Del Puerto Health Care District

Policy: This Board of Directors' policy establishes reasonable limits, safeguards, and procedures to ensure the money and financial transactions of the District are kept and conducted in a safe and transparent manner.

Purpose: To establish clear and consistent procedures to guide administrative staff and the Board in check writing, online, and in-person access to District banking accounts.

Procedure: At least annually, the Board of Directors shall update the Banking Access and Security Resolution to ensure only authorized staff and Board Directors can access the finances and financial records of the organization. These procedures pertain to all banking accounts the District holds, reasonably ensure unauthorized transfers will not be made, and may vary based on the system of each banking institution.

I.   **Banking Access:** Banking is controlled by annual Board resolution naming those employees and board member of the District who are authorized at one or more of the following levels:

   A.   Online: look-up information, print statements, place stop-payments

   B.   Transactions:

      1.   sign checks;

      2.   phone, in-person, and online transfers

   C.   Banking Security Manager:

      1.   authorize online users,

      2.   verify transactions, as required by bank

II.   **Transaction Authorization Limits:** check signing, in-person, and online transfers are subject to the following financial limits:

   A.   Checks up to $10,000.00

      1.   Administrative Director / CEO as single signatory or approver

      2.   Board of Directors - two signers

   B.   All Checks greater than $10,000.00 require two-signers.

   C.   Intra-bank transfers of any amount (e.g., payroll) requires documentation of the amount and purpose of the transfer, verification by a staff member, and authorization by a Board member or the Administrative Director / CEO.

III.   **Online Banking Access**

   A.   The Board Treasurer is generally the Board designee to act as the District's Banking Security Manager unless another person is designated per Board resolution.

   B.   User Online access and passwords are established by the Bank.

   C.   A monthly report of occasions when online banking was accessed should be reviewed by the Finance Committee for security.

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IV. **Electronic Payment and Transfers**
   A. Stop payments can be authorized by any staff or Board member with view-only or higher online access
   B. Electronic banking allows wire transfers, electronic transfers, stop payments on checks, and account balance inquiries be initiated and completed via computer or telephone.

V. **Internal Accounting Software – QuickBooks Administrator**
   A. The default Administrator of QuickBooks user permissions is the Administrative Director / CEO who acts as the District's CFO
   B. QuickBooks access level is determined by the Administrative Director / CEO and permission is set to allow the appropriate level of access depending on staff positions and job duties.
   C. Upon separation of a staff member, their password is immediately removed to prohibit any unauthorized activities or entries, and keys to DPHCD's offices and cash box are returned.

VI. **Expenditure Approvals:** The Board of Directors or Administrative Director / CEO will authorize expenditures as follows:
   A. General operations and maintenance expenses, payroll, budgeted purchases of equipment, contracts for services, and any unbudgeted purchase under $2500.
   B. The Administrative Director / CEO has the authority to purchase items more than $2500 if the item(s) were approved by the Board of Directors as part of the annual budget or by Board resolution.
   C. Authorization up to $2,500 for periodic, standard expenditures (e.g., medical supplies, vaccines) may be delegated to Department Managers.

VII. **Requests for Payment**
   A. Payment for supplies or services will be made based on invoices, not statements. If an invoice for services or supplies is lost, a duplicate invoice must be sought from the vendor. If a duplicate is unable to be obtained, a note explaining the expense and detailing the cost is submitted with the PA stamp for approval by the Administrative Director / CEO.
      1. A Payment Authorization Stamp ("PA") is applied to all original invoices. The PA indicia is coded by staff as to the account and department to be charged.
      2. The PA indicia is initialed by the Department Manager and Administrative Director indicating approval for payment.
      3. Approved invoices are processed for payment and stamped "ENTERED" when entered as a payable to the QuickBooks accounting system.
   B. After payment is created the check stub and all corresponding documentation is stapled together and retained per the Record Retention Policy.

VIII. **Accounts Payable Check Writing Procedures**
   A. Accounts Payable Checks are processed on the 5th, 10th, and 25th of each month.
   B. Checks are written through the District's accounting software. The Administrative Director / CEO will designate staff with access to the check printing system.
   C. Checks are pre-numbered and recorded by the accounting system.

D.   Checks are not to be postdated or made out to "Cash."

E.   The "Payment Record" portion or check stub printed by QuickBooks is attached to the Authorized Invoice plus any other documentation (e.g., purchase order, shipping documents) and filed by alphabetical order of the vendor's name in the District's A/P vendor files.

F.   Voided or spoiled checks will be clearly marked VOID, filed in numerical order in a locked file cabinet maintained by the Accounting Manager, and disclosed as part of the monthly warrant report.

IX.   **Check Signing and Approval Process**
This procedure is designed to ensure that all checks have adequate documentation and authorization and there are no missing checks or checks written to phantom vendors.

A.   The authorization stamp is reviewed for proper account coding, appropriateness of expenditure, and authorized signatures.

B.   The authorization stamp is compared with the invoice and the check amount. The copy of the check is initialed by the Accounting Manager to indicate the review has been completed and the documentation is in order.

C.   The batch of checks and Check Run Report is reviewed by signer (Administrative Director / CEO or Board member) in check number sequence to assure no checks are unaccounted.

D.   If there are no questions to be resolved, the Check Run Report and signed checks are returned to the Staff Accountant as authorization to mail or release the check to the vendor.

E.   Checks are mailed to vendors by the office staff unless specific arrangements had been made in advance for pickup of checks at the office. If a check is picked up, the person picking up the check must provide identification which agrees with the payee on the check or must have verifiable written authorization from the payee to pick up the check.