



Policy Number: 17

Adoption Date:

May 24, 2018

**Subject:** Disbursement Policy

**1.0 Purpose:** The purpose of this policy is to provide procedures for the disbursement process through cash, check, wire, ACH or any other form of payment.

**2.0 Responsible Parties:** The Director of Finance and Administration is responsible for ensuring uniform policies and procedures are followed for disbursement policy.

**3.0 Scope:**

3.1 The policy applies to all employees of Peninsula Clean Energy.

3.2 The policy does not cover the disbursement of funds from Wilmington Trust lockbox facility which is covered by separate agreements.

**4.0 Signature Authority:**

Any PCE staff requesting a manual check will submit a written request to the Director of Finance and Administration and the Chief Executive Officer. The Director of Finance and Administration can sign the checks per PCE's Delegation of Authority Policy, Section 5.2 after written approval from the Chief Executive Officer. Manual checks over \$1,000 must be co-signed by the Director of Finance and Administration and the Chief Executive Officer. The company should attempt to keep the use of manual checks to a minimum.

**5.0 Safeguard of Check Stock:**

Check stock shall be physically secured in PCE's office at 2075 Woodside Road, Redwood City, CA 94061. Access will be limited to the Director of Finance and Administration, the CEO, and the Office Manager.

**6.0 Controls at PCE's Bank:**

6.1 PCE maintains its Operating Account at First Republic Bank (FRB).

6.2 The Payee Positive Pay function has been enabled at FRB to detect check fraud. The function allows matching of payee, check number and dollar amount of each check presented for payment against a list of checks previously authorized and issued by PCE.

6.3 FRB will place a debit block to protect the account against fraud or unauthorized payments.

6.4 Direct Debit Vendors: At times, certain vendors or taxing authorities will only

transact with PCE if we allow them to direct debit (extract funds) from a PCE designated bank account. All vendors with this requirement will be preapproved by the Chief Executive Officer and the Director of Finance and Administration. Additionally, the Director of Finance and Administration will maintain a list of all vendors that fall into this category. PCE will attempt to keep the number of vendors with this type of arrangement to a minimum.

### 7.0 Segregation of Duties:

To ensure appropriate processing of payments, the staff must follow the approved segregation of duties where the same person cannot initiate a wire and approve the payment. A wire can be initiated by 1) the Director of Finance and Administration or 2) Maher Accountancy and must be approved by the CEO based on the approval workflow per section 8 below. If a wire is initiated by the Director of Finance and Administration, it must be approved by the Chief Executive Officer.

If the CEO is not available to approve the wire, the Chair of the Board can approve it. If the Chair of the Board is not available to approve the wire, the Vice Chair can approve it.

### 8.0 Payment Process:

All the parties involved in the disbursement process should follow the payment process as mapped in the Attachment A.

### 9.0 Policy Enforcement:

- 9.1 This policy will be shared with Maher Accountancy and FRB, who are expected to follow the defined processes.
- 9.2 Elimination of the approval step in the process or failing to follow this policy will be subject to disciplinary action or termination.

# Attachment A: Payment Process



