



# INVOICE PROMPT PAYMENT POLICY

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& Budget**

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## Invoice Prompt Payment Policy

### Purpose

The purpose of this policy is to define the responsibilities for Sumter County Board of County Commissioners (BOCC) Departments/Divisions/Services and other local government agencies that use Sumter County BOCC funds for processing expenditures incurred and disbursed. The Invoice Prompt Payment Policy ensures that Sumter County processes invoice payments per the Local Government Prompt Payment Act as defined by the Florida Statutes (F.S.) Chapter 218, Part VII.

The purpose of the Local Government Prompt Payment Act is to provide prompt payments, interest payments on late payments, and a dispute resolution process for payment of obligations by local governmental entities and their institutions and agencies.

### Policy

It is a policy of the Sumter County BOCC that payment for all purchases be made in a timely manner under provisions of the Local Government Prompt Payment Act.

### Definitions

For the purpose of this section, the following terms are defined:

- a) "Construction services" means all labor, services, and materials provided in connection with the construction, alteration, repair, demolition, reconstruction, or other improvement to real property;
- b) "Contractor" means the person who contracts directly with the Sumter County BOCC to provide construction services;
- c) "Invoice" means a commercial document that itemizes a transaction between a buyer (Sumter County) and a seller (a contractor or a vendor). An invoice must state it is an invoice on the face of the bill. An invoice must have a unique identifying number, vendor's (contractor's) name, description of goods/services, amount of payment, transaction date, and shipment date (if applicable);
- d) "Payment request" means a request for payment for construction services which conforms to all statutory requirements and all requirement specified by the Sumter County BOCC. Sumter County BOCC requirements are included in the contract for the project for which payment is requested.
- e) "Proper invoice" means an invoice that conforms to all statutory requirements and all requirement specified by the Sumter County BOCC.
- f) "Purchase" means the purchase of goods, services, or construction services; the purchase or lease of personal property; or the lease of real property by the Sumter County BOCC.
- g) "Vendor" means any person who sells goods or services, sells or leases personal property, or leases real property directly to the Sumter County BOCC.



## Sales Tax

Sales tax should **not** be included on any invoice or payment request unless authorized by law. ~~Sumter County BOCC Office of Management & Budget is a custodian of the Sumter County BOCC tax-exempt certificate and can supply a copy of the certificate to the contractor and/or the vendor of the Sumter County BOCC upon request.~~

## Contractor/Vendor Identification

To receive payment from Sumter County BOCC, the contractors and/or vendors must supply the Sumter County BOCC Purchasing Division with the correct federal identification number and a proper Internal Revenue Service (IRS) W-9 Form.

## Payment Due Date

Sumter County BOCC follows the same procedures when calculating a payment due date as established in F.S. Chapter 218.7.

## Late Payment Mandatory Interest Charge

Failure on the part of the Sumter County BOCC to make timely payments may result in the BOCC being a subject to late payment interest charges. No contract between the Sumter County BOCC and a contractor and/or a vendor may prohibit the collection of late payment interest charges allowable under the Local Government Prompt Payment Act as mandatory interest (F.S. 218.75).

## Retainage Payments for Construction Services

Sumter County BOCC may withhold retainage from any construction services request for payment in accordance with F.S. 218.735.

## Payment by Federal Funds

Where payment or the time of payment is contingent on receipt of federal funds or federal approval by the Sumter County BOCC, any contract and any solicitation to bid/request for proposal issued by the BOCC for such project shall clearly state contingency on federal funding and/or approval under provisions of F.S. 218.77.

## Resolution of Disputes for the Non-Construction Purchases

F. S. 218.76 will govern the resolution of any disputes between a contractor or a vendor and the Sumter County BOCC concerning payment of an invoice.

## Resolution of Disputes for Construction Services

F. S. 218.735 will govern the resolution of any disputes between a contractor and the Sumter County BOCC concerning payment of a request for payment or invoice for construction services. If a dispute between the Sumter County BOCC and the contractor cannot be resolved by the



procedure in F.S. 218.735(3), the dispute must be resolved in accordance with the dispute resolution procedure prescribed in the construction contract. In the absence of a prescribed procedure, the dispute must be resolved by the procedure specified in F.S. 218.76(2).

### **Effective Date**

This policy shall be effective upon approval by the Sumter County BOCC.