

**Department of Highway Safety and Motor Vehicles**  
*Division of Administrative Services*  
*Bureau of Accounting*

<p>PROCEDURE</p> <p align="center"><b>BA-6</b></p>	<p>SUBJECT:</p> <p align="center"><b>INVENTORIES AND YEAR-END AUDITS</b></p>	
<p>DESCRIPTION AND USE:</p>		
<p>I. Authority</p> <p>Section 320.03 (3), Florida Statutes, requires that each tax collector "... shall keep a full and complete record and account of all validation stickers, mobile home stickers, or other properties received by [the tax collector] from the department, or from any other source."</p> <p>II. Definitions</p> <p><b>A. Bins</b> – A virtual bin in FRVIS from which plates can be issued.</p> <p>Bin 99 – Singles bin: A category in FRVIS where a plate is assigned when it is voided and out-of-sequence. Bin 67 – Obsolete bin: A category in FRVIS where a plate is assigned when it requires an obsolete status.</p> <p><b>B. Electronic Filing System (EFS) Agent</b> – An entity authorized by the department to process title and registration transactions using the Electronic Filing System as defined in Section 320.03(10), Florida Statutes.</p> <p><b>C. Inventory</b> – A true and accurate record of verifiable items utilized by the Tax Collector’s, Department of Highway Safety and Motor Vehicle’s (DHSMV), and/or Tax Collector’s Agent’s offices in the delivery of services. For the purposes of this procedure, inventory refers specifically to license plates and placards, including, but not limited to, the following:</p> <ol style="list-style-type: none"> <li>1. Regular license plates</li> <li>2. Special license plates</li> <li>3. Specialty license plates</li> <li>4. Disabled person parking placards</li> <li>5. Temporary disabled person parking placards</li> <li>6. Temporary license plates</li> <li>7. Temporarily employed license plates</li> <li>8. Personalized Plates</li> </ol>		
<p>EFFECTIVE DATE</p> <p align="center"><b>09/01/2016</b></p>	<p>REVISION DATE</p> <p align="center"><b>09/20/2018</b></p>	<p>PAGE #</p> <p align="center"><b>1 of 9</b></p>

**D. Plate Inventory Adjustments** – Reductions or additions to inventory made as a result of a specific situation or occurrence. The approved situations/occurrences for which inventory may be adjusted are as follows:

Defaced	The plate is damaged, unreadable, or otherwise prevented from issuance due to its condition (temporary tags and parking permits that are defaced cannot be reissued).
Electronic Filing System (EFS) Returns	The plate transaction is voided by a dealership and the plate is marked in FRVIS with an "RT" status. The license plate becomes unusable and must be returned to the Tax Collector's office. Upon receipt, the Tax Collector shall place the plate in a "RR" status and remit to DHSMV.
Manufactured Incorrectly	The plate displays obvious errors in color, wording, format, or other manufacturing irregularities.
Missing	The plate was not received in the shipment from PRIDE or was not found within the agency. Missing inventory may be converted to "Unaccounted For" during the annual inventory audit.
Obscene/Objectionable	The plate is considered "Obscene" or "Objectionable." (Inventory Control should be contacted for assistance. See page 6 for contact information.)
Obsolete	The plate is to be marked as "Obsolete" based upon issuance of a DHSMV Technical Advisory. Obsolete inventory is assigned a category of "Bin 67" in FRVIS. (Note: This also applies to any objectionable plate where the county has contacted Inventory Control for assistance and to plates with sealant coming off. The latter plates are marked "obsolete" and returned to PRIDE.)
Obsolete Personalized	A personalized plate is manufactured, but is later not wanted by the customer or the customer cannot be contacted within 90 days of the plate's delivery to the office.
Stolen	The plate has been illegally removed from the office.
Transfers	The plate was transferred from the original receiving office location to another location.
Unaccounted For	Inventory was received and accepted from PRIDE, but is not on-hand and has not been issued. This status is assigned during the annual inventory audit.

**E. Plate Status Types** – Specific codes to be utilized in the reporting and tracking of inventory. The following Plate Status Types shall be utilized:

DF	Defaced	MI	Missing
OB	Obsolete	RT	Returned (EFS)
TI	Transferred Inventory	UA	Unaccounted For

III. Inventory Procedure

**A. Tasks to be performed on or before October 31, 2018**

- 1. Inventory in the singles Bin 99 should be used or transferred out of Bin 99 before October 31, 2018.**

“Singles” are caused when transactions have been voided and the customer did not leave with the inventory. This allows for the inventory to be issued to the next customer. Temporary Plates and Parking Placards cannot, however, be reissued. (See subsection “C” of this section for details on removing Temporary Plates and Parking Placards from “Bin 99.”)

- 2. The Tax Collector, Tax Collector Audit Representative, License Plate Agent, or Division of Motorists Services (DMS) office will generate “FRVIS Inventory Report(s)”<sup>1</sup> at the close of business on October 31, 2018.**

**Bin reports are not acceptable.**

- To generate a “FRVIS Plate Inventory Report”: go to “Miscellaneous,” “General Reports,” enter the date parameter of 10/31/2018, check the box “Current Plate Inventory Report,” and lastly click “Print Reports.” This will generate the plate inventory report (report number MLOFQ128).
- To generate a “FRVIS Decal Inventory Report”: go to “Miscellaneous,” “General Reports,” enter the date parameter of 10/31/2018, check the box “Current Decal Inventory Report,” and lastly click “Print Reports.” This will generate the decal inventory report (report number MLOFQ139).
- To generate the ORION “Agent Issuable Inventory Report”, access the ORION application on your desktop. Run the ORION report at the close of business on October 31, 2018.

**B. Tasks to be performed by November 30, 2018**

- 1. All inventory reports must be submitted to the department on or before November 30, 2018.**
- Prior to submitting the FRVIS Inventory Report(s), verify the physical inventory on hand in the office or agency to the “FRVIS Inventory Report.” Highlight any discrepancies found.

<sup>1</sup> “FRVIS Inventory Reports” may include any or all of the reports listed in subitems a., b., and c., depending upon whether the Tax Collector utilizes License Plate Agents.

3. Highlighted discrepancies should have an explanation beside each plate indicating the reason for the discrepancy. Attach supporting documentation whenever applicable.
4. If there are discrepancies resulting from “unaccounted for” inventory maintained by an EFS Agent, the Tax Collector should seek to resolve the discrepancy. If the Tax Collector is unable to resolve the discrepancy, provide an explanation and supporting documentation regarding communication with the dealer to resolve the issue to the Bureau of Accounting at [RevenueAudit@flhsmv.gov](mailto:RevenueAudit@flhsmv.gov). This documentation should include, but not be limited to: the type and amount of missing inventory; copies of communications with the dealer; the dealer’s explanation for the discrepancies; and any other relevant information.
5. On the last page of the “FRVIS Inventory Report(s),” the Tax Collector, Tax Collector Audit Representative, License Plate Agent, or DMS office must write the following statement: “The FRVIS Inventory Report has been verified to the physical inventory on hand.”
6. The Tax Collector, Tax Collector Audit Representative, License Plate Agent, or DMS office manager must certify the FRVIS Inventory Report(s) by signing their name below the statement referenced in item 4, above.
7. Each Tax Collector, License Plate Agent, or DMS office should combine all of the agency’s certified “FRVIS Inventory Report(s)” and email them to [RevenueAudit@flhsmv.gov](mailto:RevenueAudit@flhsmv.gov) or mail by November 30, 2018 to:

Department of Highway Safety and Motor Vehicles  
Audit and Refund Section – Room A115  
Neil Kirkman Building – MS 24  
2900 Apalachee Parkway  
Tallahassee, FL 32399

### C. Adjusting Inventory Throughout the Year

Adjustments to inventory should be made whenever a plate cannot be issued or located. The Tax Collector, License Plate Agent, or EFS Agent will be billed for inventory adjustments in accordance with the attached fee schedule.

Inventory adjustments will be made in the following instances:

#### 1. Defaced Plate

Defaced plates must be removed from inventory as they cannot be issued. There are two authorized reasons for defacing a plate:

- a. A license plate is damaged when received from PRIDE; or
- b. A Temporary License Plate or Handicapped Parking Permit had to be voided, which FRVIS defaults to the singles “Bin 99.” Because these items cannot be reissued, they must be marked as “Defaced” in order to be removed from the singles “Bin 99.”

Each month, the Tax Collector, Tax Collector Audit Representative, License Plate Agent, or DMS office must send all “Defaced” inventory to DHSMV’s Audit and Refund Section. The plates must be listed on the “Defaced License Plate Report” and mailed to the Bureau of Accounting (address on page 4). The Defaced License Plate Report must contain a statement for each included plate identifying the reason the plate was defaced. If an EFS Agent receives a defaced plate, it should be returned to the Tax Collector it was received from.

In order for defaced items to be removed from inventory, DHSMV’s Audit and Refund Section must receive the physical plate(s). The department suggests that all inventory be mailed with a delivery confirmation option. Upon receipt of the inventory, the Audit and Refund Section will fax or email (as requested) a receipt verifying that the items were received. If the Tax Collector, Tax Collector Audit Representative, License Plate Agent, or DMS office does not receive a fax or email confirmation of receipt signed by a Department Audit Section member within ten (10) working days of shipment, please contact [RevenueAudit@flhsmv.gov](mailto:RevenueAudit@flhsmv.gov). Inventory will be considered “Unaccounted For” if it is not confirmed as delivered by delivery confirmation receipt or received by the department by fax or email confirmation.

Note: “Inventory handed out incorrectly” or “clerk error” are not valid reasons for defacing inventory and will cause inventory to be considered “Unaccounted For.”

If a tag has left the office and is later returned, it must be placed in a “Defaced” status as it is no longer available for issue. The “Swap Plate” function in FRVIS is used when the wrong license plate type is issued out incorrectly and can only be replaced with the correct plate type.

## 2. Obsolete Plate

Plates designated as “obsolete” should be moved to “Bin 67” after a related Technical Advisory has been issued by the department. This can be done using the “Make Inventory Obsolete” transaction. Obsolete plates should then be retrieved by PRIDE (do not return this inventory to the department). Plates to be designated as obsolete, other than pursuant to a Technical Advisory issued by the department, must have prior written approval from Inventory Control. Any inventory moved to “Bin 67” without being properly designated “Obsolete” in a Technical Advisory or without proper authorization from Inventory Control will be considered “Unaccounted For.” To reclassify any inventory, the Inventory Control section, within the Division of Motorist Services, should be contacted as indicated below:

Department of Highway Safety and Motor Vehicles  
Division of Motorist Services  
Inventory Control – Room A332  
Phone number 850-617-2900  
Neil Kirkman Building – MS 74  
2900 Apalachee Parkway  
Tallahassee, Florida 32399-0158

3. Missing Plate

If inventory is received from PRIDE and a plate is noted as missing, a “Missing” transaction should be entered in FRVIS before any plates within the box received from PRIDE are issued. “Missing” transactions are reviewed for timeliness. The “Missing” transaction date must coincide with the received date from PRIDE and/or the issued date of the inventory. The number recorded for the missing plate must be the number that would have been between the immediately prior and following numbers in the inventory series.

If these requirements are not met, the inventory may be considered “Unaccounted For.” If missing inventory is not reported before any plate is issued from the box, it will be billed to the Tax Collector based on the attached fee schedule. If an EFS Agent fails to report missing inventory, the EFS Agent will be billed by the Tax Collector based on the attached fee schedule. It is recommended that all inventory be accounted for prior to initial issuance from the shipment box.

4. Unaccounted For

Inventory is considered “Unaccounted For” if it is received from PRIDE, but it is not later found to be present in the office (i.e., on-hand) and has not been issued. “Unaccounted For” inventory will be billed to the Tax Collector based on the attached fee schedule. If an EFS Agent has “Unaccounted For” inventory, the EFS Agent will be billed by the Tax Collector based on the attached fee schedule.

5. Stolen

Inventory must be secured at all times. If inventory is missing and is believed to be stolen, law enforcement must be contacted as quickly as possible and a theft report must be completed immediately upon discovering that the inventory is not accounted-for. The department’s Motorist Services Fraud Unit must also be contacted as soon as possible at (850) 617-2907 to report the theft.

In addition, written follow-up regarding the status of the inventory is required to be submitted to the department’s Bureau Chief of Issuance Oversight and the Bureau Chief of Accounting. This will enable the department to update its Law Enforcement System and remove the items from the respective Tax Collector’s inventory. Failure to properly notify DHSMV may result in inventory being considered “unaccounted for.” For more information, please refer to procedure TL-56.

#### 6. EFS Returns

Inventory returned from EFS Dealers to the Tax Collector or License Plate Agent must be in an “RT” status. If inventory is not in an “RT” status, the Tax Collector or License Plate Agent must go to the “Globals” menu in FRVIS, then to “Inventory - Local Inventory - Maintain Inventory Status” to first update the status code to “RT” and then update to an “RR” status and list all applicable inventory on the “Voided License Plate Report.” This report should be returned to the DHSMV Audit Section (Additional information may be found in the [Division of Motorist Services Procedure EFS-01](#)).

Each month, the Tax Collector’s or License Plate Agent’s designated Audit Representative must send all EFS-returned inventory to DHSMV’s Audit Section. In order for the returned items to be removed from inventory, the DHSMV’s Audit Section must receive the physical plate(s). The department suggests that all inventory be mailed with a delivery confirmation option. Upon receipt of the inventory, the Audit and Refund Section will fax or email (as requested) a receipt verifying that the items were received. If the Tax Collector, Tax Collector Audit Representative, License Plate Agent, or DMS office does not receive a fax or email confirmation of receipt signed by a Department Audit Section member within ten (10) working days of shipment, please contact [RevenueAudit@flhsmv.gov](mailto:RevenueAudit@flhsmv.gov). Inventory will be considered “Unaccounted For” if it is not confirmed as delivered by delivery confirmation receipt or received by the department by fax or email confirmation.

#### 7. Bin 99

The department recommends generating monthly bin inquiries to research plates that have been placed in “Bin 99.” Once the proper research has been conducted, the plate can be transferred to another bin so that it can be issued. This will eliminate multiple plates being placed in this bin that are unidentifiable during the audit period. “Unaccounted For” inventory in “Bin 99” will be invoiced to the Tax Collector based on the attached fee schedule.

### D. Responding to Audits

As indicated in section III. B., above, all inventory reports must be mailed or emailed to the DHSMV Audit Section no later than November 30, 2018. Once the inventory reports are received, and the audit is completed, an audit finding(s) letter will be issued. This letter will confirm whether the audit is clear (i.e., inventory was not missing and no monies are owed) or will notify the Tax Collector that an audit assessment will be due for payment of inventory categorized as “Unaccounted For.” **The Tax Collector has 45 days from the issuance date of the letter to respond to the audit finding(s) or make payment.** A letter of clearance will be mailed after payment is made and/or all discrepancies are resolved.

In the event an EFS Agent fails to provide an adequate explanation for “Unaccounted For” inventory to the Tax Collector, the Tax Collector shall notify the Audit and Refund Section at [RevenueAudit@flhsmv.gov](mailto:RevenueAudit@flhsmv.gov). **The dealer’s name, license number, and county the dealer is located in should be included in the email and all documentation described in Section III. B. of this procedure should be attached.** The Audit and Refund Section will review the situation and work with the Tax Collector to resolve the discrepancy. If the department and Tax Collector are not able to resolve the discrepancy, the department will contact the EFS Agent directly to resolve the matter.

**E. Payment of Inventory**

Payment of “Unaccounted For” inventory should be made in FRVIS through the “Miscellaneous Revenue” function. When paying, the plate configuration (plate numbers) must be entered to ensure it the plate is removed from inventory. Failure to input the plate configuration will result in the plate not being removed.

EFS Agents must arrange for payment for all “Unaccounted For” inventory with the Tax Collector’s office in a timely fashion. If payment is not made by the due date established, the Tax Collector shall notify the Audit and Refund Section at [RevenueAudit@flhsmv.gov](mailto:RevenueAudit@flhsmv.gov) as soon as possible. **The dealer’s name, license number, and county the dealer is located in should be included in the email and all documentation described in Section III. B. of this procedure should be attached.** The Audit and Refund Section will review the situation and work with the Tax Collector to resolve the discrepancy. If the department and Tax Collector are not able to resolve the discrepancy, the department will contact the EFS Agent directly to resolve the matter.

Payments on items defaced monthly due to “clerk error” or “inventory being handed out incorrectly” can be made once the Defaced License Plate Report is verified and items are marked with an asterisk by the Audit and Refund Section beside the reason provided for why the plate was defaced. (No reports are required if payments were made prior to final inventory audit, unless payment verification is requested.)

For a step-by-step guide on remitting payments in FRVIS, please refer to the FRVIS Manual located at: <http://hsmvpartnernet.flhsmv.gov/Pages/FRVIS2000Manual.aspx>, Chapter 9, Part 12, subsection C.

Tax Collectors and License Plate Agent’s should submit a copy of the “Transaction Summary Report” and the “Transaction Detail Report” from FRVIS after payment is made for all “Unaccounted For” plates to [RevenueAudit@flhsmv.gov](mailto:RevenueAudit@flhsmv.gov) or mailed to the address on page 4.



**F. Refunds**

Requests for refunds for payments made for “Unaccounted For” inventory that was later found must be requested within three months after the date of payment. A refund request form ([Application for License Plate and Decal Refund](#)), the plate, and proof-of-payment must be supplied in order to qualify for a refund. All request forms with supporting documentation must be timely submitted to [RevenueAudit@flhsmv.gov](mailto:RevenueAudit@flhsmv.gov) or mailed to the address on page 4. Late refund requests will not be processed by the department.

**G. Important Final Instructions**

Failure to properly follow procedures for adjusting inventory will result in inventory being considered “Unaccounted For.” All “Unaccounted For” inventory will be invoiced following review of the inventory audit.

A step-by-step guide on how to maintain appropriate bins, transfer inventory, etc., is available online at PartnerNet at: <http://hsmvpartnetnet.flhsmv.gov/Pages/FRVIS2000Manual.aspx>.

Questions or concerns regarding this procedure should be directed to [RevenueAudit@flhsmv.gov](mailto:RevenueAudit@flhsmv.gov) or (850) 617-3205.