

	DEPARTMENT OF MANAGEMENT SERVICES DIVISION OF SPECIALIZED SERVICES
TITLE: Fleet Disposition and Cash Receipts	POLICY NUMBER
EFFECTIVE: October 31, 2008 REVISED: July 1, 2009	Bureau of Motor Vehicles and Watercraft 08-101

PURPOSE

The purpose of this section is to set forth standardized procedures and guidelines for the disposition of state owned mobile equipment (see definitions, pg.10) and the subsequent receipt of proceeds. This includes approval, auction and accountability after auction pursuant to Florida Statute and Administrative Rule.

SCOPE

These procedures are applicable to all mobile property owned and placed under control of the Department of Management Services (DMS). This policy is also relevant to all personnel responsible for disposal, accountability and control of state-owned mobile equipment.

AUTHORITY

State/Federal Statutes:

- Chapter 287.16 Powers and Duties of Division
- Chapter 60B-3 Disposal of Aircraft, Motor Vehicles, and Watercraft
- Federal Aviation Regulations Part 47 Aircraft Registration

RESPONSIBLE OFFICE

Division of Specialized Services (DSS)

DISTRIBUTION

The following individuals should be notified of this policy	Method of notification
All State Agencies	<ul style="list-style-type: none">• E-mail and/or letter
Bureau of Motor Vehicles and Watercraft employees	<ul style="list-style-type: none">• E-mail and/or letter• Meeting
DMS Executive Leadership	<ul style="list-style-type: none">• Executive leadership meetings
Division of Specialized Services	<ul style="list-style-type: none">• E-mail and/or Interoffice Memo• Staff Meeting

I. Procedures for the Disposition of Motor Vehicles and Non-Specialty Watercraft by Public Auction

A) Prior to Auction

Auctions are held monthly and are conducted by the Auction Contractor (AC). The cutoff date for adding new equipment to auction is Friday the week before the auction.

1. All agencies are required to submit a MP 6401 form to DSS requesting authority to dispose of motor vehicles, watercraft and aircraft.
2. The MP 6401 form is entered into the disposal database, and disposition authority is granted or denied by the Property Administrator (PA) in DSS.
3. If approved for disposition, letters are sent by the PA to the respected agencies notifying that the motor vehicle or watercraft will be taken to an auction, at a date to be determined later. Agencies maintain control of the motor vehicle or watercraft until it is picked up by the towing company and taken to the auction site. All mobile equipment eligible for public auction are scheduled for auction by the PA.
4. After the vehicle is scheduled for a specific auction, the PA issues a move order to the agency and to the towing company scheduling the motor vehicle or watercraft for transport from the agency location to the auction site.
5. The AC publishes a list detailing all motor vehicles and watercraft that will be available for sale at a particular auction, both privately owned and state owned. The list provides the lot number, the seller, vehicle mileage, and transmission type for each item.

6. The PA formulates and maintains a master list of only state motor vehicles and watercraft taken to the auction. Finance and Accounting is provided a copy of the master list and the list published by the AC for later reconciliation.
7. The PA is present at the auction for the entire week, including the sale of motor vehicles and watercraft to political subdivisions and the public auction.
8. The PA confirms property on site (i.e., vehicle ID numbers and property numbers, determines the condition of property and resolves all title issues and other issues if necessary).

B) Sales to Political Subdivisions

Prior to the auction, political subdivisions are provided an opportunity to purchase the motor vehicles and watercraft taken to the auction site at a predetermined price. The PA is responsible for conducting sales to political subdivisions.

1. Political subdivisions may review and purchase motor vehicles on the Tuesday and Wednesday prior to the public auction on Saturday.
2. Prices are determined by calculating an average disposal price for each motor vehicle or watercraft, based on disposal sales prices for the previous six months for similar equipment.
3. Political subdivision buyers do not have to pay for the vehicles or watercraft they purchase prior to pickup however they must submit a purchase order to the AC prior to accepting the vehicle. Payment for the vehicle or watercraft is made directly to the AC.

C) Sales by Public Auction

Motor vehicles not sold to political subdivisions by close of business on the scheduled date are placed in the public auction to be held on Saturday. The AC is responsible for conducting the auction. All vehicles and equipment brought to the public auction are sold even if sold for scrap. There is no minimum price for any of the equipment; therefore sales of motor vehicles and watercraft at the public auction go to the highest bidder.

1. Buyers of vehicles at public auction have until the following Monday to pay the AC the full bid price and are responsible for vehicle pickup. If the buyer is unable to pay the full amount, the sale is cancelled and the vehicle is held over until the next scheduled auction.
2. The AC is responsible for posting all closing bids electronically at the time of sale.

3. Random items are selected and monitored by the PA. When the items sell, the sales prices are recorded for verification at the end of the auction.
4. A preliminary bid tabulation of all electronic postings of vehicles sold is prepared by the AC. The listing includes the lot number, description, asset number and amount for each motor vehicle or watercraft.
5. From this list a Customer Consignment Statement (CCS) is produced and provided to the PA. The CCS lists by state agency, all motor vehicles and watercraft carried to the auction, identifies those sold, and lists the item number, asset number and the gross sales price for each item.
6. The CCS is used by the PA to verify correct vehicle ID numbers, property numbers, description and selling prices are accurately recorded for the randomly selected items that were monitored at the time of auction.
7. The PA totals the amount of gross sales for the state from the CCS to obtain general sales information. The CCS is also used by the PA as a reference to provide status information to the agencies prior to receiving the final sales report from the AC.
8. The AC electronically transmits to the state, via ACH transfer, the state's proceeds due from the auction, excluding uncollected funds from sales to political subdivisions which are transferred at a later date.
9. A final sales report is formulated by the AC and is e-mailed to the PA. A hard copy of the final sales report, a copy of the public auction ACH transfer and a copy of the ACH transfer resulting from the subsequent collection of funds from political subdivisions are also sent to the PA by mail.
10. The final sales report includes the following information:
 - a) Summary sheets for each state agency sending vehicles or watercraft to the auction, with detailed listings of the sold agency equipment including item numbers, asset numbers, descriptions, gross selling prices, the buyer identity, selling expenses incurred and deducted by the AC and DMS, the net amount due for the equipment.
 - b) Overall detail for each state owned vehicle or watercraft sold at public auction, including the agency owner, the item number, asset number, vehicle ID number and description, gross selling price and buyer identity.
 - c) A list of vehicles sold to political subdivisions, by agency, including the vehicle ID number, asset number, buyer and gross sales price.
 - d) A buyer list organized by buyer identity sequence.

- e) A list of vehicles or watercraft sales, by agency that were cancelled because the buyer failed to pay for the equipment, including item numbers, asset numbers and the lot number. Sales amounts are deducted from the gross sales proceeds.
 - f) A copy of expense receipts supporting charges incurred and deducted by the AC.
 - g) Overall auction summary totals, including gross proceeds from the public auction, gross proceeds from sales to political subdivisions, commissions and expenses deducted by the AC and DMS and the net proceeds due to the state.
11. Commissions and expenses deducted from the net proceeds and shown on the report include:
- a) The AC commissions on each vehicle and watercraft sold of 8.5 percent of the sales amount up to \$10,000 plus 5 percent of the sales amount above \$10,000.
 - b) The AC selling expenses, listed by vehicle, incurred for removing decals or state markings from vehicles or watercraft, and providing vehicle keys.
 - c) DMS administrative fee of 3 percent for each vehicle or watercraft sold.
 - d) DMS expenses for the Property Administrator's travel and stay at the auction site. This expense is allocated among all vehicles sold and a complete list of travel expenses are provided by the PA to the AC for inclusion in the final sales report. The Manager Analyst II (MAII) within DSS maintains a copy of expenses for record.

II. Procedures for the Subsequent Receipt of Proceeds from Public Auction

A) Reviews and calculations

Auction proceeds due to the state are submitted to the Department of Financial Services for deposit to DMS via ACH transfer by the AC. A copy of the wire transaction and sales reports are submitted electronically and by hard copy to the PA in the Division of Specialized Services.

1. The PA performs the following reviews and calculations to ensure the sales report is accurate and the correct amount of funds have been remitted:
 - a) Compares gross sales listed on the sales report to the totals from the CCS obtained by the PA prior to leaving the auction. Any differences are

investigated and reconciled. Differences may include deductions for vehicle sales that were cancelled because the buyer did not pay for the vehicle by the due date.

- b) Reviews supporting documentation to ensure that the AC and DMS expenses are accurate and complete.
- c) Recalculates the net proceeds due to the state from the AC (gross sales less the AC and DMS expenses) and compares the amount due with the amount received by wire transfer. Differences are investigated and reconciled. The only difference should be amounts remaining uncollected from political subdivisions, less the AC expenses on those sales. Amounts remaining due as a result of uncollected proceeds from political subdivision sales are maintained by the PA.

B) Payment to the towing company

1. The PA sends an electronic copy of the detailed sales report to the towing company. Towing charges applicable to each vehicle along with the invoice number supporting the charges are added to the report by the towing company. The updated report is resubmitted to the PA via e-mail. The towing company is also required to send a complete set of invoices supporting each charge to the PA by mail.
2. To verify the correct amount has been charged according to state contract, the PA compares each towing invoice entered on the report by the towing company to the supporting documentation; checking for correct vehicle ID numbers, property numbers and invoice numbers.
3. Towing invoices are then turned over to a division staff member for further verification of vehicle ID numbers and vehicle property numbers recorded in the move orders. Also, a DSS staff member verifies move orders have been signed by a state employee, the tow truck driver and the AC.
4. If no differences are noted, the updated report is used to prepare a request for payment to the towing company. A memorandum is sent to the Director of Specialized Services certifying the accuracy of the towing charges.
5. After approval by the Director of Specialized Services, the request for payment to the towing company is submitted to the disbursement section in the Bureau of Management Services. Two copies of invoices are made and delivered to DMS Finance and Accounting office for verification of amounts and payment to vendor. Division staff provides signatures confirming above procedures have been followed and accomplished.

C) Payment to the Agencies

1. Using the detailed list of vehicles sold provided on the sales report, the PA updates the master list of surplus vehicles taken to auction, to indicate vehicles sold and vehicles remaining at auction, if any.
2. From the completed sales report the PA determines the total amount due to each agency. The agencies are paid for the amounts due from vehicle sold to political subdivisions, even if the amounts remain uncollected from the AC.
3. A listing of payments due to each agency, with appropriate FLAIR codes to identify the payment, is sent to the disbursement section in Financial Management Services with a request to pay the agencies. The listing includes:
 - a) Agency name
 - b) 29 digit samas account code
 - c) Six-digit benefiting object code
 - d) Sale date
 - e) Amount to be transferred
4. A copy of the agency portion of the report is sent to each agency for review. The agency is able to determine the disposition of all agency vehicles that were taken to auction, the gross sales provided and the calculation of the net amount due. Explanations for vehicles taken to auction that did not sell are also provided.

D) Reconciliation

A copy of the master list is provided to the reconciliation section of Financial Management Services prior to the auction.

1. The PA provides the reconciliation section with an electronic copy of the completed sales report, including summary and detail information to support the amounts not received due to uncollected proceeds from political subdivisions.
2. The reconciliation section reconciles vehicles and watercraft taken to auction from the master list with the list of vehicles and watercraft sold, and compute a gross sales amount for the equipment sold. Total gross proceeds from the master list are compared to gross sales listed on the sales report. In addition, the summary prepared by the PA is to be reconciled and used as support for the funds received from the AC.
3. Subsequent receipts of outstanding amounts resulting from sales to political subdivisions are wired to the state by the AC via ACH transfer. A copy of the transfer is sent to the PA.
4. The PA compares the amount of the wire transfer with the amount outstanding to ensure outstanding amounts have been received accurately and completely. A complete sales report is maintained on file by the PA.

III. Procedures for the Disposition of Specialty Watercraft and the Subsequent Receipt of Proceeds

1. Specialty watercraft is provided to the state upon seizure of a boat by law enforcement. Watercraft sales resulting from the seizure are accomplished through a specialty broker.
2. The broker submits proceeds from the sale via EFT to the state.
3. After receipt of the EFT transfer and supporting sales information, the PA reviews the broker's supporting documentation and recalculates for accuracy.
4. DMS administrative fees and other related expenses incurred by DSS are deducted from the amount submitted by the broker. Amounts due to the agency owning the boat are recalculated. The agency is provided with this reconciliation sheet, a description of the sales amounts and associated expenses.
5. A request for payment to the agency is then sent to the disbursement section in Financial Management Services.

IV. Procedures for the Disposition of Aircraft and the Subsequent Receipt of Proceeds

Surplus aircraft are sold through sealed bids, which are advertised in the "Trade A Plane" magazine at least one month prior to the date of bid opening.

1. Sealed bids are sent to the PA and are accompanied with a cashiers check or money order from the bidder for 10 percent of the vendor's bid price.
2. The PA signs the return receipt for the bid and date stamps the bid envelope. The unopened bid envelope is forwarded to the DSS MA II who stores the sealed bids in a locked filing cabinet until the specified date of the bid opening.
3. Each person present at the bid opening signs a sign-in sheet which is kept on file with the bid package. Also kept on file is a list of bidders and bid amounts.
4. Present at the bid opening are the PA, a DSS staff member, any bidder representatives and representatives from the agencies disposing of the aircraft that desire to come. Florida Fish and Wildlife (FFW) and the Florida Highway Patrol (FHP) may also be present at the bid openings since they normally have aircraft available for sale. Sealed bids are opened by the PA on the specified date and the aircraft is sold to the highest bidder; however, FHP and FWC can reject the bids if they think the bid prices are too low.

5. Once a sale has been made to the highest bidder, the PA returns the 10 percent bidders checks to the unsuccessful bidders and requests a certified return receipt. The unsuccessful bidders are provided with notice of sale to the highest bidder and the amount of the highest bid.
6. The 10 percent bidder check from the highest bidder is returned to the DSS MAII and retained by DSS in a locked filing cabinet until receipt of the remaining amount of the bid. Only the DSS MAII and the PA are aware of the location.
7. The PA contacts the highest bidder and arranges for submission of the check for the remaining 90 percent of the sale. Once the check is received, the PA verifies the amount and forwards it to the DSS MAII.
8. Upon receipt of the second check, the DSS MAII immediately prepares transmittal forms and the bid package is delivered to Financial Management Services.
9. The transmittal form provides the revenue section with information about the purpose of the checks and the organization code in which to deposit the proceeds. The bid package includes:
 - a) Both checks
 - b) Copy of the bid announcement
 - c) Copy of the winning bid
 - d) Transmittal form
10. The transmittal form is signed by the DSS MAII and also by someone in the revenue section indicating receipt of the checks.
11. The PA deducts DMS expenses from the selling price for the aircraft, calculated the amount due to the agency and sends a request to the Financial Management Services disbursement section to pay the appropriate agency.
12. The agency selling the aircraft is provided a copy of the disbursement calculation.

RESPONSIBILITIES

Individual or Group	Responsibilities
Property Administrator	Researches current policy to determine whether a new policy, policy revision or policy rescission is required. Creates and amends policy in 'draft' and submits to the Director of Administration via the Director of Specialized Services. Ensures policy content is accurate. Develops and maintains procedures and forms to ensure efficient and successful implementation of policy. Monitors policy compliance and elevates concerns, as appropriate. Performs periodic review of policies and recommends policy modifications.
Director, Division of Specialized Services	Reviews and approves policy, forwards to the Director of Administration

DEFINITIONS

Word/ Term	Definition
AC	Auction Contractor
CCS	Customer Consignment Statement
DMS	Department of Management Services
DSS	Division of Specialized Services
MAII	Manager Analyst II
PA	Property Administrator
MP 6401	A Request for Disposal of Mobile Equipment form.
Mobile Equipment	Mobile equipment as used in this section means any equipment purchase by the state that moves under its own power on land, water or air.
Political subdivisions	Florida city and county governments, colleges and other state agencies.