professional Engineers and two of whom are laypersons who are not and never have been engineers or members of any closely related profession or occupation. Of the nine who are Professional



FBPE *Connection* Newsletter June 2012



CONTINUING
EDUCATION

CORPORATE

USEFUL LINKS

YOUR FBPE

Engineers, three must be civil engineers, one must be an electrical engineer, one must be a mechanical engineer, one must be in engineering education, one must be a structural engineer, one must be an industrial engineer and one must be from any discipline of practice other than civil engineering. All members are appointed by the Governor for terms of four years each.

The Florida Legislature found that it was necessary, in the interest of public health and safety, to regulate the practice of engineering in the State of Florida and thus created Chapter 471, Florida Statutes, the Engineering Registration Law. Under this law, the Florida Board of Professional Engineers is responsible for reviewing applications, administering examinations, licensing qualified applicants, and regulating the practice of engineering throughout the state.

[Read more...](#)

Governor Scott Appoints Three to Board

Wednesday, 28 March 2012 13:57

Tallahassee, Fla. – Today, Governor Rick Scott announced the reappointment of **Nola A. Garcia de Quevedo** and the appointments of **Dr. Michelle D. Rambo-Roddenberry, P.E.** and **Richard C. Wohlfarth, P.E.** to the Board of Professional Engineers. Garcia de Quevedo, of Miami, is the President of Star Bot Inc. She is reappointed for a term beginning March 27, 2012, and ending October 31, 2014. Dr. Rambo-Roddenberry, of Tallahassee, is an Assistant Professor at Florida A&M University / Florida State University College of Engineering. She is appointed for a term beginning March 27, 2012, and ending October 31, 2013. Wohlfarth, of Lake Mary, is a Site Civil Engineer and Chief Operating Officer for IBI Group Inc. He is appointed for a term beginning March 27, 2012, and ending October 31, 2013.

The appointments are subject to confirmation by the Florida Senate.

RENEW YOUR LICENSE

SEARCH FOR LICENSEE

PUBLIC RECORDS REQUEST

FILE A COMPLAINT

Construction Certifications By Way of Misleading Statements

This article is featured in a new intended to address the practice of engineers providing misleading or incomplete information. The practice is a violation of the engineering code of ethics and is a violation of the Florida Engineering Law.

Intentionally, knowingly or recklessly, an engineer who provides false or misleading information to the public or to the engineering profession is in violation of the Florida Engineering Law.

The Florida Board of Professional Engineers is responsible for reviewing applications, administering examinations, licensing qualified applicants, and regulating the practice of engineering throughout the state.

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What's Inside

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FBPE CALENDAR

August 2012						
S	M	T	W	T	F	S
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1

August 28, 2012

[FEMC Board Meeting \(via Conf. Call\)](#)

September 05, 2012

[FEMC Board Ops Committee Conf. Call](#)

September 20, 2012

[Application Review](#)

September 20, 2012

PCP

September 28, 2012

[Ratification Conf. Call](#)

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The appointments are subject to confirmation by the Florida Senate.

How Can I Tell If An Engineer Has Been Disciplined?

Monday, 23 January 2012 15:24

At times, the public may find it necessary to determine whether a Professional Engineer has been disciplined by the Board. If you visit www.myfloridalicense.com, you may see various closure methods for complaints filed.

Below is a list of closure methods and what they mean.

Read more: [How Can I Tell If An Engineer Has Been Disciplined?](#)

Florida Board of Professional Engineers Officers for 2012

Tuesday, 12 July 2011 13:19

John Burke, P.E. currently serves as Board Chair and Warren G. Hahn, P.E. serves as Vice Chair for the Florida

Board of Professional Engineers. The next election of officers will be in December of 2012.

19	20	21	22	23	24	25
26	27	28	29	30	31	1

August 28, 2012

[FEMC Board Meeting \(via Conf. Call\)](#)

September 05, 2012

[FEMC Board Ops Committee Conf. Call](#)

September 20, 2012

[Application Review](#)

September 20, 2012

PCP

September 28, 2012

[Ratification Conf. Call](#)

October 10, 2012

[FBPE Board Meeting](#)

October 10, 2012

[FEMC Board Meeting](#)

October 11, 2012

[FBPE Board Meeting](#)

November 13, 2012

[Application Review](#)

November 13, 2012

PCP

[View Full Calendar](#)

CURRENT BOARD



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Election of FEMC Officers for 2011-2012

Tuesday, 12 July 2011 13:25

The Florida Engineers Management Corporation voted on the offices of Chair and Vice Chair in their October Board meeting. Roger Jeffery, P.E. was elected Chair and Kimerlee DeBosier, P.E. was elected Vice Chair for 2011-2012.

[FEMC Board Meeting](#)

[October 11, 2012](#)

[FBPE Board Meeting](#)

[November 13, 2012](#)

[Application Review](#)

[November 13, 2012](#)

[PCP](#)

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CURRENT BOARD



2639 North Monroe Street, Suite B-112 Tallahassee FL 32303 P: (850) 521-0500 F: (850) 521-0521

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FEMC & DBPR Agreement

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

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

Contractual services shall begin on **July 1, 2011** or upon full execution of this Agreement, whichever is the later date, and shall end on **June 30, 2012**.

I. Purpose

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

II. Contract Monitor

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

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

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

FEMC shall notify the Contract Monitor of the following:

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

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

III. Appointment of the Board Executive Director

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

IV. Scope of Services

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

A. Administrative Services

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

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

B. Licensure Services

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

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

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

C. Test-related Services

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

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

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

D. Prosecutorial Services

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

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

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

E. Investigative Services

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

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

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

F. Services not to be provided by FEMC

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

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

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

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

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

G. Corrective Plans

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

A corrective plan must include:

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

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

V. Required Documentation

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

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

VI. Deliverables

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

A. Monthly Report of Actual and Projected Expenditures

FEMC shall provide to the Contract Monitor, by the 15th day of each month, a spreadsheet report of all actual and projected expenditures for the contract period. The spreadsheet will be in a format approved by the Department.

B. Quarterly Reports

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

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

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

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

C. Annual Report

On or before October 1, 2011, 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, 2011:

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

D. Annual Certification

On or before October 1, 2011, in accordance with Section 471.038(3)(j)2., F.S., FBPE and the Department shall review the performance of FEMC under the contract for the fiscal year ending June 30, 2011. If it is determined that FEMC performed under that Agreement in a manner that consistent with the goals and purposes of FBPE and in the best interest of the State, FBPE and the Department shall certify such. This certification shall be recorded in the FBPE minutes. Should the Department fail to certify FEMC by the aforementioned deadlines, FEMC shall be deemed certified. Upon a determination made by the FBPE and the Department at any time during the term of the Agreement that FEMC no longer operates for the benefit of the FBPE and in the best interest of the State, all monies and property held in trust by FEMC shall revert to the FBPE, or the State if the FBPE ceases to exist.

- E. Evidence of FEMC's engagement of an independent certified public accountant to conduct an audit as required by this Agreement shall be provided to the Department no later than October 1, 2011.
- F. Proof of liability insurance and a performance bond, as required by Section 471.038(3)(j)5., Florida Statutes, and this Agreement.
- G. On or before September 15, 2011, FEMC shall submit an Agency Litigation Inventory Schedule, using the format shown in Attachment 6.

VII. Funding

- A. FEMC shall operate under a fiscal year that begins on July 1, 2011 and ends on June 30, 2012.
- B. The total amount of this Agreement is Two Million One Hundred Twenty-Four Thousand Four Hundred Seventy-Three Dollars (**\$2,124,473**), subject to appropriation and release by the Legislature. This Agreement shall be funded through an appropriation by the Legislature on an annual basis, allocated to the regulation of professional engineers and special inspectors of threshold buildings from the Professional Regulation Trust Fund. The Department's performance and obligation to pay under this Agreement is contingent upon the annual appropriation and release by the Legislature in a "grant and aids category."
- C. Subject to approval by the Department and the Department of Financial Services pursuant to Section 216.181, Florida Statutes, and upon FEMC's request to the Department, the Department will fund FEMC as follows:
 - FEMC shall submit a request for funding to the Contract Monitor by the 15th of the month preceding the start of the quarter;
 - FEMC shall submit separate requests for funds from the operating and the unlicensed activity accounts;
 - Within two business days of receipt of the request, the Contract Monitor will forward the request to the Department's Director of Budget and Finance;
 - An advance payment not to exceed 25 percent of the contract amount may be made as soon after July 1, 2011, as feasible;
 - The remaining funding will be provided in equal payments on a quarterly basis beginning on or after October 1, 2011; January 1, 2012; and April 1, 2012.
- D. In the event FEMC's expenses exceed its draw in any given quarter, and the cash balance available is insufficient to cover those expenses, FEMC may request an advance of funds, not to exceed Two Hundred Thousand Dollars (\$200,000.00). Advancement of funds is subject to the approval of budget release pursuant to sections 216.192(1) and 216.177(2)(a), Florida Statutes.
- E. Prior to execution of this Agreement, FEMC shall submit a Proposed Budget for Grants and Aid for Fiscal Year 2011-2012, and a Proposed Budget for Unlicensed Activity for Fiscal Year 2011-2012, which shall be attached hereto collectively as Attachment 7, Proposed Budget.

- F. On or before June 1, 2012, FEMC shall submit a proposed budget transfer of unexpended funds for the fiscal year ending June 30, 2012. The proposed budget transfer shall be submitted to the Department's Director of the Office of Budget and Financial Management, with a copy to the Contract Monitor and FBPE. The Department shall either approve or deny the proposed budget transfer within seven (7) business days of receipt of the request. Failure to respond within seven (7) business days will constitute approval by the Department of the budget transfer. FEMC shall be responsible for submission of budget information requests and budget amendments to the Department on a timely basis.
- G. FEMC shall submit to the Department a legislative budget request justifying any additional funding needs for Fiscal Year 2012-2013 as directed by the Department's Director of Budget and Financial Management..

VIII. Revenue

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

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

IX. Expenditures

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

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

- B. Any incurred obligation of FEMC at June 30 of each year will be treated pursuant to the State's process as defined in Section 216.301, Florida Statutes. The funds will remain with FEMC for disbursement for all accounts payable on its books as of June 30. Any funds remaining with FEMC after the accounts payable have been certified will be returned to the Department no later than September 30 and will remain as cash to the credit of the FBPE within the Professional Regulation Trust Fund. By July 16, 2012, FEMC will notify the Department of incurred obligations that were not disbursed by June 30 in the manner provided in Attachment 9, Year-End Incurred Obligations Procedure. In the event an appropriate identification of an incurred obligation is not made and an incurred obligation is proven to be legal, due and unpaid, then the incurred obligation shall be paid and charged to the current fiscal year contract funds.
- C. In accordance with Section 287.058(1)(a), Florida Statutes, FEMC will maintain all invoices pertaining to the daily operation of the corporation in its office with sufficient detail to enable the Department to monitor its expenditures. This documentation will be retained for a minimum of three years.
- D. The Department will charge the FEMC cash account for all costs of representation by board counsel, including salary and benefits, travel, and any other compensation traditionally paid by the Department to other board counsel; all costs incurred by FEMC or the FBPE for the Division of Administrative Hearings of the Department of Management Services and any other costs for utilization of these services; reasonable costs associated with the Contract Monitor of the Department; banking fees associated with the acceptance of credit

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

- F. FEMC may not provide for a bonus plan for Fiscal Year 2011-2012.
- G. When applicable, FEMC shall comply with the Department of Financial Services Reference Guide for State Expenditures (the Reference Guide), available at: http://www.myfloridacfo.com/aadir/reference_guide/reference_guide.htm. See also Attachment 10.
- H. When feasible, FEMC shall apply the guidelines found in the Reference Guide for the state P-card program to its use of credit cards.
- I. When feasible, FEMC shall comply with s. 112.061, Florida Statutes, and the guidelines found in the Reference Guide for state travel expenses to its travel expenditures.

X. Technology

A. LicenseEase

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

B. Knowledge Champion

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

XI. Insurance

A. Liability Insurance

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

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

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

B. Performance Bond

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

XII. Single Audit Act Requirements

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

A. Monitoring

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

B. Audits

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

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

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

4. Evidence of FEMC's engagement of an independent certified public accountant to conduct the audit shall be provided to the Department no later than **October 1, 2011**. In addition to the requirements of Section 215.97, Florida Statutes, the audit report shall include a detailed supplemental schedule of expenditures for each expenditure category and a management letter, pursuant to Section 471.038(3)(k), Florida Statutes. The audit report must be submitted to the FBPE, the Department and Auditor General for review together with any other information requested by the Department, the FBPE, or the Auditor General. The Auditor General may, pursuant to his or her own authority or at the direction of the Legislative Auditing Committee conduct an audit of FEMC, and FEMC shall provide all requested information immediately upon request.

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

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

a. Department of Business and Professional Regulation
ATTN: Amy Toman, Contract Monitor
Office of the General Counsel
1940 North Monroe Street
Tallahassee, FL 32399

b. State of Florida Auditor General
ATTN: David W. Martin
Room 401, Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

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

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

XIII. General Provisions

A. Dispute Resolution

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

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

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

B. Liability

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

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

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

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

C. Public Entity Crime

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

D. Notice to Contractor

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

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

http://www.dhs.gov/files/programs/gc_1185221678150.shtm#1.

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

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

E. Compliance with Laws and Rules

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

F. Americans with Disabilities Act

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

G. Record Retention

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

H. Public Documents

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

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

I. Access to All Records

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

J. Other Employment

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

K. Costs Incurred

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

L. Termination

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

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

M. Entire Agreement


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

Attachment 1, Endorsement Stamp;
Attachment 2, Fee Codes;
Attachment 3, Debit Memo Process Steps and Attachments I-VII;
Attachment 4, Certificate of Liability Insurance;
Attachment 5, Accounts Receivable and Write-Off Policies and Procedures;
Attachment 6, Schedule VII: Agency Litigation Inventory;
Attachment 7, Proposed Budget for Year Ending June 30, 2012 (Grants and Aid / Unlicensed Activity);
Attachment 8, Florida Single Audit Act information;
Attachment 9, Year-End Incurred Obligations Procedure; and
Attachment 10, Link to Department of Financial Services, Reference Guide for State Expenditures.

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

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

DONE AND ORDERED this 20th day of June, 2011.




Ken Lawson, Secretary
Department of Business &
Professional Regulation



Florida Engineers Management Corp.
by Ernest Cox, as its Board Chairman

Approved by the **Board of Professional
Engineers**



by John C. Burke, as its Board Chairman

ENDORSEMENT STAMP

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

FEE CODES

BOARD OF PROFESSIONAL ENGINEERS (FEMC)

79-50-2-547001

79-50-00-00-009

FEES - CATEGORY - 000100

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

LICENSES - CATEGORY - 000200

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

MISCELLANEOUS - CATEGORY 000400

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

INTEREST - CATEGORY - 000500

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

FINES - CATEGORY - 001200

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

PENALTIES - CATEGORY - 001202

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

TRANSFERS - CATEGORY - 001500

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

REFUNDS - CATEGORY - 001800

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

SALE OF GOODS OUTSIDE STATE GOVERNMENT - CATEGORY - 001904

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

PRIOR YEAR WARRANT CANCELLATIONS - CATEGORY - 003700

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

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

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



Chapter 215.34
Florida Statutes

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



Attachment I

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



Attachment I-A

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



Attachment II

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

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



Attachment III-A,B

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

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



Attachment IV

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

- i) **Insufficient funds Payment - Beneficiary (Attachment V-A).**



Attachment V-A

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



Attachment V-B

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



Attachment V-D

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

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

7) **File is Prepared.** A file folder is prepared for Client. The bad check or copy of EFT is placed in file along with a copy of the bad check letter.

8) **Nightly Processing.** Each night during nightly processing, LicenseEase runs the following programs:

- a) **Update Debit Memo System.** A program is run to update the Debit Memo with the Licensee's name and address for each Accounts Receivable number that was assigned in LicenseEase.
- b) **FTP File.** A program is run to create transaction 94's to reimburse AB&T for the debit memos that belong in other Boards/Programs (**Attachment VI**).



Attachment VI

9) **Review Debit Memos.** Each morning, the Accountant I, RAS receives an exception report from LicenseEase which lists any Accounts Receivables that could not update the Debit Memo System. The Accountant I, RAS manually enters any accounts Receivable that did not populate the Debit Memo System.

10) **Debit Memos.** After the Debit Memos are entered in the Debit Memo System and balanced. The Debit Memo documents received from Department of Financial Services are ta

11) **FTP File.** The Accountant IV, RAS receives an FTP file of Transaction 94's created by LicenseEase. See Debit Memo TR94 instructions.

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



Attachment VII

Reference Charge Back Process Steps to Proceed with Charge Backs.

11.) Funds Received for Dishonored Payments:

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

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

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

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

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

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

Select Year: **2007**

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,

ATTACHMENT I

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

General Revenue Total	0.00
Trust Total	1,185.00
Other Total	0.00
Total	\$1,185.00

Distribution

Cross Ref	Samas Code	Reason	Amount
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**

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: 09/06/2007

Alex Brink

Chief Financial Officer

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

ATTACHMENT I-A

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
<i>Total</i>	\$230.00

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



State of Florida
Division of Treasury
Tallahassee, Florida

EXAMPLE - CHARGE BACK

ATTACHMENT II

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
<hr/>	
Total Amount	(\$105.00)

Distribution

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

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

2007 AUG 27 4:11:46
CHARGE BACK
DEPT. OF BUSINESS AND PROFESSIONAL REGULATION

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

OK Cancel

Attachment III -B

File Maintenance Reports

Debit Memo

✓ denotes required field

Add Account Receivable Information

Debit Memo # DM2099 Debit Memo Date 10/08/07 Account Receivable # 080812 ← A/R # is generated

Licensee Personal Information	Account Information
First Name <input type="text"/>	Reason <input type="text"/> or <input type="text"/> <i>Acct. I Fills</i>
Last Name <input type="text"/>	<input type="text"/> Select Reason <i>in</i>
Street Address/Apt # <input type="text"/>	Board/Division <input type="text"/> or <input type="text"/> Select Board/Division <i>highlighted</i>
City <input type="text"/>	Receipt # <input type="text"/>
State <input type="text" value="FL"/>	License # <input type="text"/>
Country <input type="text"/>	AR Date <u>10/16/2007</u> <i>based on research Findings</i>
Zip <input type="text"/>	Check # <input type="text"/> ✓
	Check Amount \$ <input type="text"/>
	ID # <input type="text"/>
	Type <input type="text"/> (S=SSN, F=FEID, P=PIN #)
	Bookkeeping Indicator <input type="text"/>
	Doing Business As <input type="text"/>
	Comments <input type="text"/>

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

Add Account

Cancel

↑ Click here when Account information has been filled in.

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



Client 79

Dept of Business & Prof Regulation

psapp

10/16/2007

LicenseBase Menu
Exit



VERSA

The main application window displays a grid of six icons representing different services or categories. To the right of the grid is a vertical list of eight rectangular buttons or input fields. Below the grid, there are two small buttons labeled 'Cancel' and 'OK'.

Record: 1/1

<08C>

Receipt				
Client	05	Board of Cosmetology	Received \$	
Validation #	70143093		Unassigned \$	
Fiscal Year	2007		Bad Check	<input type="checkbox"/>
Date Posted				
Replacing			Memo #	
Replaced By			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 (cont)

Receipt

Client: 05
Validation #: 70143093
Fiscal Year: 2007
Date Posted: 08/29/2007
Replacing: _____
Replaced By: _____

Received \$: 50.00
Unassigned \$: 0.00
Bad Check: ☐

Memo #: _____
Acct #: _____

Clear
Mark
Notes

Remitter

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

Letter

Payment List

Client	Type	Charge	Description	Name	Amount \$
05	01	0010	Cash	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	Received \$	50.00	Clear
Validation #	70143093	Unassigned \$	50.00	Mark
Fiscal Year	2007	Bad Check	<input type="checkbox"/>	Notes
Date Posted	08/29/2007			
Replacing		Memo #		
Replaced By		Acct #		

Remitter

Client	0502	Cosme	Letter
Name	Account Information		
Lic #	3890		
File #	48444		

Payment List

Client	Type	Charge Des
05	1	1000

Memo # DM2099
Acct # 080880 → A/R
#

OK

Cancel

Amount \$

50.00

Exit

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

Account Number

Record: 1/1

<08C>

Next screen:
Click on "Letter"

Application License Cash Exams Inspection Enforcement Utilities Window Help



79

Dept of Business & Prof Regulation

jsapp

10/16/2007

Record/Reverse Bad Check (cat4)

Receipt

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

Remitter

Client	0502	Cosmetology Salon	Letter
Name	HAIR SALON		
Lic #	90		
File #	48444		

Payment List

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

<< >>

Exit

Record: 1/1

<08C>

File Edit Record Go Help Window



Client 79

Dept of Business & Prof Regulation

jsapp

10/16/2007

Receipt			
---------	--	--	--

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

Remitter

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

Payment List

Client	Type	Charge	Description
05	01	0100	010000

Letter Selection (p21)

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

Print

Preview

Edit

Exit

FIELD VALUE IS REQUIRED

Record: 1/1

List of Valu...

<OSC>

File Edit Record Go Help Window



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

Receipt

Client 05
Validation # 70143093
Fiscal Year 2007
Date Posted 08/29/2007
Replacing
Replaced By

Received \$ 50.00
Unassigned \$ 50.00
Bad Check ☐

Memo # DM2099
Acct # 080880

Remitter

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

Payment List

Client	Type	Charge	Description
05	HA	HAIR	HAIR

Letter Purpose

Find %

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

Letter has "Ack" field
Letter has multiple of

Printer DEFAULT

Print Pre Find OK Cancel

* Choose purpose of letter from options given

Choices in list 4

Record: 1/1

List of Valu...

<OSC>

File Edit Record Go Help Window



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



Receipt

Client 05 Received \$ 50.00
 Validation # 70143093 Unassigned \$ 50.00
 Fiscal Year 2007 Bed Check ☒
 Date Posted 08/29/2007
 Replacing Memo # DM2099
 Replaced By Acct # 080680

Remitter

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

Letter 1

Letter Code

Payment List

Client	Type	Charge	Description
05	M	0011	Session

Group C
 Purpose B
 Letter

Letter has "Age" field.

Letter has multiple ch

Printer DEFAULT

Find %

Code	Description
BEULLPAYMT	Payment received for bed
B_CHK_BENE	Bed check letter for DBPF
PART_PAY	Partial Repayment of bed
RSVD	do not use this option
SERV_CBO	Bed Check for serv Chan

* Choose
letter
type
from
options
given

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
Balance Due:	\$469.35

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#	

0111012822*
06/21/2007
000009130752014

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
5315
9
00017

06/21/2007 1111012822
552940846255

0621

60717985

080075

Holmes Beach, FL 32117

SERVICES LLC

6-5-07 DOR

1037

FLORIDA SOUTHERN

PAY TO THE

ORDER OF *Acct. of Bureau of Reg. Reg.*

THE RELATIONSHIP PEOPLE

NSF NSF NSF NSF

NSF

For *Redwell*

00000059007

Department of Business Professional Regulation

111012822 06/15/2007
006640846235
111012822 06/15/2007
004892504144
061000146 06/18/2007
6415186903
111012822 06/21/2007
009130752014

DO NOT SIGN OR WRITE BELOW THIS LINE

WARD PAYMENT

EMENT REMITTED ON YOUR BEHALF HAS BEEN
PURSUANT TO SECTION 215.34, FLORIDA
OM RECEIPT OF THIS NOTICE TO TENDER YOUR
I WAS APPLIED TO YOUR LICENSE).

IT OF \$ 74.00 IS RECEIVED WITHIN THE TIME
THE AUTHORITY TO TAKE DISCIPLINARY
RMATION MAY BE SENT TO A COLLECTION
SSESSED.

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

MENT AMOUNT

ONAL 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

Payment: \$51.00

Balance Due: \$ 0.00

Receipt System Flagged: N

Write Off Date:

Receipt System Unflagged: Y

JUNE 8, 2010

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

DEAR SIR OR MADAM:

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

\$150.00	DISHONORED PAYMENT AMOUNT
15.00	ADD SERVICE CHARGE AMOUNT
150.00	LESS PARTIAL PAYMENT AMOUNT
<hr/>	
\$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

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

Attachment VI

August 17, 2007

«str_addr_nbr» «ad_addr_line1»
«ad_addr_line2»
«ad_addr_line3»
«ad_city» «AD_STATE» «ad_zip»

RE: Dishonored EFT, Check, Credit Card Payment
Validation Number: «CR_VALD_NBR»
AR Number: «CR_ACCT_NBR»

Dear Sir or Madam:

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

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

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

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

Enclosure

cc

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



CERTIFICATE OF LIABILITY INSURANCE

OP ID: SY

DATE (MM/DD/YYYY)

06/14/11

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).

PRODUCER Wak-Rogers, Gunter, Vaughn Ins Wakulla Division 7 Hickory Ave. Crawfordville, FL 32327 Kevin Vaughn		850-926-7900 850-926-2924	CONTACT NAME: Stacey Nelson PHONE (A/C, No, Ext): 850-926-7900 FAX (A/C, No): 850-926-2924 E-MAIL ADDRESS: snelson@rgvi.com PRODUCER CUSTOMER ID #: FENGI-1														
INSURED FL Engineers Management Corp Margo Marvel 2507 Callaway Rd #200 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></td></tr><tr><td>INSURER B : Nationwide</td><td>10070</td></tr><tr><td>INSURER C : Landmark American</td><td></td></tr><tr><td>INSURER D : Philadelphia Insurance Company</td><td>18058</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		INSURER B : Nationwide	10070	INSURER C : Landmark American		INSURER D : Philadelphia Insurance Company	18058	INSURER E :		INSURER F :	
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INSURER B : Nationwide	10070																
INSURER C : Landmark American																	
INSURER D : Philadelphia Insurance Company	18058																
INSURER E :																	
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 INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	GENERAL LIABILITY						
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY			ACLBPOC5904882286	04/27/11	04/27/12	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
	<input checked="" type="checkbox"/> Professional			LHR730169	05/12/11	05/12/12	MED EXP (Any one person) \$ 10,000
D	<input checked="" type="checkbox"/> Directors & Offic			PHSD626302	05/12/11	05/12/12	PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$ 2,000,000
							\$
B	AUTOMOBILE LIABILITY			ACLBPOC5904882286	04/27/11	04/27/12	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS						\$
	<input checked="" type="checkbox"/> NON-OWNED AUTOS						\$
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR					EACH OCCURRENCE \$
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$
	DEDUCTIBLE						\$
	RETENTION \$						\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			21WECRW4918	01/05/11	01/05/12	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y/N	N/A				E.L. EACH ACCIDENT \$ 100,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 100,000
							E.L. DISEASE - POLICY LIMIT \$ 500,000
B	Property Section			ACLBPOC5904882286	04/27/11	04/27/12	PROPERTY 290,000
B							

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

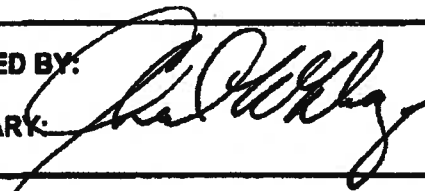
CERTIFICATE HOLDER**CANCELLATION**

Information Purpose Only ***** ***** ***** , FL	INFORM1
	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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DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

ADMINISTRATIVE POLICY/PROCEDURES

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

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/DFS%20Debt%20Collection%20Presentation%204-3-07.pdf>

Schedule VII: Agency Litigation Inventory			
<i>For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Governor's website.</i>			
Agency:			
Contact Person:		Phone Number:	
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)			
Court with Jurisdiction:			
Case Number:			
Summary of the Complaint:			
Amount of the Claim:	\$		
Specific Statutes or Laws (including GAA) Challenged:			
Status of the Case:			
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input type="checkbox"/>	Outside Contract Counsel	
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).			

**FLORIDA ENGINEERS MANAGEMENT CORP
PROPOSED BUDGET FOR GRANTS AND AID/UNLICENSED
FOR THE YEAR ENDED JUNE 30, 2012**

Income		
500 · State Contract	DBPR	\$ (2,124,473.00)
Total Income		<u>\$ (2,124,473.00)</u>
Expenses		
621 State Archive Fees		\$ 220.00
600 · Salaries & Benefits		
	600.10 · Salaries - Full Time Wages	\$ 1,002,049.00
	600.20 Retirement	\$ 100,205.00
	600.30 · Payroll Taxes	\$ 84,973.00
600.40 · Personnel Insurance		
	Health	\$ 122,500.00
	Dental	\$ 6,334.00
	Worker's Comp (Hartford)	\$ 2,697.00
	Life & Disability	\$ 11,800.00
	Total Personnel Insurance	<u>\$ 143,331.00</u>
600.50 Accrued Leave Liability		\$ 54,000.00
Total 600 · Salaries & Benefits		<u>\$ 1,384,558.00</u>
601 · Other Personnel Services (OPS)		\$ 22,000.00
630 · Consultant Expense		
	638 · Prosecution/Enforcement	\$ 178,500.00
	636 · Court Reporters	\$ 5,000.00
	634 · Computer Consultants/Services	\$ 35,000.00
	634.10 Human Resource Consultant	\$ 1,000.00
	633 · Accounting Services	\$ 31,000.00
	632 Legal - FEMC General Counsel	\$ 2,500.00
Total 630 · Consultant Expense		<u>\$ 253,000.00</u>
775 · Employment/Training		\$ 12,000.00
616 · Publications/Dues		\$ 7,000.00
610 · Insurance		
	610.10 · Directors & Officers Insurance	\$ 6,000.00
	610.20 · Commercial Liability	\$ 5,000.00
	610.30 · Professional Liability	\$ 10,647.00
Total 610 · Insurance		<u>\$ 21,647.00</u>
673 · Board Member Honorarium		\$ 11,000.00
800 · Furniture (& Equipment)		\$ 22,000.00
801. Computers & Software		\$ 8,000.00
850. Study Guide (includes IT)		\$ 1,000.00
626 · Copying & Printing		
	626.20 · General Office	\$ 22,000.00
	626.30 · Board/Committee Meetings	
	626.40 · Newsletters	
	626.50 - New Licenses	
Total 626 · Copying & Printing		<u>\$ 22,000.00</u>

**FLORIDA ENGINEERS MANAGEMENT CORP
PROPOSED BUDGET FOR GRANTS AND AID/UNLICENSED
FOR THE YEAR ENDED JUNE 30, 2012**

620 · Office Supplies		\$	22,000.00
655 · Leased Equipment & Repair		\$	22,000.00
625 · Postage			
	625.10 · Newsletters - Electronic	\$	3,500.00
	625.40 · General Office	\$	25,000.00
Total 625 · Postage		\$	28,500.00
650 · Office Space			
	651 · Lease Payment	\$	113,000.00
	652 · Utilities	\$	15,000.00
	653 · Janitorial	\$	5,800.00
	656 · Pest Control	\$	350.00
	657 · Security Monitoring	\$	500.00
	658 · Moving Expenses	\$	9,000.00
Total 650 · Office Space		\$	143,650.00
640 · Telephone			
	640.10 · Local/Line Charges	\$	15,000.00
	640.20 · Long Distance	\$	2,000.00
	640.30 · Internet Access Charges	\$	1,750.00
	640.40 · Conference Calls	\$	898.00
Total 640 · Telephone		\$	19,648.00
672 Training/Board Members		\$	750.00
680 · Travel			
	680.10 · Board/Committee Meetings	\$	100,000.00
	680.20 · Investig./Prosecut./Challenge	\$	4,000.00
	680.30 · NCEES Travel	\$	12,000.00
	680.40 · General Travel	\$	1,000.00
Total 680 · Travel		\$	117,000.00
702 · NCEES Fees for Dues/Tests		\$	6,500.00
740 Renewal Expenses			
	740.10 Printing/Mailing Renewal Notice		
	740.30 Printing Licenses/ID Cards		
	740.40 Mailing Licenses/ID Cards		
	740.50 Renewal OPS		
740 Total Renewal Expenses		\$	-
Total Expense		\$	2,124,473.00
Net Ordinary Income (Loss)		\$	-

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

GRANTS AND AIDS

State Project Title:	Florida Engineers Management Corporation (FEMC)
Agency:	Department of Business and Professional Regulation
Program:	79050000 Professional Regulation
Budget Entity:	79050100 Compliance and Enforcement
Fiscal Year:	2011-2012
Specific Appropriation:	GAA # 2087
Appropriation Category:	108020
Amount:	\$2,070,000

UNLICENSED ACTIVITY

State Project Title:	Unlicensed Activities
Agency:	Department of Business and Professional Regulation
Program:	79050000 Professional Regulation
Budget Entity:	79050100 Compliance and Enforcement
Fiscal Year:	2011-2012
Specific Appropriation:	GAA # 2078
Appropriation Category:	100399
Amount:	\$ 54,473

Total Funds:	\$2,124,473
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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 30th. The amounts identified as incurred obligations must not exceed available appropriation balances by budget entity.

Any incurred amounts not disbursed by September 30th 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 30th.

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.

Incurred Obligations as of June 30

11

69 69

Totals

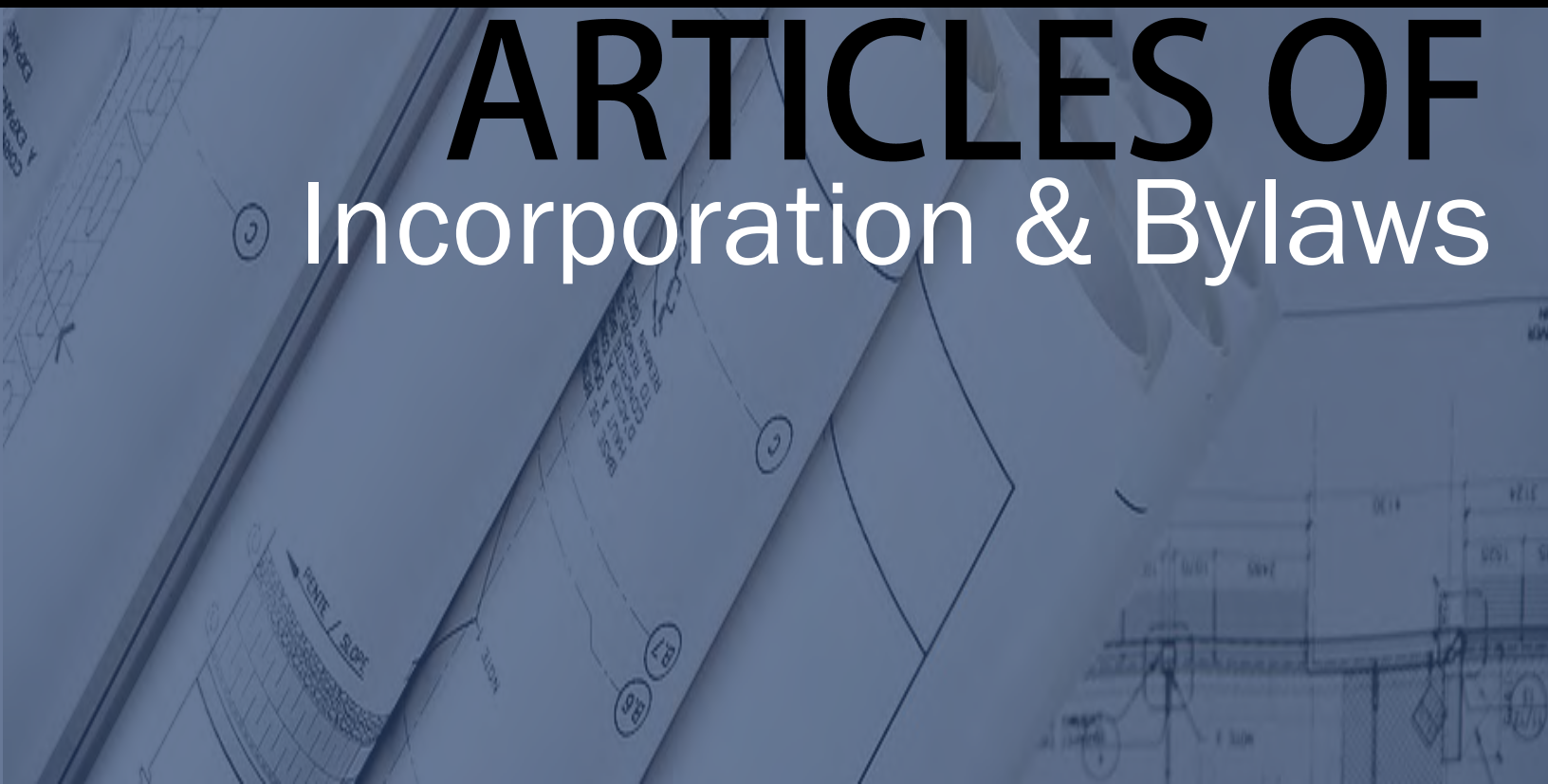
Department of Financial Services, Reference Guide for State Expenditures

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



ARTICLES OF Incorporation & Bylaws



State of Florida



Department of State

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

The document number of this corporation is N97000005608.

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



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

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

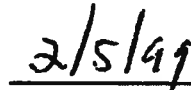
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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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



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.

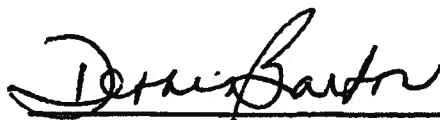
ARTICLE XII. AMENDMENTS

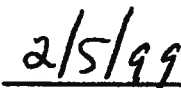
Amendments to these Articles of Incorporation shall be adopted by a resolution of the Board of Directors subject to the approval as provided in §471.038 F.S.

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

CAUSERSADLWEMCEENGINEERLAGI

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 successors have been appointed and qualified.

Section B. Governing Powers

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

Section C. Vacancies

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

Section D. Compensation

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

ARTICLE VI. OFFICERS

Section A. Authorized Officers

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

Section B. Election of Officers and Chairpersons.

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

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

Section C. Removal

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

Section D. President

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

Section E. Vice President

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

Section F. Secretary

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

Section G. Treasurer and Comptroller

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

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

ARTICLE VII. AMENDMENTS

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

ARTICLE XIII. CORPORATE SEAL

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

ARTICLE IX. FISCAL 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 16 day of June
2010.



Secretary



Annual BUDGET

FY 2012-2013



FLORIDA ENGINEERS MANAGEMENT CORP
APPROVED BUDGET
JULY 1, 2011-JUNE 30, 2012

	<u>TOTAL BUDGET</u>	<u>GRANTS & AID</u>	<u>UNLICENSED</u>
Income			
500 · State Contract DBPR	\$ (2,124,473.00)	\$ (2,070,000.00)	\$ (54,473.00)
	<hr/>	<hr/>	<hr/>
	\$ (2,124,473.00)	\$ (2,070,000.00)	\$ (54,473.00)
 Expenses			
621 State Archive Fees	\$ 220.00	\$ 220.00	\$ -
600 · Salaries & Benefits			
600.10 · Salaries - Full Time Wages	\$ 1,002,049.00	\$ 967,469.91	\$ 34,579.09
600.20 Retirement	\$ 100,205.00	\$ 96,747.09	\$ 3,457.91
600.30 · Payroll Taxes	\$ 84,973.00	\$ 82,094.74	\$ 2,878.26
600.40 · Personnel Insurance			
Health	\$ 122,500.00	\$ 118,036.71	\$ 4,463.29
Dental	\$ 6,334.00	\$ 6,155.97	\$ 178.03
Worker's Comp (Hartford)	\$ 2,697.00	\$ 2,627.84	\$ 69.16
Life & Disability	\$ 11,800.00	\$ 11,372.06	\$ 427.94
Total Personnel Insurance	<hr/>	<hr/>	<hr/>
	\$ 143,331.00	\$ 138,192.58	\$ 5,138.42
600.50 Accrued Leave Liability	\$ 54,000.00	\$ 54,000.00	
Total 600 · Salaries & Benefits	<hr/>	<hr/>	<hr/>
	\$ 1,384,558.00	\$ 1,338,504.32	\$ 46,053.68
601 · Other Personnel Services (OPS)	\$ 22,000.00	\$ 22,000.00	
630 · Consultant Expense			
638 · Prosecution/Enforcement	\$ 178,500.00	\$ 170,080.68	\$ 8,419.32
636 · Court Reporters	\$ 5,000.00	\$ 5,000.00	
634 · Computer Consultants/Services	\$ 35,000.00	\$ 35,000.00	
634.10 Human Resource Consultant	\$ 1,000.00	\$ 1,000.00	
633 · Accounting Services	\$ 31,000.00	\$ 31,000.00	
632 Legal - FEMC General Counsel	\$ 2,500.00	\$ 2,500.00	
Total 630 · Consultant Expense	<hr/>	<hr/>	<hr/>
	\$ 253,000.00	\$ 244,580.68	\$ 8,419.32
775 · Employment/Training	\$ 12,000.00	\$ 12,000.00	
616 · Publications/Dues	\$ 7,000.00	\$ 7,000.00	
610 · Insurance			
610.10 · Directors & Officers Insurance	\$ 6,000.00	\$ 6,000.00	
610.20 · Commercial Liability	\$ 5,000.00	\$ 5,000.00	
610.30 · Professional Liability	\$ 10,647.00	\$ 10,647.00	
Total 610 · Insurance	<hr/>	<hr/>	<hr/>
	\$ 21,647.00	\$ 21,647.00	\$ -
673 · Board Member Honorarium	\$ 11,000.00	\$ 11,000.00	
800 · Furniture (& Equipment)	\$ 22,000.00	\$ 22,000.00	
801. Computers & Software	\$ 8,000.00	\$ 8,000.00	
850. Study Guide (includes IT)	\$ 1,000.00	\$ 1,000.00	
626 · Copying & Printing			
626.20 · General Office	\$ 22,000.00	\$ 22,000.00	
626.30 · Board/Committee Meetings			
626.40 · Newsletters			
626.50 - New Licenses			
Total 626 · Copying & Printing	<hr/>	<hr/>	<hr/>
	\$ 22,000.00	\$ 22,000.00	\$ -
620 · Office Supplies	\$ 22,000.00	\$ 22,000.00	
655 · Leased Equipment & Repair	\$ 22,000.00	\$ 22,000.00	

FLORIDA ENGINEERS MANAGEMENT CORP
APPROVED BUDGET
JULY 1, 2011-JUNE 30, 2012

625 · Postage				
	625.10 · Newsletters - Electronic	\$	3,500.00	\$ 3,500.00
	625.40 · General Office	\$	25,000.00	\$ 25,000.00
Total 625 · Postage		\$	28,500.00	\$ 28,500.00 \$ -
650 · Office Space				
	651 · Lease Payment	\$	113,000.00	\$ 113,000.00
	652 · Utilities	\$	15,000.00	\$ 15,000.00
	653 · Janitorial	\$	5,800.00	\$ 5,800.00
	656 · Pest Control	\$	350.00	\$ 350.00
	657 · Security Monitoring	\$	500.00	\$ 500.00
	658 · Moving Expenses	\$	9,000.00	\$ 9,000.00
Total 650 · Office Space		\$	143,650.00	\$ 143,650.00 \$ -
640 · Telephone				
	640.10 · Local/Line Charges	\$	15,000.00	\$ 15,000.00
	640.20 · Long Distance	\$	2,000.00	\$ 2,000.00
	640.30 · Internet Access Charges	\$	1,750.00	\$ 1,750.00
	640.40 · Conference Calls	\$	898.00	\$ 898.00
Total 640 · Telephone		\$	19,648.00	\$ 19,648.00 \$ -
672 Training/Board Members		\$	750.00	\$ 750.00
680 · Travel				
	680.10 · Board/Committee Meetings	\$	100,000.00	\$ 100,000.00
	680.20 · Investig./Prosecut./Challenge	\$	4,000.00	\$ 4,000.00
	680.30 · NCEES Travel	\$	12,000.00	\$ 12,000.00
	680.40 · General Travel	\$	1,000.00	\$ 1,000.00
Total 680 · Travel		\$	117,000.00	\$ 117,000.00 \$ -
702 · NCEES Fees for Dues/Tests		\$	6,500.00	\$ 6,500.00
740 Renewal Expenses				
	740.10 Printing/Mailing Renewal Notice			
	740.30 Printing Licenses/ID Cards			
	740.40 Mailing Licenses/ID Cards			
	740.50 Renewal OPS			
740 Total Renewal Expenses		\$	-	\$ - \$ -
Total Expense		\$	2,124,473.00	\$ 2,070,000.00 \$ 54,473.00
Net Ordinary Income (Loss)		\$	-	\$ - \$ (0.00)



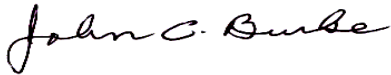
FEMC



ANNUAL
Certification

**Certification of the
Florida Engineers Management Corporation
2011-2012**

Pursuant to Section 471.038(3)(j)2., Florida Statutes, and the terms of Contract Number 11-00006-00 between FEMC and the Department of Business and Professional Regulation, the Board of Professional Engineers certifies that based on the information available and reviewed for FEMC's 2011-2012 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.



John C. Burke, Chair
Board of Professional Engineers

Date: September 28, 2012



ANNUAL

Financial Compliance Audit



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

MANAGEMENT LETTER

August 27, 2012

Board of Directors
Florida Engineers Management Corporation
Tallahassee, Florida

We have audited the financial statements of Florida Engineers Management Corporation (the Corporation) as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated August 27, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major State Project and on Internal Control Over Compliance in Accordance with Chapter 10.650, Rules of the Auditor General of the State of Florida, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated August 27, 2012, should be considered in conjunction with this management letter.

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

PRIOR YEAR AUDITOR'S OBSERVATIONS AND RECOMMENDATIONS

Printing of Licenses

Observation/Recommendation:

The Corporation prints licenses in-house using blank paper. Management established procedures to improve safekeeping and printing of licenses by controlling the blank paper stock and having an employee independent from licensure reviewing the printed licenses and verifying sequential audit numbers. During our testing of the licenses, we noted one audit number was omitted from the review sheets and was not caught by the reviewer. We also noted one audit number that was used twice. Management should continue to improve the procedures relating to verifying the sequential audit numbers.

Management's Response and Planned Corrective Actions:

During the previous twelve month period which included a renewal period, approximately 36,000 audit numbers were issued for printed licenses resulting in one (1) missing audit number and an audit number being used twice. Given that the majority of the licenses were printed without error, it appears that the missing audit number and the audit number used twice was either a technology or operator error. No licenses were issued that should not have been issued and no licenses were withheld that should have been issued. FEMC will continue to strive for full compliance in the issuance of audit numbers for printed licenses and correct any operator error.

Current Year Status

No similar instances were noted in the current year.

Cash Disbursements

Observation/Recommendation:

Management instituted a retroactive salary adjustment program in June 2011 that applied to all employees (excluding new hires, part-time employees, and certain employees who had received recent salary adjustments as a result of reclassifications and promotions). We noted that one employee who was not eligible for this program received a payment of less than \$2,000. Management should ensure that all payments made to employees are reviewed and approved prior to being paid, to ensure compliance with applicable policies or other requirements.

Management's Response and Planned Corrective Actions:

Management concurs with the comment and will ensure that all future payments made to employees will be carefully reviewed prior to approval in order to ensure compliance with policies and other requirements. As the event was the result of a one-time payment, it is unlikely that it will happen again in the future.

Current Year Status

No similar instances were noted in the current year.

Payroll

Observation/Recommendation:

During our testing of twenty-five payroll disbursements, we noted four instances in which the Executive Director did not review and approve the payroll reports before the payroll disbursements were processed. The Executive Director should review and approve the payroll reports before payroll disbursements are processed.

Management's Response and Planned Corrective Actions:

The Controller will provide the payroll reports in a timely manner to the Executive Director, Assistant Executive Director, or a designee of the Executive Director. If a designee is needed, the Executive Director will provide written authorization of such to the Controller and designee for the time period specified.

Current Year Status

No similar instances were noted in the current year.

Interest Income Due to the State

Observation/Recommendation:

According to Section VI, Paragraph I. of the contract with the Florida Department of Business and Professional Regulation, FEMC is required to return any interest earned on the funds advanced to FEMC to the Department on a quarterly basis. We noted that FEMC did not return the interest to the Department on a quarterly basis, and that only a portion of the interest had been returned. Management should implement procedures to ensure interest earned is returned to the Department on a quarterly basis.

Management's Response and Planned Corrective Actions:

FEMC will ensure that all interest monies owed to the state will be returned on a quarterly basis. Although it was not on a quarterly basis, as of July 2011, all interest was returned to the state.

Current Year Status

No similar instances were noted in the current year.

CURRENT YEAR OBSERVATIONS AND RECOMMENDATIONS

Payroll Reporting and Personnel Files

Observation/Recommendation:

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

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

Management's Response and Planned Corrective Actions:

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

Payroll Tax Returns

Observation/Recommendation:

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

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

Management's Response and Planned Corrective Actions:

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

Audit Adjusting Entries

Observation/Recommendation:

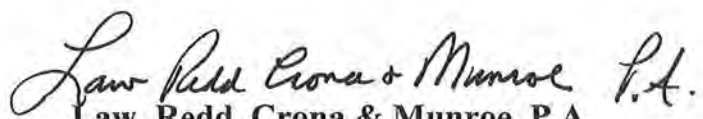
During our testing of balance sheet accounts, we noted that some of the beginning balances did not agree to the fiscal year end June 30, 2011 audited balances. Upon our interim review of the March 31, 2012 financial statements, it was evident that some of the audit adjusting entries resulting from the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

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

Management's Response and Planned Corrective Actions:

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

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


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

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

**Financial Statements
and Supplementary Information**

For the Years ended June 30, 2012 and 2011



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

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

Independent Auditor's Report

August 27, 2012

Board of Directors
Florida Engineers Management Corporation
Tallahassee, Florida

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) as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Corporation as of June 30, 2011 were audited by other auditors whose report dated August 22, 2011 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of June 30, 2012 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2012, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages three through five 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 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 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of State Financial Assistance is presented for purposes of additional analysis as required by Chapter 10.650, Rules of the Auditor General of the State of Florida, 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 taken as a whole.


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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Background and Funding Information

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

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

Overview of the Financial Statements

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Highlights

Management is pleased that the Corporation's strict adherence to its budget has allowed for upgrades to equipment, software and processes, a move to a new location and has resulted in the creation of a modest surplus at year end and a subsequent return of funds to the Department.

Financial Analysis

Balance Sheets

The following schedule provides a summary of the assets, liabilities and net assets of the Corporation as of June 30, 2012 and 2011:

Assets		
	2012	2011
Current Assets	\$ 244,028	\$ 164,874
Non-current Assets	160,216	93,498
Total Assets	<u>\$ 404,244</u>	<u>\$ 258,372</u>
Liabilities and Net Assets		
Current Liabilities	\$ 153,784	\$ 171,715
Net assets	250,460	86,657
Total Liabilities and Net Assets	<u>\$ 404,244</u>	<u>\$ 258,372</u>

Total assets increased due to an increase in prepaid expenses for engaged contracts to continue the upgrades to move toward a paperless renewal and operating process. In addition, leasehold improvements were made upon relocation of the office.

The increase in total liabilities was due primarily to an increase in accounts payable for leasehold improvements and employee training.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Statements of Revenues, Expenses and Changes in Net Assets

The following schedule provides a summary of the revenues, expenses and changes in net assets for the years ended June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Operating revenues	\$ 2,124,473	\$ 2,090,875
Operating expenses	<u>1,905,963</u>	<u>1,977,917</u>
Excess of Revenues over Expenses	218,510	112,958
Reversion to State of Florida	<u>(54,707)</u>	<u>(102,014)</u>
Change in net assets	163,803	10,944
Total net assets, beginning of year	<u>86,657</u>	<u>75,713</u>
Total net assets, end of year	<u>\$ 250,460</u>	<u>\$ 86,657</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 Corporation reduced overall operating expenses in the fiscal year ended June 30, 2012 by focusing on seven major areas.

- The Corporation continues to use Basecamp which allows Board members to access and download agenda books for all Board meetings and Probable Cause.
- The Corporation continues to provide electronic newsletters thus saving on printing and postage.
- The Corporation continues to hold all meetings in one location which has resulted in savings on travel.
- The Corporation continues to reduce the number of persons required to travel to application committee meetings.
- The Corporation changed to a less costly teleconference provider and holds more meetings by teleconference thus reducing the need for travel.
- The Corporation moved to a new location reducing telephone, rent and utilities.
- The Corporation did not replace the Assistant Executive Director that replaced the retired Executive Director in January 2012.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Economic Factors and Next Year's Budget

The Corporation's operating budget will remain the same for the fiscal year ending June 30, 2013. Grants and aid funds in the amount of \$2,070,000 and unlicensed activity funds in the amount of \$54,473 comprise the total budget of \$2,124,473.

FLORIDA ENGINEERS MANAGEMENT CORPORATION
(A COMPONENT UNIT OF THE STATE OF FLORIDA)
BALANCE SHEETS
JUNE 30, 2012 and 2011

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 153,784	\$ 115,312
Prepaid Expenses	90,244	49,562
Total Current Assets	<u>244,028</u>	<u>164,874</u>
NONCURRENT ASSETS		
Deposits	-	7,071
Capital Assets, net	160,216	86,427
Total Noncurrent Assets	<u>160,216</u>	<u>93,498</u>
Total Assets	<u>\$ 404,244</u>	<u>\$ 258,372</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 99,077	\$ 69,701
Due to Florida Department of Business and		
Professional Regulation	54,707	102,014
Total Current Liabilities	<u>153,784</u>	<u>171,715</u>
Total Liabilities	<u>153,784</u>	<u>171,715</u>
NET ASSETS		
Invested in Capital Assets, net of related debt	160,216	86,427
Restricted for Prepaid Expenses	90,244	230
Total Net Assets	<u>250,460</u>	<u>86,657</u>
Total Liabilities and Net Assets	<u>\$ 404,244</u>	<u>\$ 258,372</u>

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 ASSETS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES:		
Transfer In - Florida Department of Business and Professional Regulation	\$ 2,124,473	\$ 2,090,875
TOTAL OPERATING REVENUES	<u>2,124,473</u>	<u>2,090,875</u>
OPERATING EXPENSES:		
Salaries and benefits	1,169,179	1,233,286
Professional and consulting fees	261,451	242,212
Occupancy costs	128,493	151,776
Meeting and travel expenses	105,452	108,694
Depreciation	46,096	52,487
Renewal activities	-	33,315
Postage	21,249	31,210
Repairs and maintenance	20,360	23,363
Printing and copying	13,810	23,296
Telephone	12,555	20,555
Office supplies and expenses	71,418	18,900
Insurance	24,586	18,289
Dues and subscriptions	8,964	7,548
Testing services and fees	6,500	6,500
Employee training	15,850	6,486
TOTAL OPERATING EXPENSES	<u>1,905,963</u>	<u>1,977,917</u>
EXCESS OF REVENUES OVER EXPENSES	218,510	112,958
REVERSION TO FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION	<u>(54,707)</u>	<u>(102,014)</u>
CHANGE IN NET ASSETS	163,803	10,944
NET ASSETS, Beginning of Year	86,657	75,713
NET ASSETS, End of Year	<u>\$ 250,460</u>	<u>\$ 86,657</u>

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, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Florida Department of Business and Professional Regulation	\$ 2,124,473	\$ 2,090,875
Payments to Vendors	(781,292)	(764,710)
Payments to Employees	(1,184,824)	(1,225,809)
Net Cash Provided by Operating Activities	<u>158,357</u>	<u>100,356</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(119,885)	(28,164)
Net Increase in Cash	38,472	72,192
Cash and Cash Equivalents, Beginning of Year	<u>115,312</u>	<u>43,120</u>
Cash and Cash Equivalents, End of Year	<u>\$ 153,784</u>	<u>\$ 115,312</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO THE NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	\$ 163,803	\$ 10,944
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	46,096	52,487
Loss on Disposal of Capital Assets	-	409
(Increase) Decrease In:		
Accounts Receivable	-	9,382
Prepaid Expenses	(40,682)	(19,590)
Deposits	7,071	-
Increase (Decrease) In:		
Accounts Payable and Accrued Expenses Due to Florida Department of Business and Professional Regulation	29,376	(55,286)
	<u>(47,307)</u>	<u>102,010</u>
Net Cash Provided by Operating Activities	<u>\$ 158,357</u>	<u>\$ 100,356</u>

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, 2012 AND 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Corporation has the option to apply FASB pronouncements issued after that date to its business-type activities, the Corporation has chosen not to do so.

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 assets, financial position, and cash flows, similar to business enterprises. The Corporation's books are maintained on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

Reporting Entity – No component units have been identified for the years ended June 30, 2012 and 2011.

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

FLORIDA ENGINEERS MANAGEMENT CORPORATION
(A COMPONENT UNIT OF THE STATE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Reclassifications – Certain June 30, 2011 amounts have been reclassified to conform to the June 30, 2012 presentation.

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, 2012 are \$153,784 and \$240,564, respectively. Cash account balances are secured by the Federal Deposit Insurance Corporation (FDIC), up to \$250,000 per bank, with unlimited coverage provided on certain non-interest bearing accounts on a temporary basis, effective December 31, 2010 through December 31, 2012. At June 30, 2012, the Corporation had no uninsured balances.

FLORIDA ENGINEERS MANAGEMENT CORPORATION
(A COMPONENT UNIT OF THE STATE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 3 – CONCENTRATION OF CREDIT RISK AND CONTINGENCY

The Corporation receives all of its revenue from a contract with the State of Florida, Department of Business and Professional Regulation. In performing the administrative services under this contract, the Corporation collected and processed approximately \$832,166 and \$5,518,508 of fees and revenues on the Board's behalf during the years ended June 30, 2012 and 2011, respectively. These amounts were deposited directly into the Department's trust fund account and do not reflect revenues of the Corporation. Therefore, they have not been recorded in the accompanying financial statements.

The contract amount for the fiscal year ended June 30, 2012 is \$2,124,473. The Department's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Florida Legislature. In addition, upon determination by the Department and the Board, at any time during the term of the contract that the Corporation no longer operates for the benefit of the Board and in the best interest of the State, all monies and property held shall revert to the Board or the Department.

NOTE 4 – CAPITAL ASSETS

Capital assets consist of the following:

	June 30, 2011	Additions	Deletions	June 30, 2012
Furniture and Equipment	\$ 126,218	\$ 7,818	\$ (33,770)	\$ 100,266
Leasehold Improvements	30,310	38,345	0	68,655
Computers and Software	171,207	73,722	(6,775)	238,154
	<u>327,735</u>	<u>119,885</u>	<u>(40,545)</u>	<u>407,075</u>
Less: accumulated depreciation	(241,308)	(46,096)	40,545	(246,859)
	<u>\$ 86,427</u>	<u>\$ 73,789</u>	<u>\$ 0</u>	<u>\$ 160,216</u>

NOTE 5 – RETIREMENT BENEFITS

The Corporation maintains a defined contribution retirement plan for all full time employees having completed one year of service. For employees hired prior to July 1, 2011, management has designated a quarterly contribution of ten percent (10%) of each eligible employee's gross quarterly earnings. For all full time employees hired on or after July 1, 2011 the employer contribution is five percent (5%) of each eligible employee's gross quarterly earnings and after five years of service, contributions are increased to ten percent (10%) of each eligible employee's gross quarterly earnings. Contributions to the plan for the years ended June 30, 2012 and 2011 were \$80,239 and \$117,300, respectively.

FLORIDA ENGINEERS MANAGEMENT CORPORATION
(A COMPONENT UNIT OF THE STATE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 6 – OPERATING LEASE COMMITMENTS

The Corporation leases office space and equipment under operating leases expiring at various dates through September 2017. The lease for office space is cancellable with one month prior written notice, in the event that the Corporation's program is cancelled or funding is not available. Future minimum rental payments under these leases as of June 30, 2012 are as follows:

<u>For the year ending June 30,</u>	
2013	\$ 141,516
2014	133,917
2015	134,854
2016	135,895
2017	3,585
Total	<u>\$ 549,767</u>

Rent expense for the years ended June 30, 2012 and 2011 was \$113,636 and \$130,827, respectively.

NOTE 7 – RISK MANAGEMENT

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

NOTE 8 – INCOME TAXES

For the year ended June 30, 2012, the Corporation has 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. The Corporation has filed all required tax returns in all jurisdictions in which it operates. Tax years after 2008 remain subject to examination by the applicable taxing authorities.

FLORIDA ENGINEERS MANAGEMENT CORPORATION
(A COMPONENT UNIT OF THE STATE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 9 – RELATED PARTY TRANSACTIONS

The Corporation transacted with Roger Jeffery, P.E., Chairman of the Board, to provide expert witness and consulting services in the amount of \$30,500 for the fiscal year ended June 30, 2012.

NOTE 10 – EVALUATION OF SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through August 27, 2012, 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 PROJECTS
FOR THE YEAR ENDED JUNE 30, 2012**

<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>\$ 1,905,963</u>

Notes:

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

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***

August 27, 2012

Board of Directors
Florida Engineers Management Corporation

We have audited the financial statements of Florida Engineers Management Corporation (the Corporation) (a nonprofit organization and component unit of the State of Florida) as of and for the year ended June 30, 2012, and have issued our report thereon dated August 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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


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



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

**Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major
State Project and on Internal Control Over Compliance
in Accordance with Chapter 10.650, Rules
of the Auditor General of the State of Florida**

August 27, 2012

Board of Directors
Florida Engineers Management Corporation

Compliance

We have audited the compliance of Florida Engineers Management Corporation (the Corporation) (a nonprofit organization and component unit of the State of Florida) with the types of compliance requirements described in the Department of Financial Service's 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, 2012. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major state project is the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's compliance based on our audit.

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 of the State of Florida. Those standards and Chapter 10.650, Rules of the Auditor General of the State of Florida 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. Our audit does not provide a legal determination of the Corporation's compliance with those requirements.

In our opinion, Florida Engineers Management Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended June 30, 2012.

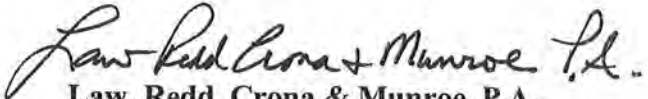
Internal Control Over Compliance

Management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state projects. In planning and performing our audit, we considered the Corporation's internal control over compliance with the requirements that could have a direct and material effect on a major state project to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General of the State of Florida, 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.

Our consideration of the 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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


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

**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, 2012**

Section I – Summary of Auditor's Results

Financial Statements

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

State Financial Assistance

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

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

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

Section II – Financial Statement Findings

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

Section III – State Financial Assistance

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

**FLORIDA ENGINEERS MANAGEMENT CORPORATION
(A COMPONENT UNIT OF THE STATE OF FLORIDA)
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012**

State Programs - None



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

August 27, 2012

Board of Directors
Florida Engineers Management Corporation

We have audited the financial statements of Florida Engineers Management Corporation (the Corporation) for the year ended June 30, 2012, and have issued our report thereon dated August 27, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated September 20, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2012. 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 estimates affecting the financial statements were:

1. Management's estimates of the depreciation computed 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.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

1. An audit adjusting entry of \$15,754 to adjust beginning net assets to agree to the June 30, 2011 audited financial statements.
2. An audit adjusting entry to reclassify \$33,085 in disbursements to Prepaid Expenses since they are for services that will be rendered in the fiscal year ending June 30, 2013.
3. An audit adjusting entry of \$10,936 to reclassify the balance of the proceeds from Advanced Business Systems to be used to make payments on the copier contract with Xerox.
4. An audit adjusting entry of \$3,783 to accrue the additional retirement liability attributable to accrued leave.
5. An audit adjusting entry of \$40,545 to remove assets no longer in service.
6. An audit adjusting entry of \$46,096 to record depreciation expense.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 client representation letter dated August 27, 2012.

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

Board of Directors
Florida Engineers Management Corporation
Page Two

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.

Because an audit does not include an examination of every transaction, although no material weaknesses were noted during our performance of the audit, we would like to emphasize the following with regard to internal controls. The Corporation is a small organization, and that dictates that The Corporation remain involved in the financial affairs of The Corporation to provide oversight and independent review functions.

Other Information in Documents Containing Audited Financial Statements

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

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

Very truly yours,


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