

TO: ALL COUNTY PERSONNEL

FROM: VERDENIA C. BAKER
COUNTY ADMINISTRATOR

PREPARED BY: OFFICE OF FINANCIAL MANAGEMENT & BUDGET (OFMB)

SUBJECT: CASH CONTROL OF IMPACT FEES

PPM #: CW-F-029

ISSUE DATE
June 14, 2024

EFFECTIVE DATE
June 14, 2024

PURPOSE:

To establish guidelines for the collection, control and transfer of cash, checks and negotiable instruments collected for impact fees.

UPDATES:

Future updates to this PPM are the responsibility of the Director of OFMB.

AUTHORITY:

- Florida Statutes, (F.S.), Chapters 125 and 218, as may be amended.
- Palm Beach County Unified Land Development Code (ULDC), Article 13, as may be amended.
- Palm Beach County Charter, Section 1.3, as may be amended.

POLICY:

Impact fees collected by the County shall be handled in a manner to ensure compliance with all applicable laws, policies, procedures and generally accepted accounting and auditing principles.

Connection fees for water and wastewater activity administered by the Water Utilities Department of the County or municipality are not considered impact fees, and therefore are excluded from compliance with this PPM.

The Permitting Authority is the building construction permit issuing department of the County (Planning, Zoning & Building or PZ&B) or the participating municipalities.

Guidelines:

1. The Revenue Division of the Finance Department in the Clerk of the Circuit Court & Comptroller's Office (hereinafter "Finance") is responsible for the proper accounting and custody of impact fee collections. Permitting authorities are responsible for remitting collections and transmitting all required financial information and records to Finance in a timely manner, as defined in Article 13 of the ULDC.
2. All locations collecting impact fee payments must designate in writing to Finance the individual(s) who will be responsible for the management of handling cash receipts, the preparation of deposit slips, accounting for funds received, and transmitting records to Finance. Segregation of these duties should be based on prudent management principles and generally accepted accounting and control practices and procedures. The individual(s) shall be bonded, if not otherwise covered by a municipal or County blanket bond.
3. Segregation of duties is essential to maintaining effective internal controls. The following separate functions shall exist within the impact fee collection system. The organization currently performing the task for the County is included. Each municipality collecting impact fees shall maintain a segregation of duties adequate to maintaining effective internal controls.
 - a. The receipt of cash including the recording of the event must be an independent function. This task is currently performed for the County by the cashier in PZ&B.
 - b. The preparation of the deposit slips and the transmittal form to Finance must be a separate function. This task is currently performed for the County by the Accounting Section of PZ&B.
 - c. The computation of the impact fees due must be performed by a separate function. This task is currently performed for the County by the Building Division Permitting Section of PZ&B.
 - d. Impact fee adjustments, including credits, must be performed by a separated function. This task is currently performed by the Impact Fee Manager.
 - e. The official recording of financial transactions to the general ledger must be a separate function. This task is performed by Finance.
 - f. The update of impact fee schedules shall be performed by a separate function. This task shall be performed by the Impact Fee Manager in accordance with the impact fee methodology of the most recent quadrennial review as approved by the Board of County Commissioners.

Procedures for Cash Control:

1. All checks received for impact fees shall be restrictively endorsed immediately upon acceptance by the County or municipality.
2. Positive identification in some form (e.g. Florida driver license) must be presented and recorded for all personal checks. All checks must contain addresses and local phone numbers.
3. All funds shall be deposited daily. The custodian of the funds will ensure proper safeguarding of all funds including physical security.
 - a. Access to the areas where funds are physically located shall be limited to personnel whose positions require their presence.
 - b. Cash register reconciliation between the events recorded and the cash received must occur daily.
4. Transmittal reports to Finance will be prepared concurrently with the deposit slips and forwarded to Finance at the same time the deposit is forwarded to the bank.

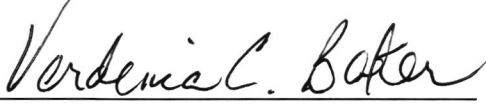
Procedures for Returned Checks:

1. All returned checks will be delivered to Finance from the depositing bank, and Finance will process invoices for the returned checks.

Finance will send the invoice, return receipt requested, to the person or company writing the check that payment should be rendered within 30 calendar days from the receipt of the notice, along with the returned check service charge as allowed in F.S., Chapter 125.0105. Finance will also send a copy of the invoice and the returned check to the permitting authority where the original payment was made. The permitting authority will red-tag the permit.
2. The presenter of the returned check (feepayer for the building permit) must present payment for the original amount, plus the service charge, to Finance or the permitting authority where the original payment was made.
3. If a check presented to the County becomes uncollectible and a feepayer does not present funds to cover the returned check within the provided 30 calendar days, Finance will notify the permitting section of the County to cancel the building permit. The uncollected charge for the returned check will be referred to the Revenue Collections Section of OFMB, and all financial accounts shall be adjusted accordingly. Finance will reduce the revenue accounts by the amount not timely recovered.
4. When impact fee checks are returned to municipalities, regardless of whether the impact fees have been remitted to the County, it remains the responsibility of the municipality to

collect the funds. When impact fees are judged to be uncollectible, it is the responsibility of the municipality to cancel the building permit associated with the impact fees and notify Finance. All requests for a refund of impact fees, which were previously remitted to the County by check and later returned to the collecting municipality as uncollectible, must be submitted to and approved by the Impact Fee Manager.

5. If the municipality is using a depository account for remitting impact fees to the County, returned checks will be received by the County Finance Department. The County Finance Department should make the correcting accounting entries, and forward the returned check to the municipality for collection. The returned check notice will be used in the monthly reconciliation.


VERDENIA C. BAKER
COUNTY ADMINISTRATOR

Supersession History

1. PPM # CW-F-029, effective 01/03/92
2. PPM # CW-F-029, effective 11/01/01
3. PPM # CW-F-029, effective 02/07/02
4. PPM # CW-F-029, effective 08/15/07
5. PPM # CW-F-029, effective 02/11/11
6. PPM # CW-F-029, effective 03/29/16