



**Office of Nikki Alvarez-Sowles, Esq.
Pasco County Clerk & Comptroller**

**PASCO COUNTY
PROMPT PAYMENT POLICY**

**In Accordance With the Local Government
Prompt Payment Act
Chapter 218, Part VII, Florida Statutes**

Revised 08-2019

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I. Purpose

The purpose of this policy is to provide a guideline for Pasco County Departments to help insure vendors and contractors who provide goods and/or services to the Pasco County Board of County Commissioners (BCC), and its Departments (County), receive payment for such goods and/or services in a timely basis and in accordance with the Local Government Prompt Payment Act ([Chapter 218, Part VII, Florida Statutes](#)). The Local Government Prompt Payment Act (the "Prompt Payment Act") is contained in [Section 218.70 - 218.80, Florida Statutes](#).

The purpose ([Section 218.71, Florida Statutes](#)) of the Prompt Payment Act is:

- To provide for prompt payments by local governmental entities and their institutions and agencies
- To provide for interest payments on late payments made by local governmental entities and their institutions and agencies, and
- To provide for a dispute resolution process for the payment of obligations

Please note that the Prompt Payment Act, like any statute or law, can be amended by legislative action. This policy is based on the statutory requirements as of the latest revision of this document.

II. Scope

This policy applies to all operations of the BCC and Pasco County (County).

III. Definitions

The following definitions are provided as an aid in the review and application of these guidelines.

A. Agent

The project architect, project engineer, or other agency or person, acting on behalf of the County, that is required to review payment requests or invoices from vendors or contractors, must be identified in accordance with [Section 218.735 \(1\)](#), Florida Statutes, and as defined in the contract between the County and the vendor or contractor.

B. Construction Services

All labor, services, and materials provided in connection with the construction, alteration, repair, demolition, reconstruction, or other improvements to real property.

C. Contractor or Provider of Construction Services

The person who provides construction services through direct contract with the County.

D. County

A political subdivision of the state established pursuant to [Art. VIII, Section 1, Florida Constitution](#). (In regard to this policy, Pasco County).

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E. Date Stamped

Each payment request and invoice received by the County, shall be marked, by use of a date stamp or other method, which clearly indicates the date such payment request or invoice is first delivered into the hands of an employee, agent (i.e., the Office of Pasco County Clerk & Comptroller), or officer of the County, or is first delivered to a facility or office of the County.

F. Improper Invoice

An invoice that does not conform to the requirements of a proper invoice.

G. Improper Payment Request

A request for payment for construction services which does not conform to all statutory requirements and to all requirements specified by the County in the contract, agreement, purchase order, or bid (if applicable) (which collectively will be referred to as the "contract" for purposes of this Policy).

H. Local Governmental Entity

A county, or any office, board (in regard to this policy, the BCC), commission, department, branch, division, or institution thereof.

I. Proper Invoice

An invoice that conforms to all statutory requirements and all requirements specified by the County. Such County requirements should be included in the contract for the project or task for which the invoice is submitted.

J. Proper Payment Request

A request for payment for construction services which conforms to all statutory requirements and to all requirements specified by the County. Such requirements must be included in the contract of the project for which payment is requested.

K. Provider

Includes any vendor or contractor, as defined herein.

L. Purchase

The purchase of goods, services, or construction services; the purchase or lease of personal property; or the lease of real property by the County.

M. Vendor

Any person who sells goods or services, sells or leases personal property, or leases real property to the County.

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IV. Proper Invoice/Payment Request Requirements

A. General

Generally, and as applicable, goods shall actually have been received and services shall actually have been performed, in accordance with contractual or other specifications or requirements, to the satisfaction of the County before any payment is due to the vendor or contractor. Certain limited exceptions, such as for utility-type services, which require payment in advance, are permitted when authorized by the BCC.

B. Sales Tax

Sales tax should not be included on any payment request or invoice. The BCC's current tax-exempt number is 85-8013866417C-5. A copy of the tax-exempt form will be supplied to vendors and contractors upon request.

C. Federal Identification and Social Security Numbers

Vendors and contractors are paid using either a Federal Identification Number or Social Security Number. To receive payment, vendors and contractors must supply the County and/or the Office of Pasco County Clerk & Comptroller (Clerk & Comptroller) with the correct number, as well as, a proper Internal Revenue Service W-9 Form.

Vendors and contractors should be advised to notify the Office of Pasco County Clerk & Comptroller, Accounts Payable Division when changes in data occur (telephone 352-521-4566 or email accts.payable@pascoclerk.com).

D. Proper Invoice for Non-Construction Goods and Services

Unless otherwise specified in the applicable contract, invoices shall contain the following minimum information to be considered a Proper Invoice:

1. Name of vendor
2. Remittance address or wiring instructions
3. Invoice date
4. Invoice number
5. The "Bill To" party must be the Pasco County Board of County Commissioners
6. Authorizing Pasco County purchase order number(s)
7. Project name (for those invoices related to contracts which do not involve a purchase order)
8. In the case of non-purchase order procurement (emergency purchases), the full name and department of the County individual placing the order

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9. In addition to the information required in [Section IV.D.1-8](#) above, invoices involving the purchase of goods shall also contain:
 - a. A complete item description
 - b. Quantity purchased
 - c. Unit price(s)
 - d. Total price (for each item)
 - e. Total amount of invoice (all items)
 - f. All items invoiced must agree to the terms as specified in the contract or be equal to or better than such terms

10. In addition to the information required in [Section IV.D.1-8](#) above, invoices involving the purchase of services, including utility services (e.g., electric, telephone), shall also contain:
 - a. Itemized description of services performed
 - b. Date(s) services performed
 - c. Billing method for services performed (i.e., approved hourly rates, percentage of completion, cost plus fixed fee, direct/actual costs, etc.)
 - d. Itemization of other direct, reimbursable costs (including description and amount)
 - e. Copies of invoices for other direct, reimbursable costs (other than incidental costs such as copying) and one (1) of the following:
 - i. Copy of both sides of a cancelled check evidencing payment for costs submitted for reimbursement
 - ii. Paid receipt
 - iii. Waiver from subcontractor (if applicable)
 - iv. Any other information or documentation, which may be required or specified under the terms of a contract.
 - f. Unless otherwise specified in the related contract, all items invoiced must agree to the terms as specified in the purchase order and bid (if applicable), or be equal to or better than such terms.

E. Proper Invoice/Payment Request Requirements for Construction Services

Payment Requests must conform to all requirements of [Section IV A-D](#), above, unless otherwise specified in the terms of the applicable agreement or contract between the BCC and the Contractor or Vendor.

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V. Submission of Invoices and Payment Requests to the Clerk & Comptroller

The vendor shall submit all Invoices and Payment Requests (billed to the Pasco County Board of County Commissioners) to the Clerk & Comptroller as follows:

A. Non-Construction Invoices

Unless otherwise specified in the related contract, all non-construction invoices may be submitted by mail, by hand-delivery, or via email (Note: Email is the preferred method for receipt of non-construction invoices).

1. Mailing Address

Pasco County Board of County Commissioners
c/o Office of Pasco County Clerk & Comptroller
Finance Department, Accounts Payable Division
38053 Live Oak Avenue
Dade City, FL 33523

2. Drop Off Locations

Pasco County Board of County Commissioners
c/o Office of Pasco County Clerk & Comptroller
East Pasco Government Center
Finance Department
14236 Sixth Street, Suite 201
Dade City, FL 33523

OR

Pasco County Board of County Commissioners
c/o Office of Pasco County Clerk & Comptroller
West Pasco Government Center
Records Department, Official Records Division
8731 Citizens Drive, Suite 220
New Port Richey, FL 34654

3. Email Address

accts.payable@pascoclerk.com

B. Construction Payment Requests

Payment requests and invoices issued in connection with construction contracts should be submitted in accordance with the terms of the construction contract. If not so specified in the construction contract, see submission options in [Section V. A.](#) above.

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VI. Calculation of Payment Due Date

A. Non-Construction Invoices

1. Receipt of Proper Invoice

The time at which payment is due from the County is forty-five (45) days from the date on which a Proper Invoice is received by the Clerk & Comptroller, as the BCC's Chief Financial Officer.

2. Receipt of Improper Invoice

If an Improper Invoice is received, a required invoice is not received, or invoicing of a request for payment is not required, the time at which payment is due from the County is forty-five (45) days from the latest of the following:

The date:

- a. On which delivery of personal property is accepted by the County; or
- b. On which services are completed; or
- c. On which the rental period begins (if applicable); or
- d. On which the County and the vendor agree, in a contract that provides dates relative to payment periods; or
- e. Whichever date is the latest under the applicable options listed above.

3. Rejection of an Improper Invoice

The County may reject an Improper Invoice. Within ten (10) days after the County's determination that the improper invoice has been received, the vendor must be notified that the invoice is improper and be given an opportunity to correct the incorrect or missing information.

The County's rejection of an Improper Invoice must

- Be written
- Specify any and all deficiencies
- State actions necessary to make the Improper Invoice proper

If the vendor submits a corrected invoice, which corrects the deficiencies specified in the County's written rejection, the County must pay or reject the corrected invoice no later than ten (10) business days after the date the corrected invoice is stamped as received (this is the date on which it is delivered to the Clerk & Comptroller as the County's Chief Financial Officer).

4. Payment of Undisputed Portion of Invoice

If the County disputes a portion of an invoice, the undisputed portion shall be paid in a timely manner, in accordance with the due dates for payment as specified in this policy guideline.

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B. Payment Requests for Construction Services

1. Receipt of Proper Payment Request

The time at which payment is due from the County is as follows:

- a. If an Agent of the County must approve the payment request or invoice before it is submitted to the Clerk & Comptroller, payment (whether full or partial) is due twenty-five (25) business days after the payment request or invoice is stamped as received on the date it is delivered to the County's agent or to a facility or office of the County. The Contractor may send the County an overdue notice if payment is not received within this period of time. If the payment request or invoice is not rejected within four (4) business days after delivery of the overdue notice, the payment request or invoice shall be deemed accepted, except for any portion of the payment request or invoice that is fraudulent or misleading.

The contract between the County and the contractor must identify the agent or employee of the County, or the facility or office, to which the contractor may submit its payment request or invoice, or such information, must be provided by the County through a separate written notice, as required under the contract, no later than 10 days after the contract award or notice to proceed. A contractor's submission of a payment request or invoice to the identified agent, employee, facility, or office of the County shall be stamped as received as provided in [Section 218.74\(1\), Florida Statutes](#) and shall commence the time periods for payment or rejection of a payment request or invoice as provided in this section.

- b. If an agent of the County need not approve the payment request or invoice submitted to the County, whether full or partial, payment is due twenty (20) business days after the payment request or invoice is stamped as received on the date it is delivered to the County's agent or to a facility or office of the County as identified in the contract.

2. Receipt of Improper Payment Request

The time at which payment is due from the County is as follows:

- a. The County must reject the improper payment request or invoice within twenty (20) business days after the date on which the payment request or invoice is stamped as received (this is the date on which it is delivered to the County's agent or to a facility or office of the County).

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- b. The County's rejection of the improper payment request or invoice must:
 - 1) Be in writing
 - 2) Specify what is deficient
 - 3) State the action necessary to make the improper payment request or invoice proper
- c. If a contractor submits a payment request or invoice which corrects the deficiency specified in the County's written rejection, the County must pay or reject the corrected submission no later than ten (10) business days after the date the corrected payment request or invoice is stamped as received (this is the date on which it is delivered to the County's agent, or to a facility or office of the County).
- d. Payment of Undisputed Portion
 - 1) If the County disputes a portion of a payment request or invoice, the undisputed portion shall be paid in a timely manner, in accordance with the due dates for payment as specified in this section.

VII. Resolution of Disputes

If a dispute arises between a vendor or contractor and the County concerning payment of an payment request or invoice, the dispute shall be resolved as set forth in [Section 218.735, Florida Statutes](#) for construction services, and [Section 218.76, Florida Statutes](#) for non-construction goods or services.

A. Dispute between the County and a Contractor

If a dispute between the County and a contractor cannot be resolved following resubmission of a corrected payment request or invoice by the contractor, the dispute must be resolved in accordance with the dispute resolution procedure prescribed in the construction contract or in any applicable ordinance, which shall be referenced in the contract. In the absence of a prescribed procedure, the dispute must be resolved by the procedures specified below.

B. Disputes Initiated by Vendors or Contractors

- 1. The vendor or contractor shall, not later than thirty (30) days after the date on which a proper payment request or invoice was received by the BCC, submit a written statement via certified mail to the department for which the purchase was made, specifying the nature of the dispute that the vendor or contractor may have regarding payment of such payment request or invoice.
- 2. Within forty-five (45) days of receipt by the BCC of the proper payment request or invoice, the appropriate/authorized County employee(s) shall commence investigation of the dispute and render a final decision on the matter no later than sixty (60) days after the date on which the payment request or invoice is received by the BCC. A written explanation of the final decision made shall be sent to the vendor or contractor, via certified mail, within five (5) business days from the date on which such final decision was made. A copy of the written

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explanation of the final decision shall be provided to the Clerk & Comptroller simultaneously with the certified mailing to the vendor or contractor.

VIII. Purchases Involving Federal Funds

When the County intends to pay for a purchase with federal funds, the County shall not make such purchase without reasonable assurance that federal funds, to cover the cost, will be received. Where payment, or the time of payment, is contingent upon the receipt of federal funds or federal approval, any contract and any solicitation to bid shall clearly state such contingency. ([Section 218.77, Florida Statutes](#)).

In the case of conflict between the provisions of the Local Government Prompt Payment Act and federal grantor laws, regulations and requirements applicable to a contract paid in whole or in part, with federal funds, the federal provisions shall prevail.

IX. Construction Services Contract Requirements - Project Completion

A. Development of the List of Items Needed

Construction services contracts, covered by the provisions of the Prompt Payment Act, must provide for the development of a single list of items required to render complete, satisfactory, and acceptable the construction services purchased by the County, as well as the process for developing the list, including the responsibilities of the County and the Contractor in developing and reviewing the list and a reasonable time for developing the list. The contract must also specify a date for delivery of the list of items, not to exceed five (5) days after the list has been developed and reviewed (See [Section 218.735 \(7\), Florida Statutes](#)).

B. Failure by County in its Responsibilities to Develop List

If the County fails to comply with its responsibilities to develop the list required under [Section 218.735, Florida Statutes](#), a Contractor may submit a payment request for all remaining retainage (see [X. Retainage](#), below) withheld by the County and payment of any remaining undisputed contract amount, less any amount withheld, pursuant to contract for incomplete or uncorrected work. The County must pay such amounts within twenty (20) business days after receipt of a proper payment request or invoice.

C. Failure by Contractor in its Responsibilities to Develop List

If the County has provided written notice to the contractor specifying the contractor's failure to meet contract requirements in development of the list, the County need not pay or process payment for retainage.

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X. Retainage

The Prompt Payment Act specifies the way in which retainage for construction service contracts must be managed. ([Section 218.735 \(7\) and \(8\), Florida Statutes](#))

A. Ten Percent Retainage

With regard to a contract for construction services, the County (unless otherwise specified in the contract) may withhold, from each progress payment made to the contractor, an amount not to exceed 10% of the payment as retainage until 50% completion of such construction services. The term “50% completion” has the meaning set forth in the contract, or if not defined in the contract means the point at which the County has expended 50% of the total cost of the construction services purchased as identified in the contract together with all costs associated with all changes orders to the contract.

B. Reduction to Five Percent Retainage

After 50% completion of the construction services have been achieved, the County must automatically reduce, to 5%, the amount of retainage withheld from each subsequent progress payment to the contractor. (Note: This is a change in procedure, required in earlier versions of the statute, which required the contractor to request a reduction to 5%).

C. Payment Request for Partial Retainage

After 50% completion of the construction services have been achieved, the contractor may submit a payment request for up to one-half of the retainage held by the County. The County is required to promptly pay such payment request, unless the funds are the subject of a good faith dispute or claim as provided under [Section 218.735\(8\)\(f\), Florida Statutes](#).

D. Exceptions

The provisions of this [Section X](#) do not apply to retainage held under contracts for non-construction or services for those construction contracts when the total cost of construction services are \$200,000 or less.

XI. Late Payment Interest Charges

Failure on the part of the County to make timely payments may result in the BCC being subject to late payment interest charges. No contract between the BCC and a vendor or contractor may prohibit the collection of late payment interest charges allowable under the Prompt Payment Act as mandatory interest. ([Section 218.75, Florida Statutes](#)).

A. Related to Non-Construction Services

All payments due from the BCC, and not made within the time specified within this policy, will bear interest, from 30 days after the due date, at the rate of 1% per month on the unpaid balance. The vendor must invoice the BCC for any interest accrued to receive the interest payment. ([Section 218.74 \(4\), Florida Statutes](#)).

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An overdue period of less than one (1) month is considered as one (1) month in computing interest. Unpaid interest is compounded monthly. The term one (1) month means a period beginning on any day of a month and ending on the same day of the following month.

B. Related to Construction Services

All payments for construction services that are not made within the time periods, as specified within the applicable statute, shall bear interest, from 30 days after the due date, at the rate of 1% per month, or the rate specified by contract, whichever is greater. The Contractor must invoice the BCC for any interest accrued to receive the interest payment. ([Section 218.735 \(9\), Florida Statutes](#)).

Unpaid interest is compounded monthly. The term one (1) month means a period beginning on any day of a month and ending on the same day of the following month.

C. Report of Interest

If the total amount of interest paid during the preceding fiscal year exceeds \$250, the Clerk & Comptroller is required to submit a report to the BCC during December of each year, stating the number of interest payments made and the total amount of such payments. ([Section 218.78, Florida Statutes](#))

XII. Release of Payments to Vendors and Contractors

The BCC must authorize payments before funds can be disbursed to a vendor or contractor.

A. Payments to be Mailed

Following pre-audit review by the Office of Clerk & Comptroller, proper payment requests and invoices are presented to the BCC or its designee (Chairman or Vice Chairman) for approval. Approved check payments are mailed to vendors and contractors on the day following BCC approval. Generally, approvals are issued on Tuesday and Thursday for the release of payments.

B. Payments to be Picked Up by Vendors or Contractors

Vendors and contractors have the option of picking up their check payments on the day following approval. Checks approved for release may be picked up, between the hours of 8:30 a.m. and 5:00 p.m., at the Office of Pasco County Clerk & Comptroller, East Pasco Government Center, 14236 Sixth Street, Suite 201, Finance Department, Accounts Payable Division, Dade City, FL 33523 or the Office of Pasco County Clerk & Comptroller, West Pasco Government Center, Official Records Division, 8731 Citizens Drive, Suite 220, New Port Richey, FL 34654.

Checks not picked up by 5:00 p.m. will be mailed. Vendors and contractors

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must call the Accounts Payable Division at 352-521-4566, before 5:00 p.m. on the Monday proceeding the day on which such checks are available for pick-up, to:

1. Receive instructions concerning proper identification required for in-person issuance of checks, and
2. Advise the Accounts Payable Division not to mail such checks.

C. Payments to Vendors and Contractors by Wire or ACH

1. By ACH

Vendors and contractors have the option to receive payments, via the Automated Clearing House (ACH), for invoices billed to the Pasco County Board of County Commissioners. An ACH Payment Form can be obtained by going to www.pascoclerk.com. The form can be completed on-line and printed for forwarding to the Office of Pasco County Clerk & Comptroller by mail or email (accts.payable@pascoclerk.com)

2. By Wire

For an additional fee, vendors and contractors also have the option of having their payments wired. Wires are released, after 1:00 p.m. on the day following approval. Vendors and contractors must call the Accounts Payable Division at 352-521-4566, by 11:30 a.m. on the Wednesday prior to payment approval, to advise the division of the wiring request. Arrangements can also be made to have all subsequent payments wired, as well.