Meeting Objectives

• Welcome
• Department Introductions
• Overview/Update
• Redesign/Valid Registrations
• Resources
• Onsite Visits
• Use of Funds
• Annual Reporting-Audit or Attestation
• Inspector General
• Notification & Contact Info
• Questions and Answers
Welcome

Department of Highway Safety and Motor Vehicles

Providing highway safety and security through excellence in service, education and enforcement.
Introductions

- Rick White, Deputy Director, Motorist Services
- Julie Larsen, Chief, Bureau of Issuance Oversight
- Brittany Close, Bureau of Issuance Oversight
- Paula Stanfield, Bureau of Issuance Oversight
- Jeanette Collins, Bureau of Issuance Oversight
- David Ulewicz, Office of the Inspector General
- Cindy Fernald, Office of the Inspector General
- Kyle Tolbert, Office of the Inspector General
Specialty License Plates Overview/Update

• 123 Specialty License Plates
• Legislative Updates:
  – 2017 (The Legislative Session concluded with no new specialty license plates being created.)
SLP Redesign Process

- Organization may request a redesign of the specialty plate if:
  - The inventory of those plates has been depleted, or
  - The organization agrees to purchase the remaining inventory of the specialty license plates from the department at cost
Typical redesign process:

• Organization submits letter of intent to redesign, agrees to purchase remaining stock and provides artwork to department
  – Completion of this step officially initiates the redesign process

• Counties will continue to issue their existing stock

• Orders for additional inventory will be canceled. If needed, orders will be filled from Tallahassee Supply Office

• Prison Rehabilitative Industries and Diversified Enterprise, Inc. (PRIDE) will only manufacture personalized license plates

• Metal license plates are reviewed by Florida Highway Patrol for legibility

• Electronic and metal license plates will be submitted to organization for approval
SLP Redesign Process

Process continued:

• When license plate is approved by organization, an order is sent to PRIDE

• Department notifies organization of final buyout amount
  – Includes stock at PRIDE and stock in tax collector offices

• When the buyout check is received, the newly designed license plates are sent to county offices

• Redesign process is approximately 6 – 9 months
1,000 Valid Registrations

• Most organizations must maintain 1,000 valid registrations. Collegiate license plates are exempt from this requirement.

• New specialty license plates – When the license plates go on sale the organization has 1-year to reach 1,000 valid registrations. At the end of that year, if they do not have the required valid registrations, the organization will be placed on probation for 1-year. They will have that year to reach the 1,000 valid registrations. If they do not, we will discontinue the license plate and it will no longer be available for renewal, replacement or original issuance. However, anytime during that year if the 1,000 valid registrations are met, we will remove the organization from probation.
1,000 Valid Registrations

• Established specialty license plates – Most organizations must maintain 1,000 valid registrations. Every month, the numbers of valid registrations are reviewed. Any organization that is below 1,000 valid registrations will be placed on probation for 1 year. They will have that year to reach the 1,000 valid registrations. If they do not, we will discontinue the license plate and it will no longer be available for renewal, replacement or original issuance. However, anytime during that year if the 1,000 valid registrations are met, we will remove the organization from probation.
Resources - Specialty License Plate and Voluntary Contribution Section

• Two Key Areas:
  – Creation, redesign, and probation
    • Paula Stanfield (paulastanfield@flhsmv.gov)
    • Voucher process, started in 2010
      – 1,000 minimum to create and maintain plate
  – Audit and review
    • Jeanette Collins (jeanettecollins@flhsmv.gov)
    • Review of annual attestations & single audits filed
      – Verifies reported information against Florida Statute
      – Requests additional documentation as needed
      – Identifies common errors/problems in reviews
      – Contacts organization for onsite visit as needed
      – Referral to Inspector General’s office as needed
Resources - Florida Specialty License Plates and Voluntary Contribution Website

http://www.flhsmv.gov/specialtytags/SLP.html

SLP/VC SALES AND DISTRIBUTION REPORTS

Webpage - Motorist Services
http://services.flhsmv.gov/specialtyplates/

Report – Specialty License Plate Sales Report
Data - Sales by county, day, month, year

Source: Florida Real Time Vehicle Information System (FRVIS)

Webpage – Bureau of Accounting Web Portal
http://services.flhsmv.gov/specialtyplates/revenuedistributionpayments.aspx

Report – Revenue Distribution Payment Reports
Data - Distributions by CSFA and revenue type (SLP or VC)

Source – HSMV Accounting System (FAME)

Webpage – Florida CFO/Department of Financial Services Payments
http://flair.dbf.state.fl.us/dispub2/newvpymt4.shtml

Report – Vendor/Payee Payment Reports
Data - Distributions by FEID, day, month, year

Source – Florida Accounting Information Resource System (FLAIR)

All reports will be linked on the Specialty License Plate webpage
Resources - Survey of Marketing
Revenues for Specialty License Plates

- Promotional events & website by Internal Staff (Ex: Radio, mass media, internet advertisements)
- Promotional events & website by Outside Company
- Promotional mailings by Internal Staff (Ex: Printing services-inserts (plate renewals), post cards, newsletters)
- Promotional mailings by Outside Company
- Promotional consulting to update marketing plan w/ revised strategies by Internal Staff
- Promotional consulting to update marketing plan w/ revised strategies by Outside Company
- No promotional consulting

Source: September 2016 Marketing Survey conducted by Motorist Services
Onsite Visits

• Onsite visits will continue to be conducted by the Department’s Division of Motorist Services staff.

• Ways to Help Avoid Non-Compliance:
  - Timely submission of completed Affidavit (also known as Attestation) or Single Audit
  - Ensure compliance with allowable expenses per statute
  - Ensure compliance with statutory limitations for administrative & marketing/promotion expenses
  - Verify compliance with specific statutory requirements or limits on certain percentages of program expenditures, distributions, or grants
  - Maintain all supporting documentation for revenues (deposits) and expenditures related to specialty license plates and voluntary contribution funds

  Retention Period: 5 years

*Please note that onsite visits may also be handled on a case by case situation.
USE OF FUNDS – Allowable expenses

Florida Specialty License Plates & Voluntary Contribution Website

ReportingRequirementsTrainingAid.pdf
Use of Funds, Specialty License Plates

- Each Organization must ensure proceeds are used in accordance with Florida Statute*
- Allowable Expenditures may include:
  - Start-up costs
  - Program and project costs*
  - Administrative costs
  - Promotion and marketing costs
  - Annual audit or compliance affidavit costs
- If an expenditure is NOT specified in law, it is **not allowed**. Additionally, percentages authorized in statute must be adhered to.*

*Applies to voluntary contribution funds as well.
Use of Funds, Specialty License Plates

- **Program Expenses** - incurred solely for purposes provided in law. Generally include:
  - Salaries of employees and officers
  - **Timesheets** – for individuals actively participating in authorized programs
  - Office supplies, equipment, travel, paper, printing, postage, internet site, contracted goods and services if **directly** associated with an authorized program purpose
  - Grants - solicitation and award process

(Similar for voluntary contributions)
Use of Funds, Specialty License Plates

• **Administrative Expenses** — operating costs of entity
  - Permitted **only** if specifically stated in statute
  - Permitted **up to** the percentage specified in law
  - Examples of administrative expenses allowed include:
    
    (S. 320.08056(10), F.S.)
    
    - Administrative salaries of employees and officers of the organization who do not or cannot prove, via detailed daily time sheets, that they actively participate in program activities
    - Bookkeeping and support services of the organization
    - Office supplies and equipment not directly utilized for the specified program
    - Travel time, per diem, mileage reimbursement, and lodging expenses not directly associated with a specified program purpose
    - Paper, printing, envelopes, and postage not directly associated with a specified program purpose
    - Miscellaneous expenses such as food, beverage, entertainment, and conventions
Use of Funds, Specialty License Plates

• Promotion and Marketing Expenses
  – Permitted only if specifically stated in statute
  – Permitted up to the percentage specified in law
  – Examples include
    • Website
    • Mass media advertisements
    • Mail-outs and postage

Note: Administration and marketing funds must be spent in the year received. If not spent that year, these funds can be carried forward for program purposes only.
Use of Funds, Specialty License Plates

• Annual Audit or Compliance Affidavit Expenses
  – Audit fees for Florida Single Audit (S. 215.97, F.S.)
    • Permitted in the ratio of expenditures of SLP fees to all other state financial assistance expenditures for the fiscal year (S. 215.97(8)(k), F.S.)
      Please see next slide for example

  – Compliance Affidavit preparation fees
    • Permitted for the actual preparation costs (does not include normal accounting function expenses)
### Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2015

<table>
<thead>
<tr>
<th>State Agency / Pass-through Entity / State Project</th>
<th>CEFA Number</th>
<th>Contract/Grant Number</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Florida Department of Education and Commissioner of Education</td>
<td></td>
<td>02F-90570-0001, 63001</td>
<td>$3,421,340</td>
</tr>
<tr>
<td>School and Instructional Enhancement Programs</td>
<td>46,040</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State of Florida Department of Highway Safety and Motor Vehicles</td>
<td></td>
<td>76,112</td>
<td>197,587</td>
</tr>
<tr>
<td>Voluntary Contribution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>License Plates</td>
<td>76,134</td>
<td></td>
<td>87,060</td>
</tr>
</tbody>
</table>

**Total Expenditures of State Financial Assistance**

$3,715,993

\[
\frac{97,066}{3,715,993} = 0.03\%
\]

0.03 = Ratio

0.03 \times \text{Audit Fees for Florida SA} = \text{Allowable Expenses}
Use of Funds, Specialty License Plates

• Disallowed Expenses
  – Any expenditure of SLP/VC fees that do not comply with Florida Statutes
  – Any SLP/VC expenditure, whether authorized or not, that cannot be substantiated with a detailed employee time sheet, a receipt, or a cancelled check.

• Receipts (or invoices) should include relevant details of services provided, dates, etc.
Use of Funds, Voluntary Contribution

• Important to Remember
  – Voluntary Contribution (VC) organizations may not use administrative or marketing expenses unless explicitly identified in statute.
  – VC organizations that also have a specialty plate may not apply the authorized plate admin/marketing thresholds to funds earned from their voluntary contributions.
State Financial Assistance (SFA)  
Specialty License Plate and Voluntary Contributions

Section 215.97, F.S. (Florida Single Audit Act - FSAA)

➢ Applies to **all SLP and VC regardless of amount** of funds received or expended for the following:
  
  -- Access to records
  -- Retention of Records
  -- Internal Controls
  -- Use of Funds

➢ Each SLP or VC is assigned a unique number in the Catalog of State Financial Assistance (CSFA). Include the CSFA # on:
  
  ▪ Agreements/grant awards/letters with subrecipients of SLP/VC funds
  ▪ Annual report to DHSMV, either the
    ❖ Affidavit, or
    ❖ Schedule of Expenditures of SFA (part of the state single audit)
Annual Reporting - Audit or Attestation

- If annual expenditures are **less than $750,000** for all **State** financial assistance from any State agency or not-for-profit entity:
  - File an Attestation (Affidavit Form) with DHSMV within 9 months of entity’s fiscal year end.

- Otherwise, CPA audit in accordance with F.S. 215.97 (Florida Single Audit). Filed with DHSMV and Auditor General within 45 days after delivery of the audit to the entity, but no later than 9 months of entity’s fiscal year end.
Annual Reporting-Audit or Attestation

• Affidavit Forms and Instructions

Specialty License Plate Affidavits

• Voluntary Contribution Affidavit (blank form)
• Specialty License Plate Affidavit (blank form)
• Specialty License Plate/Voluntary Contribution Affidavit Instructions

All about affidavits

http://www.flhsmv.gov/specialtytags/slpaudit.html
**Annual Reporting- Audit or Attestation**

![Specialty License Plate Form](image)

*Please see instructions at [http://www.flhsmv.gov/specialtytags/slpaudit.html](http://www.flhsmv.gov/specialtytags/slpaudit.html)*
Annual Reporting
Supplemental Form - Endowments

• Endowments may be established by:
  – Statute
  – Board Designation

• Supplemental info - annual filing with HSMV at same time as affidavit or state single audit
  – Endowment balances
  – Endowment activity

Special situations (contact HSMV)
- first year of filing
- commingled funds
Annual Reporting - Reminders

Ensure that ending balance from prior year matches beginning balance of current year.
Annual Reporting-Reminders

Ensure that ending balance from prior year matches beginning balance of current year.
Annual Reporting-Reminders

Keep sources of different funds separate from each other

**SPECIALTY LICENSE PLATE**

**REVENUE, EXPENDITURE, AND COMPLIANCE AFFIDAVIT**

1. PLEASE PROVIDE THE NAME OF YOUR ORGANIZATION, THE COUNTY OR COUNTIES OF OPERATION, AND THE TYPE OF SPECIALTY LICENSE PLATE THAT GENERATES ITS REVENUE.

   Organization A: [Name of organization]
   Organization B: [Name of organization]
   Specialty License Plate: [Type of specialty license plate]

2. PLEASE IDENTIFY YOUR ORGANIZATION’S FISCAL YEAR/ANNUAL ACCOUNTING PERIOD DATES.

   Start Date: 1/1/2010
   End Date: 12/31/2010

3. PLEASE IDENTIFY THE BEGINNING BALANCE OF LICENSE PLATE FUNDS.

   Beginning Balance: $0.00

4. PLEASE IDENTIFY THE CHECK/WARRANT DATE AND MONEY AMOUNTS RECEIVED BY YOUR ORGANIZATION FROM THE SPECIALTY LICENSE PLATE PROGRAM DURING THE MOST RECENT ACCOUNTING PERIOD.

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/03/20</td>
<td>$1.00</td>
</tr>
<tr>
<td>01/03/20</td>
<td>$2.00</td>
</tr>
<tr>
<td>01/03/20</td>
<td>$3.00</td>
</tr>
<tr>
<td>01/03/20</td>
<td>$4.00</td>
</tr>
<tr>
<td>01/03/20</td>
<td>$5.00</td>
</tr>
<tr>
<td>01/03/20</td>
<td>$6.00</td>
</tr>
<tr>
<td>01/03/20</td>
<td>$7.00</td>
</tr>
<tr>
<td>01/03/20</td>
<td>$8.00</td>
</tr>
<tr>
<td>01/03/20</td>
<td>$9.00</td>
</tr>
<tr>
<td>01/03/20</td>
<td>$10.00</td>
</tr>
</tbody>
</table>

   Additional warrants can be shown on page 2.

5. PLEASE PROVIDE A CATEGORICAL LIST OF EXPENDITURES FOR THE FISCAL YEAR.

<table>
<thead>
<tr>
<th>Purpose of Expenditure</th>
<th>Amount of Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>All funds are used for this program</td>
<td>$50,000.00</td>
</tr>
</tbody>
</table>

   Total Expenditure $ 50,000.00

   Ending Balance $ -6,245.00

Revised: April 2017
Annual Reporting-Reminders

• Notify Department **immediately** of change in staff. Ensure that at least 3 contact names and numbers (Program Director, Leadership, and Financial contact) have been provided to the Department for affidavit/single audit filing

• Notify Department if filing a Single Audit, but **no** expenditures were made during FY reporting period
Audit or Attestation

**Audit Types conducted by CPA firms for Specialty License Plate (SLP) recipients**

- May be required by entity by-laws or policy or other funding agencies
  - Financial Statement Audit
  - Federal Single Audit
- Required by s. 215.97, F.S. (related rules – Ch. 69I-5,FAC)
  - State Single Audit (FSAA) if entity expends a total amount of state financial assistance (SFA), of **$750,000 or greater**, during the entity’s fiscal year from ANY source
  - Project specific audit if entity only receives funds from one source
- Various audit types above will be consolidated by the CPA if multiple types are needed
## Audit or Attestation

### FSAA - Schedule of Expenditures of Federal Awards and State Financial Assistance

<table>
<thead>
<tr>
<th>Grantor</th>
<th>Match</th>
<th>CFDA# or CSFA#</th>
<th>Grant Number</th>
<th>Total Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Contracts and Grants (Continued)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Defense</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office of the Chief of Naval Research</td>
<td>12.300</td>
<td>N00014-11-1-0432</td>
<td>$115,503</td>
<td>$115,503</td>
</tr>
<tr>
<td>Basic and Applied Scientific Research</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Federal Contracts and Grants</td>
<td></td>
<td></td>
<td></td>
<td>$2,340,022</td>
</tr>
</tbody>
</table>

### State and Local Contracts and Grants

| State of Florida | | | | |
| Florida Fish & Wildlife Conservation Commission | 77.008 | 10087 | $282,615 | $282,615 |
| Mote Marine Laboratory - Stock Enhancement | 77.011 | 09012 | 292,467 | 292,467 |
| | 77.025 | 07041 | 491,102 | |
| | 77.025 | 12,054 | 321,088 | 812,190 |
| Manatee Research | | | | |
| Fish and Wildlife Research Support Program | | | | |
| | 76.069 | POR | 907,261 | 907,261 |
| Department of Highway Safety & Motor Vehicles | | | | |
| Protect our Reefs License Plate Project | | | | |
| | 76.070 | 11-004E | 7,250 | |
| | 76.070 | 11-008R | 183 | |
| | 76.070 | 12-011R | 12,001 | 19,434 |
| Sea Turtle License Plate Project | | | | |
| Passed through Sea Turtle Conservancy | | | | |
| | 42.015 | FDACS017138 | 85,030 | |
| | 42.015 | FDACS018492 | 85,342 | 170,372 |
| Department of Agriculture and Consumer Services | | | | |
| Aquaculture Development Projects | | | | |
| Total State and Local Contracts and Grants | | | | $2,484,339 |
| Total Financial Assistance | | | | $4,824,361 |
Keys to Maximizing Compliance

Specialty License Plates/Voluntary Contributions -

Ensure key staff:

– Review Statutes and DHSMV Guidance regularly
– Review FSAA Catalog and Compliance Supplement
  • All laws regarding use of funds apply even if your entity does NOT hit the $750,000 threshold (all state funds)
  • https://apps.fldfs.com/fsaa/index.aspx
– Discuss with your CPA if they are familiar with State compliance auditing
– Talk to Motorist Services staff
Keys to Ensuring the Trust of Donors and the Public
Initial and Annual Filings
Current knowledge of regulatory requirements

FS 617
Non Profit Incorporation Law

SunBiz – Annual Report
Articles of Incorporation; Bylaws
Governance; # of Directors; Minutes
Financial Records; Records Retention; Conflict of Interest

FS 496
Public Charity Law

Initial registration statement
Annual renewals
Annual and supplemental financial disclosures
-- 990, audit, form

SLP/VC
Affidavit
or
Single Audit

IRS
Tax exempt status
Annual filing – Form 990, etc
990 governance questions

Who
What
When

Board
Key Staff
Advisors
Internal Controls

Work environment with high regard for compliance and integrity

Process, effected by an entity’s board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance.

Source: Committee of Sponsoring Organizations (COSO)
Fraud Awareness and Deterrence

Work environment with high regard for compliance and integrity

Opportunity

Potential fraudsters identify an opportunity to use/abuse their position of trust for personal gain and they believe they have a low risk of getting caught in the act.

Opportunities stem from...
- Weak internal controls
- Poor security
- Unchecked management access
- Low likelihood of detection
- Lack of policy enforcement
- Uncontrolled vendor relationships

Opportunity can sway the otherwise honest.

Incentive

Need and greed are common incentives for committing fraud. When coupled with opportunity, the temptation can be all too great.

Common pressures that lead to fraud:
- Financial difficulties
- Living beyond means
- Control issues, unwillingness to share duties
- Divorce/family problems
- Wheeler-dealer attitude
- Unusually close association with vendors

Rationalization

Some individuals possess an attitude or set of ethical values that allows them to knowingly and intentionally commit a dishonest act. Others may be able to rationalize a fraudulent act as being consistent with their personal code of ethics.

Common rationalizations:
- “I was only borrowing the money.”
- “I was entitled to the money.”
- “I had to steal to provide for my family.”
- “I was underpaid; my employer cheated me.”
- “My employer is dishonest and deserved to be fleeced.”

Source: Association of Certified Fraud Examiners
Keys to Ensuring the Trust of Donors and the Public

• Accounting System - separate identification and reporting of SLP/VC revenues and expenditures
• Adequate records retention
• Adequate (clear and complete) invoice descriptions
• Continued familiarity of SLP/VC compliance when staffing changes occur
• Willingness to contact DHSMV staff with questions
Office of the Inspector General
Office of the Inspector General (IG)

- Office within the Department of Highway Safety and Motor Vehicles (DHSMV).
- Reports directly to the DHSMV Executive Director.
- Office of Inspector General established in each state agency and authorized to review the agency’s programs. (F.S. 20.055)
- Responsible for promoting accountability, integrity, and efficiency in government.
- Audits conducted in accordance with:
  - International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors.
  - Principles and Standards for Offices of Inspector General published by the Association of Inspectors General.
DHSMV IG
Authority to Examine Records

• Specialty License Plates (SLP) – F.S. 320.08062(3)

• Voluntary Contributions (VC):
  - Motor Vehicle Registration – F.S. 320.023(7)
  - Driver’s License Application – F.S. 322.081(7)

• Florida Single Audit Act – F.S. 215.97 (8)(d)
Audits Conducted by DHSMV IG

- **Purpose** - Determine compliance with use of SLP/VC fees
  - Statutes and Policies

- **Scope** – generally most recent or 2 years of data – will go back further in certain circumstances

- **Methodology**
  - Planning
  - Fieldwork
  - Communicating Results
DHSMV IG - Audit Methodology

• **Planning** (Preliminary work)
  – Initial contact with entity CEO – phone call
  – Written engagement letter (email)
  – Entrance conference (usually by phone)
    • CEO, accountant, etc - familiar with use of SLP/VC fees
    • Identify contact person
    • Nature of expenses; related organizations
    • Request records – general ledger and detail
    • Public Records – “Sunshine Law”
    • Schedule on-site office visit
DHSMV IG - Audit Methodology

• Fieldwork

After off-site review of preliminary records and sample selection:

– On-site inquiries/review of supporting documentation:
  • Services (contracts, billings) and Goods (invoices, receipts)
  • Credit Card/Debit Card charges (receipts)
  • Personnel (W2, timesheets, allocations)
  • Distributions (statutory basis)
  • Grants (proposals, awards, reports) – CSFA #
  • Bank statements

– Communicate known issues before leaving site

Consider additional written and verbal information (if needed after on-site review)
DHSMV IG - Audit Methodology

• On-site coordination goal:

  Efficient on-site review for your entity and DHSMV IG
  Minimize time – Maximize Information

  – Keys to a productive on-site review:
    • documentation available – format (electronic/paper)
    • knowledgeable contact person with sufficient authority committed
      to finalizing all outstanding issues

  – IG may be in the geographic area for a couple of days
    if scheduled with other entities

  Communicate, coordinate, cooperate!
DHSMV IG - Audit Methodology

• **Communicating Results** *(Reporting)*
  
  – Supervisor reviews audit work and draft report; findings and recommendations discussed with Motorist Services
  
  – Exit Conference (by phone) with entity
  
  – **If findings are proposed:**
    
    • Written ‘preliminary findings’ *(email)*
    
    • Entity response and planned corrective actions due in 20 working days; included in audit report
  
  – Final report provided to entity, Department staff, and available to interested parties

Follow up audit to confirm entity’s corrective actions
DHSMV IG - Recent SLP/VC Audit Findings and Observations

• Annual Report Filing – F.S. 320.08062
  – Affidavits not filed within 9 months of year end
    • Early filing; coordinate with timing of 990 filings
  – State Single Audits
    • Single audits are to be filed with Motorist Services if the entity has a single audit; no affidavit necessary.
    • Due to Motorist Services 45 days after the CPA sends the single audit to the entity.
    • Submit complete reporting package:
      ➢ Financial statements
      ➢ Schedule of Expenditures of State Financial Assistance
      ➢ Auditor’s reports, etc.
      ➢ See Auditor General Rule 10.550 (local governments) or 10.650 (NPO)
DHSMV IG - Recent SLP/VC Audit Findings and Observations

• Report Filing Scenarios – State Single Audits

  – Scenario 1 – Entity’s **financial** staff engages CPA to perform Single Audit; Entity **program** staff prepares an affidavit (as done historically). Entity Finance and Program staff need to discuss and coordinate.

  – Scenario 2 – Only the schedule of expenditures of state financial assistance (SFA) or compliance package were filed with Motorist Services instead of the complete reporting package.

  – Scenario 3 – Schedule of Expenditures of SFA does not list CSFA # and expenditure amount
    • No expenditures in current year – explain in transmittal email to Motorist Services
    • Current Year expenditures – List the CSFA # and amount (regardless of materiality).
      ➢ Know the SLP/VC CSFA #
      ➢ Track SLP expenditures
      ➢ Disclose to CPA
DHSMV IG - Recent SLP/VC Audit Findings and Observations

• Allocations
  – Administrative, Marketing, and Promotion – AMP
    • Allocation exceeded statutory limit
      ➢ permitted to spend less (or none)
    • Classification of expenditures
      • Separate admin vs marketing/promotion – if separate percentages provided in statutes
      • Operational (programmatic) vs. administrative
  – Other Statutory Allocations
    • Specifics in statute or governing body guidance
DHSMV IG - Recent SLP/VC Audit Findings and Observations

• Documentation - Marketing
  – Obtain and retain documentation evidencing use of SLP funds for promoting and marketing the tag
    ➢ contracts; agreements; invoices
  – Arrangements with marketing providers - describe services, deliverables, costs, and other terms
  – Verification - periodic reports or invoices evidencing scope, nature, and timing of marketing consulting services rendered prior to payment.

MARKETING and PROMOTION relates to the tag; not to the entity
DHSMV IG - Recent SLP/VC Audit Observations

• **Documentation**
  - Credit/Debit Cards – receipts
  - Invoices, Billings, Agreements, Contracts
  - Payroll Records
  - Scholarship Records (Financial Aid)

• **Recordkeeping**
  - Ledgers
  - SLP/VC identification

• **Internal Controls**
  - Segregation of duties—initiate, authorize, record, reconcile, access, etc.
  - Independent verifications – bank reconciliations, etc.
DHSMV IG - 2017-18 Audits

• Entities that have not recently:
  – been audited by the DHSMV IG
  – filed a F.S. 215.97 single audit where the SLP/VC was audited as a MAJOR program.

• Includes SLP and VC entities.

• “Pool” of entities – can change throughout the year.
Notifications to DHSMV

• Provide immediate email notice to Jeanette Collins for:
  – Discontinuation of organization or services offered
  – Changes in:
    • Organization name
    • Fiscal year reporting
    • Contact Information – email, phone, physical address
    • CEO, Accountant, or Board Chair

• Contact Brittany Close immediately:
  – Any known or alleged fraud, re SLP/VC
  – Significant known fraud of the organization
Contact Information

Division of Motorist Services
Bureau of Issuance Oversight
(850) 617-3001

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PaulaStanfield@flhsmv.gov