Effective July 1, 2026

CHIEF FINANCIAL OFFICER MEMORANDUM NO. 27

SUBJECT: ASSIGNMENT OF CONTRACT PAYMENTS

There are different types of assignments under section 679.4061, Florida Statutes (F.S.); however, the purpose of this memo is to provide guidance to State Agencies when they receive a notice for the assignment of a contract payment to a third party. These types of assignments mostly occur as a result of factoring of accounts receivable or as a condition of receiving a loan from a lending institution. For example, a company doing business with the state may sell its accounts receivable to a financing company as a means of obtaining immediate cash or in some instances as a condition of receiving a working capital loan. In either situation, the financing company may require all the company's payments on receivables be sent directly to them for deposit. In these situations, the company doing business with the state becomes an assignor and the financing company becomes the assignee.

Section 679.4061, F.S., states that after the State receives notice of an assignment, the State would have to discharge its contractual obligation to pay the account only by making payment to the assignee and not the assignor. Due to various scenarios and complexities with assignments, the Division of Accounting and Auditing requests that if a state agency receives notice of assignment to contact the Division to establish the order and the process for making payments to the assignees.

Questions related to the assignment of payments should be emailed to assignmentofpayments@myfloridacfo.com.