



Wakulla County Clerk of the Courts & Comptroller Internal Audit Report Tax Deed Sales Audit

August 2026

The Internal Audit Department (IA) completed an audit of the tax deed sale process that takes place at the Wakulla County Clerk of the Courts and Comptroller's (Clerk) Office. Tax deed sales are governed by Florida Statute (FS) 197 and the fees associated with the sale are from FS 28.24. The Official Records Department (Recording) is responsible for conducting the sales based on these statutes.

To complete the audit, a sample was selected of the 10 highest sales that have taken place between the beginning of fiscal year 2023-2024 and when the audit began. This included sales between October 4, 2023 and November 13, 2024. These samples are listed in the table below.

Sale Date	Tax Deed Number	Sale Amount
10/04/23	23 TXD 076	\$ 35,500.00
11/15/23	23 TXD 087	\$ 138,000.00
12/06/23	23 TXD 091	\$ 65,000.00
12/20/23	24 TXD 001	\$ 35,000.00
04/04/24	24 TXD 034	\$ 20,136.84
04/04/24	24 TXD 037	\$ 27,135.84
10/16/24	24 TXD 052	\$ 50,000.00
10/16/24	24 TXD 057	\$ 60,000.00
10/16/24	24 TXD 058	\$ 27,000.00
07/29/24	24 TXD 064	\$ 26,771.76

In addition to FS 197 and 28.24, Clerk policies and procedures were reviewed. Recording staff were interviewed on the process. The Finance Department (Finance) was also consulted. Based on the consultation with Finance, tax deed 24 TXD 043 was also evaluated. The files of each sample were reviewed to verify documentation of compliance. Statutory opening bids, deposits, and overages were recalculated by IA for validation.

Tax deed sales are a process that takes place between the Tax Collector's Office (TC) and the Clerk's Office on behalf of Wakulla County Board of County Commissioners (County). Tax payers who appear on the tax roll from the Property Appraiser's Office that fail to pay their taxes have the delinquent taxes sold by the TC as a tax deed certificate. The delinquent taxes are paid by a purchaser who becomes known as the certificateholder. Owners of the property can pay the back taxes, plus interest and fees within a two-year timeframe. Any time after the two-year timeframe the certificateholder can apply for a tax deed through the TC. At that point the role of the Clerk begins.

The TC sends over a "513" form based on Florida Department of Revenue (DOR) form DR-513 and DOR's form DR-512. Included with these forms is a letter on TC letterhead

and the certificateholder's payment for tax deed application to the Clerk. The Clerk charges a flat fee of \$260 per tax deed application. This amount covers required fees due to the Clerk plus costs of advertising the notice of the tax deed sale, certified and regular mail costs, and the sheriff's service of process fee. Any remaining amount is a buffer to cover additional fees that may occur for mailing or service of process to additional parties. If not used for additional costs, the remainder is refunded to the certificateholder when the tax deed is sold at auction or redeemed by the property owner. This process helps the County receive all taxes that were due and the certificateholder makes a profit from the interest earned. The interest is calculated based on the month following the receipt of the application through the end of the month the sale takes place. This determines the statutory opening bid and also the amount to redeem the property by the owner prior to the sale.

The highest bidder at the auction becomes the new owner of the property if the original owner does not redeem the property prior to the sale. After the certificateholder is paid, other parties with an interest in the property are paid based on amounts above the opening bid. These parties include government and other liens, mortgagees, and original owners or their heirs. The parties must be contacted by the Clerk and have a specific timeframe to respond and make claims to the proceeds. After the timeframe ends, the Clerk's Office submits any remaining unclaimed proceeds to the state following the unclaimed funds statutory requirement.

Observations

Of the samples, three of the ten files were found to have no issues. These three files had documentation within the file folder to show compliance with the required laws. Four of the files did not have copies of the surplus letter required under FS 197.582(2)(a). Each tax deed has an Excel workbook with all of the information entered. This workbook has tabs for the form letters and calculations based on FS 197 and 28.24. There were letters addressed to different parties in the Excel workbook. Recording was able to provide explanations for each file and indicated copies of the letters are no longer kept in the paper file folder.

An additional sample did not have a letter but there was a government lien tied to that file and a form filled out by the County's Planning Department for a code violation lien on October 28, 2024, which was higher than the overbid amount. There was no documentation of this payment being made to the County in the file or in the accounts payable record. The payment was paid to the County on March 11, 2025, during the course of the audit because Recording indicated they were waiting for notice from the County about amounts that were going to be accepted from the new owner for the lien on the property. The County's lien hearing took place on February 18, 2025 with the lien satisfaction being recorded on February 20, 2025.

FS 197.512 requires the Clerk to publish a notice for four consecutive weeks in a local newspaper with the first notice being at least 30 days prior to the sale after the tax deed application is received by the TC. One of the samples had the notice ran for four weeks but those weeks were not consecutive. Because there were several tax deeds being sold on the same date all files for that date were examined. An additional tax deed was found

to have the same issue. Dates for the run were 8/17/23, 8/24/23, 9/14/23 and 9/28/23. The sale date was 10/4/23. Documentation in the file showed that only two runs were requested when the notice was sent to the newspaper. Recording provided an email sent by a former employee to the newspaper requesting two additional weeks on 9/6/23 rather than four weeks. This issue was missed by the supervisor that was copied on the email.

FS 197.542(2) requires the highest bidder to make a deposit of \$200 or 5% of the sale price at the end of a tax deed sale. The remainder is to be paid within 24 hours. The deposit for one of the tax deeds sold for \$60,000 was only \$2,000. This was \$1,000 short of the statutory requirement. When Recording was consulted about this difference, it was stated, "We've had bidders who sometimes do not have the correct amount. Rather than leave we will collect what they have and issue a caution to them that next time they can be banned from bidding. We've had bidders leave and not come back. It's best to collect then be stiffed."

One of the tax deed samples did not have sufficient information in the file for the amount paid to the certificateholder and the amount the property owner paid to redeem the tax certificate. This particular tax deed was redeemed before the certificateholder's payment of the \$260 application fee to the Clerk's Office was processed in the Recording software Landmark and deposited into the bank. Recording had not processed the tax deed when the certificate was redeemed by the owner. FS 197.542(1) provides direction to the Clerk on how to calculate interest due for the opening bid/redemption amount for "real property advertised for sale to the highest bidder." Because this property was never advertised the property owner should not have been charged interest by the Clerk's Office but the property owner was charged for three months of interest. Three months of interest was used because that is when the other tax deeds that came over from the TC at the same time as this sample were scheduled to be sold.

Based on the TC certified amount on form 513, the total due was \$25,472.13. The amount to redeem would be the TC total plus additional fees owed to the Clerk for processing. The owner paid \$26,711.76 for Tax Deed Sales plus Tax Deed Clerk Fee of \$60, and Clerks Fee of \$13.25. After the month was closed, the Tax Deed Clerk Fee of \$60 was moved by Recording to Tax Deed Sales in Landmark. The amount of \$26,771.76 could not be recalculated by IA. The certificateholder was paid \$26,577.32 for the tax deed sale and refunded the \$260 application fee twice. The amount charged to Tax Deed Sales in Landmark to redeem the tax deed should match the amount paid to the certificateholder for Tax Deed Sales. The \$260 application fee was processed by Recording because the certificateholder paid for multiple tax deed applications on one check. The applications were received from the TC on July 25, 2024. The certificate was redeemed on July 29, 2024. The certificateholder's payment was deposited by the Clerk's Office on July 31, 2024.

Recording was consulted on how the \$26,771.76 was calculated. Below is the breakdown of how it was explained by Recording. Because the fees (shown on lines 5 through 10) were not charged to the certificateholder they were removed by Recording after the interest was calculated to determine the amount to pay to the certificateholder. The interest was hard keyed into the Excel worksheet where there is normally a formula. The amount hard keyed in for interest was \$1,105.19, which added to the amount from the TC

of \$25,472.13 totals \$26,577.32. This was the amount paid to the certificateholder.

Amount charged to redeemer:

TAX DEED FILE NO.	2024 TXD 64
CERTIFICATE #	1324
DATE OF ISSUANCE	June 1, 2022
1 Total from T.C. DR 513 form Line #7 (Total)	25,472.13
2 Total from T.C. DR 513 form Line #6 (Interest)	1,096.89
3 PRINCIPAL AMOUNT	\$ 24,375.24
4 COPIES & PLATS	-
5 CLERK'S FEE	60.00
6 ADVERTISING FEE	34.50
7 NOTICE OF SERVICE 4 @ \$9.64 EACH	38.56
8 REGULAR POSTAGE 2 @ \$0.69 EACH	1.38
9 SHERIFF'S SERVICE 1 @ \$40.00 EACH	40.00
10 NOTICE OF TAX DEED	10.00
11 INTEREST (Sum of rows 1 - 8 @ 1.5% per month, for 3 months)	1,105.19
12 TAXES DUE AND OWING IF ANY	-
13 ONE HALF of HOMESTEAD'S ASSESSED VALUE	-
14 STATUTORY OPENING BID AMOUNT	\$ 26,761.76
15 CLERK'S REDEMPTION FEE	6.25
16 CLERK'S CHECK WRITING FEE	7.00
17 RELEASE OF NOTICE	10.00
TOTAL TO REDEEM PRIOR TO SELL	\$ 26,785.01

Amount of Tax Deed Sales
charged to redeemer in Landmark
\$26,771.76

Amount paid to certificateholder:

TAX DEED FILE NO.	2024 TXD 64
CERTIFICATE #	1324
DATE OF ISSUANCE	June 1, 2022
1 Total from T.C. DR 513 form Line #7 (Total)	25,472.13
2 Total from T.C. DR 513 form Line #6 (Interest)	1,096.89
3 PRINCIPAL AMOUNT	\$ 24,375.24
4 COPIES & PLATS	-
5 CLERK'S FEE	-
6 ADVERTISING FEE	-
7 NOTICE OF SERVICE @ \$9.64 EACH	-
8 REGULAR POSTAGE @ \$0.69 EACH	-
9 SHERIFF'S SERVICE @ \$40.00 EACH	-
10 NOTICE OF TAX DEED	-
11 INTEREST (Sum of rows 1 - 8 @ 1.5% per month, for 3 months)	1,105.19
12 TAXES DUE AND OWING IF ANY	-
13 ONE HALF of HOMESTEAD'S ASSESSED VALUE	-
14 STATUTORY OPENING BID AMOUNT	\$ 26,577.32

Amount paid to certificateholder
from Tax Deed Sales
\$26,771.76

Finance was consulted about the amounts in their records and they had a reconciliation issue of \$125.56 for Tax Deed Sales. The issue had been brought to the attention of Recording but was not resolved. Normally accounts payable does not process a duplicate invoice number and the accounting software, MIP, flags duplicate invoice numbers. Reviewing the duplicate checks of \$260 it was found that the letter “b” was hand written on the check request by accounts payable. Due to the nature of tax deed sales, having more than one payment processed from the same receipt number would not be unusual. Additionally, one of the refunds was requested from Tax Deed Sales and the other from Overpayment Refunds making it more difficult to notice the issue. Below is the breakdown of the \$125.56 difference. Note that the first refund of \$260 was paid out of object code 208921 (Overpayment Refunds) using department code 1001-INV but the monthly journal entry used department code 1001-CLRK. The second refund was paid out of object code 208107 (Tax Deed Sales).

Date	Description	Document Number	Name of Party Paid	GL	Debit	Credit
Money Coming In						
7/29/2024	Redeemed by Sam's Sea Shack	JV-JUL24-108		600-RECORD. 1001- INV.208107		26,711.76
7/31/2024	Overpayment by ANNA FERTIC FOUNDATION INC	JV-JUL24-108		600-RECORD. 1001- CLRK.208921		260.00
						26,971.76
Money Going Out						
8/1/2024	OVERPMT REFUND 24TXD059 24TXD060 24TXD061 24TXD062 24TXD063	239203	ANNA FERTIC FOUNDATION INC	600-RECORD. 1001- INV.208921	260.00	
8/15/2024	2024 TXD 064 -- TAX DEED REFUND	239203 b	ANNA FERTIC FOUNDATION INC	600-RECORD. 1001- INV.208107	260.00	
8/19/2024	2024 TXD 064 -- PID No. 00-00-086-000-11586-033	239105	ANNA FERTIC FOUNDATION INC	600-RECORD. 1001- INV.208107	26,577.32	
						27,097.32
					Difference	(125.56)

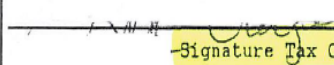
Finance completed a journal entry of \$60 that moved funds from Tax Deed Sales to 208903 (Tax Deed Clerk Fee) on September 13, 2024. Though the journal entry did not reference 24 TXD 064, it did not reference any other tax deed either. Based on the timing, it does appear to be for 24 TXD 064. However, this journal entry moved the funds in the opposite direction of the transaction recorded in Landmark.

The additional tax deed that was evaluated was also found to have a duplicate refund to the certificateholder. One of the refunds was for \$3,910.35 processed on 8/1/24 and the

other for \$3,914.35 processed on 8/16/24. The second refund also had a hand written "b" on the request form. The \$4 difference was attributed to postage by Recording upon further inquiry by IA. The original receipt for the \$260 fee paid by the certificateholder had a cushion of \$118.18. The \$118.18 was crossed out with \$114.18 written next to it. The full \$118.18 was charged to Tax Deed Sales in Landmark and MIP. The certificateholder wrote a check back to the Clerk for the second payment. The duplicate payment was brought to Recording's attention by the certificateholder that received the duplicate payment.

Besides the observation of the specific samples outlined above, there are some general observations that apply to all tax deed sales. The first item to note is the 513 form that is sent by the TC to the Clerk. The form the TC is using does not match DOR's form DR-513. Per FS 195.022, counties are allowed to create their own forms, but the substantive content must be the same. Justification for why the alternative form is needed must be submitted to and approved by DOR. The form that is being used differs from DOR's form on page two where there is a signature line for the Clerk. The form has lines for the Clerk to fill out to calculate the statutory opening bid. DOR's form has a line on page two for the Clerk to sign off on this amount. The form being used by the TC has a line on page one and page two for the TC's signature and it is being signed by the TC on both pages prior to the Clerk filling in page 2. See below for current form being used followed by DOR's form. The TC stated the form was part of the tax software system. The vendor has corrected the form in the system and the DOR version of the form will be used going forward.

TC Form:

513 07/19 Page 2 of 2	
Part 5: Clerk of Court Certified Amounts (Lines 8 - 15)	
8. Processing tax deed fee	
9. Certified or registered mail charge	
10. Advertising charge (see s.197.542, F.S.)	
11. Recording fee for certificate of notice	
12. Sheriff's Fees	
13. Interest (see Clerk of Court Instructions, page2)	
14. Total Paid (line 8-13)	
15. Plus one-half of the assessed value of homestead property, if applicable under s.197.502(6)(c), F.S.	
16. Statutory opening bid (total of Lines 7, 14 and 15, if applicable)	
 Signature Tax Collector or Designee Date <u>August 16, 2024</u>	
INSTRUCTIONS	

DOR's form:

DR-513 Eff. 07/19 Page 2 of 2	
Part 5: Clerk of Court Certified Amounts (Lines 8-15)	
8. Processing tax deed fee	
9. Certified or registered mail charge	
10. Advertising charge (see s.197.542, F.S.)	
11. Recording fee for certificate of notice	
12. Sheriff's fees	
13. Interest (see Clerk of Court Instructions, page 2)	
14. Total Paid (Lines 8-13)	
15. Plus one-half of the assessed value of homestead property, if applicable under s. 197.502(6)(c), F.S.	
16. Statutory opening bid (total of Lines 7, 14, and 15, if applicable)	
Date of sale _____, 20__	
Signature, Clerk of Court or Designee _____	

INSTRUCTIONS

Tax Collector (complete Parts 1-4)

Part 2: Certificates Owned by Applicant and Filed with Tax Deed Application
Enter the Face Amount of Certificate in Column 3 and the Interest in Column 4 for each certificate number. Add Columns 3 and 4 and enter the amount in Column 5.

Part 3: Other Certificates Redeemed by Applicant (Other than County)
Total. Add the amounts in Columns 3, 4 and 5

Part 4: Tax Collector Certified Amounts (Lines 1-7)

Line 1, enter the total of Part 2 plus the total of Part 3 above.

Total Paid, Line 7: Add the amounts of Lines 1-6

Line 6, Interest accrued by tax collector.
Calculate the 1.5 percent interest accrued from the month after the date of application through the month this form is certified to the clerk. Enter the amount to be certified to the clerk on **Line 6**. The interest calculated by the tax collector stops before the interest calculated by the clerk begins. See Section 197.542, F.S., and Rule 12D-13.060(3), Florida Administrative Code.

The tax collector's interest for redemption at the time of the tax deed application is a cost of redemption, which encompasses various percentages of interest on certificates and omitted or delinquent taxes under Section 197.502, F.S. This interest is calculated before the tax collector calculates the interest in Section 197.542, F.S.

Attach certified statement of names and addresses of persons who must be notified before the sale of the property. Send this form and any required attachments to the Clerk of Court within 10 days after it is signed.

Clerk of Court (complete Part 5)

Line 13: Interest is calculated at the rate of 1.5 percent per month starting from the first day of the month after the month of certification of this form through the last day of the month in which the sale will be held. Multiply the calculated rate by the total of **Line 7**, minus **Line 6**, plus **Lines 8** through **12**. Enter the amount on **Line 13**.

Line 14: Total Paid Enter the total of Lines 8-13. Complete Lines 15-16, if applicable.

Recording has a check list that is included in the file folder of each tax deed. This checklist helps to ensure that all required steps take place. The checklist is not currently being completed consistently which risks steps being missed.

FS 197.522(b) states, "the clerk shall enclose with every copy mailed a statement as follows: WARNING: There are unpaid taxes on property which you own or in which you have a legal interest. The property will be sold at public auction on (date) unless the back taxes are paid. To make payment, or to receive further information, contact the clerk of court immediately at (address), (telephone number)." The statement in the warning being used varies slightly from what is written in the statute. It is the same in substance but not

written verbatim. The wording of the statute implies it should be the exact statement. Additional sections of the statute use the language "substantially the following form" in reference to other required written statements.

The time between when tax certificates are received from the TC and when the sales are held varies due to workload, number of tax certificates received, and complexity of tax deeds. Statute dictates minimum required time from when the sale is advertised and Recording is in compliance with this requirement.

Currently the process of collecting the required nonrefundable deposit does not align with statute or Clerk policy. After all auctions are concluded for the day the deputy clerk that conducts the auction takes a cash deposit from the high bidder and provides them with a hand written receipt. The highest bidder receives one of the three copies of the hand written receipt, one copy is attached to the cash received, and one is left in the receipt book. The cash with the receipt attached is placed in the deputy clerk's cash drawer. When the highest bidder returns, the cash is returned to the high bidder and the money order or cashier's check for the full amount is entered into Landmark. The hand written receipt is returned to Recording by the highest bidder during this process.

According to FS 197.542(2) "the high bidder shall post with the clerk a nonrefundable deposit of 5 percent of the bid or \$200, whichever is greater, at the time of the sale, to be applied to the sale price at the time of full payment." High bidders must pay the remainder within 24 hours or the tax deed will be readvertised, using the deposit to cover those costs. Additionally, "Deputy Clerk's Daily Deposit Procedures" effective August 1, 2022 states, "each payment will be entered into the appropriate software immediately and a computer-generated receipt provided to the customer." Landmark is specifically referenced for Recording. This policy also states that manual receipts are not to be used as a general rule. Specific rare cases of exception are provided for reasons in the policy which tax deeds do not fall under. It also requires in these rare situations that the hand written receipt be documented in the software.

Under the current practice the deposit is not applied to the balance but is instead returned to the high bidder. The hand written receipt is not noted in Landmark. The current practice comes with risk because the cash is not accounted for, for up to 24 hours.

The Clerk has a policy, based on FS, related to conflicts of interest and tax deed sales. There was no evidence in any of the samples that any conflicts of interest issues occurred.

Recommendations

Recording

- Recording has created a checklist for tax deed sales. It is recommended that Recording review the checklist and remove any items that are not part of the current process and are not required to be done by statute. If an item is on the checklist, put documentation in the file. Add the names of the people contacted for any overbid amounts to the checklist, using n/a if nobody was contacted. Make sure the checklist

is consistently used or it diminishes its value. If printed copies are not going to be kept in the file, having a notation of the information in the file and a pdf of the digital copy would help ensure nothing is missed or inadvertently changed.

The checklist has lines for the dates the notices appeared in the newspaper. When entering these dates, if it is discovered that the notice was not run for four consecutive weeks the sale needs to be rescheduled. There was not a line for the dates on the checklist when the issue noted in this audit occurred however the notarized copy of the notice was received from the newspaper on 9/27/23. The sale was on 10/4/23 so the sale could have been delayed to be in compliance with the statute. The recommendation is that any sale not meeting the required four-week consecutive notice be rescheduled if the Recording staff become aware of the issue prior to the sale.

- Add a tab to the Excel workbook used to calculate the deposit amount required or retain some other documentation that shows what the minimum deposit amount should be. There is a tab in the workbook that does this calculation but there is a note on it that says it should no longer be used. The recommendation is to modify this tab so it can be used for this purpose and retain a copy for the file folder. If Landmark has a feature that will provide this calculation it is recommended this feature be used when the deposit payment is entered into Landmark. Collecting the full amount of the deposit required by statute needs to be enforced.
- The Excel workbook has features to calculate the different amounts owed for redemption and the statutory opening bid. In the case of the tax deed that could not be recalculated by IA, the line for interest was hard keyed in rather than the formula being used. Bypassing the formula increases the risk of error for Recording. It is recommended that calculations completed outside of the spreadsheet not be hard keyed in and these formula cells be locked. An additional line could be added to enter amounts and details on unique situations. Similarly, the additional sample that was reviewed because Finance noted an issue with it had a manual change on the receipt completed without explanation. It is understandable that situations may occur that require changes, but details should be noted that explain the situation so anyone with questions later are able to follow what happened. Any changes to receipts entered into Landmark need to be provided to Finance so a journal entry can be done to ensure MIP has the correct amounts.

Recording can add a tab to the tax deed workbook to track sales and amounts paid out. Finance and Recording can compare their data if Finance finds any issues when completing their reconciliation on the tax deed sales spreadsheet they maintain. IA can assist Recording on possible Excel solutions if needed.

- A procedure is needed for handling tax deed applications received from the TC that have not yet been processed when the owner redeems the property. If redemption occurs prior to advertising, it appears that no additional interest should be calculated by the Clerk's Office. Additionally, if the \$260 payment is to be refunded to the certificateholder, clarification is needed on what fees, if any, should be charged to the redeemer when nothing has been recorded. There are no Attorney General Opinions

on this matter to offer additional guidance. A decision is required on how to apply this procedure to 24 TXD 064.

- Recording's checklist indicates that form 513 is to be returned to the TC via email after the sale is complete. Retaining documentation in the file showing the form has been returned to the TC would be beneficial to the process. If the form is not typically returned, it should be removed from the checklist. Recording should verify DOR's version of form 513 is being used when they receive the next tax certificate from the TC so they can sign off on the Clerk's certified amounts on page two.
- FS 197.522(b) states the exact language for the warning that must be sent. It is recommended that the Excel workbook be updated to reflect the exact language in the statute. There are only minor differences however the small changes will ensure the Clerk is in complete compliance with the statute and not opened up to any issues that could arise as a result.
- A written policy explaining how sales dates are determined is recommended. This avoids the appearance of arbitrarily charging property owners additional interest to redeem their property prior to sale. It is understandable that processing time may vary because of workload, number of tax deeds coming in, and complexity levels of different tax deeds, having a written explanation would document why some take longer than others.
- To align with both FS and Clerk policy it is recommended that hand written receipts no longer be used for deposits on tax deed sales. Deposits should be entered into Landmark when they are received and a receipt provided to the high bidder from Landmark showing the remaining amount due. The high bidder should return to the Clerk within 24 hours of the auction and pay the remaining amount due. If they pay over the remaining amount, the extra funds should be recorded under the overpayment account code in Landmark and a refund requested through Finance so there is proper documentation of the entire transaction.
- The language on the website referencing the winning bid has recently been updated. It is recommended that the language in the Wakulla County Tax Deed Sale Procedures and Instructions also be updated. Currently it states: "If you are the successful bidder, you will be required to bring the remainder of your balance by 4:00 pm the same day of the sale." The policy that is in practice is based on statute and gives the winning bidder 24 hours to pay the balance. Written procedures should match the practice as it is in compliance with statute.

Recording and Finance

- Since two duplicate payments were found in the tax deeds that were reviewed additional steps should be added to the written Tax Deed Internal Controls document which was last updated on 1/25/2021. The nature of the tax deed sales mean it is reasonable for more than one check to be cut from the same Landmark receipt. Recording has been providing the receipt (invoice) and check request to Finance and

Finance has been adding a letter after the invoice number because MIP flags duplicate invoice numbers. Accounts payable does not track overbids or overpayments tax deed sales and this is not their role. It is recommended that going forward Recording add a letter to the typed check request prior to sending it to Finance.

Recording should be tracking this information as detailed in the internal controls document. If Finance receives a duplicate flag in MIP the check request should be returned to Recording so they can look further into it to see if an error was made or if a letter needs to be added to the invoice number. If a new check request form is not created by Recording and they hand write a letter next to the invoice number, they should initial this change. This should prevent duplicate payments from occurring and strengthen the controls already in place. One of the duplicate payments was returned to the Clerk, however there is still a \$260 duplicate payment outstanding for 24 TXD 064. The difference in payment for this tax deed between the redeemer and what was paid to the certificateholder needs to be reviewed by Recording and the Clerk to decide how to resolve the amounts paid and refunded for fees and interest.

There are differences between Landmark and MIP that need to be resolved as well. This situation would have been made easier if the tax certificate application had been returned to the TC since it was not processed by the Clerk when it was being redeemed. Ideally each tax certificate application would be paid by an individual check of \$260, which would help prevent the type of confusion that occurred with the duplicate refund. However, from a customer service standpoint, this may not work well. Because the TC is collecting the payment due to the Clerk as part of the tax deed application process and the Clerk's Office deposits the payment later when recording the application, the Clerk's Office has less control of the payment process.

Finance

- Finance should work to fully reconcile the general ledger (GL) accounts tied to tax deed sales in MIP. Specifically, the overage account (208921) and tax deed sales (208107) on a monthly basis. Additional reports can be run from Landmark to go with the monthly journal entry that will allow easier tracking of changes. These reports include "CheckRefundPerAgent" and "GLDetail" both found in the Finance section of the reports tab. GL details of individual transactions can also be viewed by receipt number as needed. IA can assist with a demonstration on how to run these reports. Running a GLDetail report will add approximately 20 minutes to the month end close but will save a significant amount of time if there are issues down the road. The CheckRefundPerAgent report was included in journal entries prior to staff changes but may not be part of the written procedures. It is recommended that these procedures be updated accordingly.

Overall, the tax deed sale process has good written policy and procedures, including a checklist and written internal controls, in place. Some minor adjustments are needed to ensure they are consistently followed to remain in compliance with all FS and Clerk policies.

Management Responses Attached



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Fax: (850) 926-0938
www.wakullaclerk.org

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Fax: (850) 926-0938
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- 1) The checklist in the past has not been consistently used but has been used the last year and a half since I've been appointed supervisor and will continue to do so. I have revamped the checklist to add more details and have created an "after the sale" checklist as well.
- 2) The Warning Letter has been reworded to match the statute more accurately than it had been.
- 3) When a certificate holder comes to redeem the parcel before the notice has been recorded the following are done. The check would be receipted "Tax deed Clerk Fee" \$60.00 (per FS 28.24(22)) and "Tax Deed sale" \$300.00. (We increased the amount from \$260.00 to \$360.00 to account for the price increase switching to Wakulla Sun in June 2025.) A check request would then be sent to Finance for the \$300.00 to be returned to the Certificate Holder. We keep the \$60 Clerk fee. No interest is collected on our end. This is how 2024 TXD 064 should have been receipted.
- 4) Regarding returning the Dr 513 to the tax collector, yes, we have 2 copies in the file. Once the sale is complete or redeemed, we take one copy and email to Tax Collector. The other stays in the file.
- 5) I have incorporated into our policy how sale dates are determined.
- 6) The language on the website had been updated from "4 pm" to "24 hours" in reference to when the winning bidder needs to pay remainder.
- 7) I have created a list of anagrams (codes) to be used when requesting check from finance when we have multiple requests from the same receipt number, so MIP does not flag

them as duplicates. Matt has this list, and we have been utilizing this. Additionally, I have changed the procedure when we receive multiple tax deeds on one certificate holder check. Instead of having them all recorded on one receipt we give each file its own receipt number and record them separately. This way there's not an overabundance of check requests with the same receipt number. Works much easier for us as well as finance.

- 8) I have updated our announcements at the beginning of each sale regarding the down payment being nonrefundable and now being applied to the total instead of being returned to the customer.
- 9) I have requested Landmark to investigate the possibility of our being able to post a down payment without posting the transaction. I am awaiting their feedback to see if it is possible. I will continue to inquire with them until I get a definitive answer.
- 10) The tab in the excel workbook used to calculate money due has been updated and works now. We will utilize this going forward.

Thank you for bringing my attention to these issues.

Respectfully,

Debbie Dee