



Topic: **Authority Board Agenda Item 5-3**

**2019 June 24**

Subject: **Advance Check Paying Policy**

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**Requested Action:**

Review and consider approval of a new advance check approval policy.

**Detailed Description/Background:**

The current check approval process includes the Authority Board at their monthly meeting reviewing the monthly Payment of Claims for all consultant and vendor invoices that were submitted by the first Monday of the month. The Board considers the recommendation of the Reservoir Committee on the payment of invoices and, if the Authority Board approves the invoices, payment checks are then issued. Instances have occurred where this process has resulted in a payment delay of 1 ½ months after an invoice has been received and has delayed payment for non-invoiced items.

Attachment A is a policy to allow the timeliness of the accounts payable and to streamline the monthly Payment of Claims processes.

**Prior Authority Board Action:**

None.

**Fiscal Impact/Funding Source:**

None.

**Staff Contact:**

Joe Trapasso

**Attachment:**

Attachment A: Sites Project Authority Advance Check Approval Policy



**SITES PROJECT AUTHORITY  
ADVANCE CHECK APPROVAL  
POLICY NUMBER XX - 2019**

**1. Purpose:**

To improve the timeliness of the accounts payable and to streamline the monthly Payment of Claims processes.

**2. Policy Statement:**

Timely payment of bills is a best management practice.

**3. Policy:**

To provide a limited delegation of authority to the General Manager and Treasurer to ensure timely payments.

When a need occurs requiring the timely payment of an invoice or issuance of a check prior to the Authority Board's next regularly scheduled meeting, the Sites Project Authority's General Manager is authorized to issue a check up to the below limits.

- a. Reoccurring expenses such as, but not limited to, rents and utilities: The delegated not to exceed amount of \$15,000 for each occurrence.
- b. Monthly services or vendor invoices: The delegated not to exceed amount of \$25,000 for each occurrence.
- c. Non-routine payments: The delegated not to exceed amount of \$100,000 for each occurrence.
- d. The aggregated amount authorized by this policy in a single month for the above categories 3a through 3c is limited to \$150,000 unless otherwise approved in advance by the Authority Board Chair.

**4. Process:**

For each of the above Section 3 categories, the expense must have been included in the current approved Budget and Work Plan.

For items to be addressed under categories 3a and 3b, the amount must not exceed the approved annual budget amount.



Each check requires two approvals and two check signatures; one by an authorized Authority Board member in addition to the Authority Board's Treasurer.

**5. Policy Term:**

This Advance Check Approval Policy will be memorized by way of a resolution adopted annually at the January Authority Board meeting. The existing policy will remain in effect if no new resolution is approved and signed.

**6. Reporting:**

All advanced payments will be reported by the Treasurer to the Reservoir Committee and Authority Board as part of the regular financial reporting process.

**7. Justification:**

The current check approval process includes the Authority Board at their monthly meeting reviewing the monthly Payment of Claims for all consultant and all vendor invoices that were submitted by the first Monday of the month. They consider the recommendation of the Reservoir Committee on the payment of invoices and, if the Authority Board approves the invoices, payment checks are then issued. Instances have occurred where this process has resulted in a payment delay of 1 ½ months after an invoice has been received or has delayed payment for non-invoiced items.

**8. Definitions:**

Payment of Claims: The monthly inventory of accounts payable to each consultant and vendor.

**9. Revision History:**

<u>Revision</u>	<u>Effective Date</u>	<u>Status or Authorizing Action</u>
0	TBD	Approved by Sites Project Authority Board for use.