

Date: March 6, 2015

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Prompt Payment Annual Report for Fiscal Year 2013-14

Pursuant to Ordinance No. 94-40 (Prompt Payment Ordinance) as amended by Ordinance No. 94-106, Miami-Dade County (County) is to pay vendors in a prompt and timely manner, and also allows expedited payments to small businesses. The vendor payments are due within 30 days of receipt of a proper invoice from small businesses and 45 days for all other businesses. Vendors are allowed to charge the County and Public Health Trust interest for late payments.

As required by Administrative Order 3-19, below is the annual report of interest payments made to County vendors during FY 2013-14. Where such interest charges apply, interest is calculated on the unpaid balance, compounded at the rate of one (1) percent per month and accruing for a maximum of 12 months. During FY 2013-14, the County purchased goods and services totaling approximately \$3.7 billion. Payments to vendors are usually made using checks, wire transfers, Automatic Clearing House (ACH), purchasing card, or through the Public Health Trust's Commercial Card payment program. The table below summarizes the volume of transactions and the total payments made:

Invoicing and Interest Payments FY 2013-2014			
Organization	Number of Invoices Processed	Interest Payments to Vendors	Total Amount Paid to Vendors
General Segment Departments	591,840	\$0	\$1,738,467,227
Other Departments			
Aviation	26,735	0	393,535,614
Housing	71,296	126	115,552,923
Water and Sewer	67,588	0	226,058,821
Public Health Trust	<u>250,146</u>	<u>19,263</u>	<u>1,267,073,018</u>
Subtotal	<u>415,765</u>	<u>\$19,389</u>	<u>\$2,002,220,376</u>
Grand Total	<u>1,007,605</u>	<u>\$19,389</u>	<u>\$3,740,687,603</u>

The County continues to encourage vendors to utilize the ACH payment process because vendors will benefit from having the County deposit funds directly to their bank accounts. The County also benefits as the ACH payment method reduces the number of paper checks and related mailings, and prevents lost checks and the need for stop payments. Payments to vendors processed through ACH totaled approximately \$2.51 billion in FY 2013-14, representing approximately 67 percent of the total amount paid to vendors.

In addition, the County is implementing an Invoice Workflow Application intended to expedite vendor payments. It will ultimately introduce acceptance of electronic invoices and make County payments to vendors more transparent. The application also supports the centralization of receiving vendor invoices in the Finance Department, where paper invoices are scanned, and electronically routed across appropriate departments for approval and final payment, as well as providing for secure electronic storage, retrieval and retention. Paper-based processes are costly, inefficient, and make a sizeable impact to the environment. Our transition to Invoice Workflow Application is a part of the County's effort to move to fully electronic solutions across departments.

If you have any questions, please contact Deputy Mayor Edward Marquez at 305-375-1451.

c: Honorable Harvey Ruvin, Clerk of the Courts
Robert A. Cuevas, Jr., County Attorney
Office of Mayor Senior Staff
Department Directors
Charles Anderson, Commission Auditor