

**Leon County Research & Development Authority**  
**Internal Controls & Operating Procedures**

Revised: 12/1/2016

**a. Internal Controls Procedures**

- Accounts receivable reports are reviewed periodically throughout each month for any delinquent receivables. Any delinquent receivables will be followed up on immediately with the tenant by the property manager.
- Agent has a year-end closing procedure in place and reconciles all balance sheet accounts prior to year end closing.
- Personnel independent of the check writing process receives all bank statements unopened and inspect contents for any unexpected or unusual transactions. This person reviews all payments and inspects signatures.
- Bank reconciliations are performed and reviewed within 20 days of each month end.
- A review of the bank reconciliations for any unusual reconciling items, old checks or deposits, and for agreement to the general ledger is performed by personnel independent of the check writing process.
- The aged receivables and payables are reviewed on a monthly basis for accounts requiring additional follow-up action due to age and/or balance. This is done by someone outside of accounting.
- Adjustments to AR or AP are approved by the Executive Director or Board Treasurer prior to removal. Any adjustments to such accounts are printed monthly to be included in the monthly reports for review by the Executive Director for any unauthorized transactions
- All purchases shall be made in accordance with Purchasing Policy 11-03.
- Checks are cut by one person and signed by Board members and management who do not have access to change accounting records. As provided by the Bylaws of the Authority, the Chair and Treasurer must co-sign checks greater than \$10,000; the Chair, Treasurer, or Executive Director shall sign checks \$10,000 or less; the Vice Chair shall sign for the Chair or Treasurer in their absence. An independent person (not one of the people who cuts or signs checks) reviews the bank statement each month for any unusual items.
- A budget comparison report is included in each monthly report. Any significant variation from budget is explained in a variation report

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provided by the property manager.

- All reports are reviewed and reconciled to the general ledger before being distributed.
- Banking stock is kept in a locked drawer when not in use and not accessible by check signers.
- No signature stamps are used.
- Monthly transactions are entered as soon as reasonably possible in the general ledger. Written policies and procedures are currently in place regarding the reconciliation process and will be updated for any changes made as soon as possible after such change is made.
- All mail is opened by someone outside of accounting and stamped as to date received. These are then received by accounting with another date stamp and passed onto property management for coding and approval.
- Payments for rent are received into the accounting software as soon as deposited (daily). The software keeps track of balances due/owed which are reflected on the aged receivable detail that is monitored carefully each month. No cash payments are accepted.
- Voided checks are maintained in a monthly folder. All checks are numerical in order and tracked by number.
- The personnel who will create new vendors in the system must receive a W9 and insurance certificates before creating a new vendor. This person is a different person than the person who cuts checks each month.
- All journal entries are printed and reviewed monthly by the Treasurer and another independent party with Agent.
- Billing for maintenance and other reimbursable costs is performed monthly.
- There is currently an accounting policies and procedures manual in place at agent's office. This will be maintained and updated as needed to comply with the Authority's policies and procedures.
- A formal disaster recovery plan is currently in place. This will be updated as needed to comply with the Authority's policy.
- An IT policy is currently in place. This will be updated as needed to comply with the Authority's policy.
- Background and reference checks are done on all employees prior to hiring.

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All detail is kept in each employee file.

- A records retention system is currently in place. This will be updated as needed to comply with the Authority's policy.
- An inventory will be done on all fixed assets at Innovation Park prior to October 1 each year.
- Agent will assist in evaluating the current insurance coverage in place and any need to modify.
- Employee files will be kept for each Authority employee that records any and all leave time used, approval of such time, and leave balances.

**b. Mail Processing and Payable Processing**

- Mail is opened by designated personnel and stamped with date received.
- Invoices delivered to accounting and stamped with accounting date received and then placed in appropriate property manager folder for approval.
- Once approved, given to accounting department for entry into system.
- Accounting scans in payable aging detail and invoices in order.
- Payable Aging Detail and invoices are emailed to the Executive Director of the Authority or Board Treasurer for approval of payment with a blind carbon copy to each of the Executive Committee members. Upon approval, Accounting Director cuts the checks, and the runner delivers them for signatures. Two Board officer signatures are required for check amounts greater than \$10,000, while check amounts less than or equal to \$10,000 may be signed by the Executive Director; The Executive Director and officers of the Board (Chair, Vice-Chair and Treasurer) have signature authority.
- Once the checks are received back from the Authority for payment; the runner checks the list for any missing invoices and/or checks and makes sure the appropriate signatures are there.
- The runner copies all the checks and then mails out. Invoices are then filed in the appropriate folders with check copies.

**c. Check Deposits and Invoice Transmittals**

- Mail is opened by designated personnel and stamped with date received.

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- Checks are copied and endorsed for deposit.
- A deposit transmittal is created and saved on the agent's computer a folder dedicated to the Authority. This folder is password protected and cannot be accessed outside of certain accounting personnel and certain property managers.
- Checks are written up on a deposit slip and taken to the bank by the runner.
- Deposits slips are given to designated personnel for recording in the Excel checkbook.
- Deposit slip is given back to accounting for entry into the accounting system.
- Once entered into accounting system, the deposit slip is attached to invoice transmittal and check copies and given to Accounting Director for filing.

**d. Tenant Invoices**

- Updated Rent Roll created and charges made by the 25<sup>th</sup> of each month.
- List of tenant contacts printed out and invoice numbers assigned to each tenant.
- Create invoices using assigned numbers and give to another member of accounting to review.
- Once reviewed, invoices are mailed or emailed to each tenant as specified on the contact list.
- If a tenant is more than 30 days delinquent, a reminder invoice will be sent and the property manager will contact the tenant by email and/or telephone.
- If a tenant is more than 45 days delinquent, the property manager will again follow-up by email and telephone.
- At 60 days delinquent, tenants will be given 3 days notice of eviction for non-payment.
- If the above efforts to collect fail, a collection agency may be utilized.

**e. Financial Statement Preparation Procedures**

- SPIA, FLPRIME and FLGIT information is received from the Authority.
- Bank statements are received from the bank for the month just ended. Original bank statements are sent directly from the bank to the Chairman

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of the Audit Committee.

- Journal entries are made in the accounting system for any needed adjustments such as bank fees/interest income/depreciation/amortization, etc. All journal entries are verified in-house by someone independent of the accounting process and also by the Treasurer of the Board.
- All bank accounts are reconciled to the general ledger.
- All balances are verified. All receivables are double checked; all payables verified. The trial balance is gone through thoroughly to make sure all balances agree.
- Budget comparisons are printed and given to the Property Manager to review and clarify any differences from budget to actual.
- All reports are printed as preliminary (pending any adjustments above) and submitted to the Board Treasurer for review.
- Once the budget comparison explanations are received from the Property Manager, all reports are printed to Adobe PDF and assembled into report format. The report is then sent to the Executive Director and the Treasurer of the Board for presentation at the monthly Board of Governors Meeting.

**f. Audited Financial Statement Follow-Up**

1. File Audit with Leon County Board of County Commissioners
    - Submit to Leon County Board of County Commissioners & Authority's Board of Governors.
    - Cover letter from Executive Director.
  2. Auditor General Report
    - File within 45 days of Audit Acceptance
    - General info at: [www.myflorida.com/audgen](http://www.myflorida.com/audgen)
    - 1 electronic copy as unsecured PDF emailed to [flaudgen\\_localgovt@aud.state.fl.us](mailto:flaudgen_localgovt@aud.state.fl.us)
    - File name [year] [name] .pdf; all lower case for name.  
For example: "2010 leon county research and development authority.pdf"
    - 1 hard copy plus 1 check list
- to: Auditor General

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Local Government Audits/342

Claude Pepper Building, Room 401

111 W. Madison St.

Tallahassee, FL 32399-

1450

3. Annual Financial Report to Department of Financial Services

- Complete Online at

<https://apps.fldfs.com/LOCALGOV/Default.aspx>

- Confirm/Update General Information
- Add Revenues (all ENTERPRISE):
  - Code 361100: Interest
    - 2010: \$13,605 (Nonoperating Revenues “Interest Income”)
  - Code 362000: Rents and Royalties
    - 2010: \$1,529,967 (Total Operating Revenue s)
- Add Expenditures (all ENTERPRISE)
  - Code 552 (Industry Development)
    - Account 10 (Personal Services)
      - 2010: \$145,128 (Operating Expenses “Salaries & Employee Benefits”)
    - Account 30 (Operating Expenses)
      - 2010: \$1,403,935 (“Total Operating Expenses” minus “Salaries & Employee Benefits”)
    - Account 70 (Debt Service)
      - 2010: \$153,800 (Non-Operating Revenue/Expenses – Sum of “Amortization of Bond Issuance Costs” and

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“Interest on Bonds”)

- Add Debt Information
  - Amount of Long Term Debt
    - 2010: \$3,235,858 (Sum of “Current Portion of Bond Payable” plus “Bond payable net of current portion”)
- Audit
  - Add Audit Information (firm, date, etc)
    - Completion date is the date of letter from Audit  
or
- Certification
  - Generally No Financial Emergency
  - Therefore next question is NO
  - Yes in terms of compliance and matching the Audit to AFR submission.
  - Certify CFO & Chairman

- Also need to submit the Audited Financial Statements to certify the AFR submission. The Statements can be submitted by providing a link to them on the website, electronically as a PDF attachment to [localgov@myfloridacfo.com](mailto:localgov@myfloridacfo.com) or through the mail to:

Bureau of Local Government

200 East Gaines  
Street

Tallahassee, FL. 32399-0354

**4. Public Depositor Annual Report to the Chief Financial Officer**

- Form DFS-J1-1009
- Filed each November; certification of QPDs (Qualified Public Depositories) – short form to be filed with Department of Financial Services