

A motion by Iowa to amend Governing Board Rule 806.1.2 (Sections I, L and N) relating to the necessary approvals and documentation for making electronic payments:

I. Policies on Disbursements

1. The Executive Director has (a) expenditure approval up to the parameters set by the annual operating budget as approved by the Board, and (b) single signature authority up to and including \$2,000 with the exception of the Executive Director's personal expense reimbursement items and salary which must be approved by either the President or Secretary/Treasurer. The deliberate splitting of vouchers or invoices which have the sole purpose or effect of meeting the parameters of this authority is expressly prohibited.

2. Pre-numbered check requests should be used and sequences accounted for monthly.

3. The Executive Director approves check requests after comparing to supporting documentation. All disbursements paid by check will be printed on pre-numbered checks only with approved requests. The unsigned check, support and request are presented to authorized check signers for their signatures (information on checks is compared to support for accuracy). Blank or unprepared checks shall not be submitted for signature.

4. Two signatures by persons authorized in Paragraph 13 of this section are required on all organizational checks over \$2,000. The Executive Director shall not sign his or her own personal expense checks. If a payment in excess of \$2,000 is made electronically, rather than by paper check, prior to the electronic payment being authorized, the Executive Director shall receive written approval from the President or Secretary-Treasurer authorizing the electronic payment. The written approval may be in the form of an e-mail sent directly to the Executive Director from the President or Secretary-Treasurer's e-mail address approving such payment. The e-mails shall be maintained as evidence of approval for payment of the related invoice by the President or Secretary-Treasurer.

5. All disbursements, except petty cash, are made by check or electronically and are accompanied by substantiating documentation. If the payment is made electronically, the written approval of such payment from the President or Secretary-Treasurer shall be maintained along with the copy of the invoice and electronic payment confirmation.

6. All checks are pre-numbered and accounted for monthly.

7. All voided checks must be defaced and retained either on the check stub or with the canceled checks (or their images) returned with the bank statement.

L. Cash Disbursement Procedures

1. All invoices received are stamped with the date received.

2. Approval from the Executive Director of all invoices and expenditures is required before payment can be made.

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3. The checks, with support documentation (approved invoices, check requests), are forwarded to the Executive Director. The Executive Director reviews all checks and supporting documentation prior to signing checks. Any check for amounts over \$2,000 needs a second signature. If a payment in excess of \$2,000 is made electronically, rather than by paper check, prior to the electronic payment being authorized, the Executive Director shall receive written approval from the President or Secretary-Treasurer authorizing the electronic payment. The written approval may be in the form of an e-mail sent directly to the Executive Director from the President or Secretary-Treasurer's e-mail address approving such payment. The written approval shall be maintained as evidence of approval for payment of the related invoice by the President or Secretary-Treasurer.

4. After the checks are signed, the check request and all supporting documentation shall be stamped "PAID", noting check number and date. Two copies of each check and check request will then be made. One copy of the check, with supporting documentation attached, will be filed in numerical order. The second copy of the check and check request is filed by vendor, in alphabetical order. If the payment is made electronically, the written approval of such payment from the President or Secretary-Treasurer shall be maintained along with the copy of the invoice and electronic payment confirmation.

5. The cash disbursements journal will be prepared and maintained on a timely basis, using the check file.

The cash disbursements journal will be posted to the general ledger on a timely basis, using the cash disbursements journal.

N. Credit Card and Electronic Payment/Receipt Procedures

1. The Governing Board encourages the use of electronic record-keeping and electronic payments wherever such procedures can improve efficiency and reduce administrative costs of the organization.

2. The Executive Director may contract with an outside vendor for payroll services, collection of credit card receipts, automated clearing house (ACH) operations, and other electronic fund transfers. Electronic fund transfers will comply with ACH rules.

3. The Governing Board may authorize use of a credit card to be issued in the name of the Governing Board to facilitate purchases for official business of the Governing Board. Authorization for such purchases shall proceed according to procedures outlined in Section L above. Debit cards should not be issued to any employee or other representative of the Governing Board due to their lack of a proper audit trail. ATM withdrawals and cash advances should also be prohibited in the case of credit cards.

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4. Wherever feasible, electronic receipts and payments will be recorded in a manner similar to other transactions as described in these rules. Exceptions to this must be justified by the Executive Director, and an alternative method must be approved by the Finance Committee. For electronic payments of \$2,000 or less, the Executive Director may authorize these payments and will maintain the electronic payment confirmation along with a copy of the invoice that was paid electronically. If a payment in excess of \$2,000 is made electronically, prior to the electronic payment being authorized, the Executive Director shall receive written approval from the President or Secretary-Treasurer authorizing the electronic payment. The written approval may be in the form of an e-mail sent directly to the Executive Director from the President or Secretary-Treasurer's e-mail address approving such payment. The written approval shall be maintained as evidence of approval for payment of the related invoice by the President or Secretary-Treasurer. In addition to the written approval of such payment from the President or Secretary-Treasurer the Executive Director shall also maintain a copy of the invoice and electronic payment confirmation.

5. Access to computer and other electronic systems which are used to perform electronic record keeping and fund transfers must be safeguarded in a manner consistent with Rule 806.1.4 (communications policies).

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