



Policy Number: 17
Original Adoption Date:
May 24, 2018
Revised: January 24, 2019

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 Chief Financial Officer is responsible for ensuring uniform policies and procedures are followed for the disbursement policy.

3.0 Scope:

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

3.2 This policy is for staff only and does not cover the Board of Directors' powers and responsibilities, which are detailed in PCE's Joint Powers Agreement.

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 (CEO). The Director of Finance and Administration can sign checks up to \$1000 only after written approval from the CEO or CFO. Manual checks over \$1,000 must be co-signed by any two of these signatories (CEO, CFO, Director of Finance and Administration) as long as such signatures are in compliance with the limits of Section 5 of PCE's Delegation of Authority Policy. PCE staff 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 CFO. The CFO, or his/her designee, 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 for Wire Transfers:

To ensure appropriate processing of payments, PCE staff must follow the approved segregation of duties to ensure that the same person cannot setup/initiate a wire and approve the payment. A wire can be initiated by Maher Accountancy. Upon setup of a wire, Maher Accountancy will notify the CFO, with cc to the CEO, that such wire is ready for approval/release. Any such wire release must be approved by either the CFO or the CEO

If the CFO and CEO are not available to approve the wire, the Chair of the Board may approve it. If the Chair of the Board is not available to approve the wire, the Vice Chair may approve it.

8.0 Payment Process:

Invoice approvals and payments will follow the following process:

- 8.1 Vendor or staff member sends invoice to PCE-Finance email box
- 8.2 Maher Accountancy uploads invoice to Bill.com
- 8.3 Approval
 - 8.3.1 Approval Level 1 – Approval by Product/Service requestor
 - 8.3.2 Approval Level 2a (non-Energy Procurement invoices) –
 - 8.3.2.1 Approval by Director of Finance and Administration for invoices up to \$10,000; or
 - 8.3.2.2 Approval by CFO or CEO
 - 8.3.3 Approval Level 2b (Energy Procurement invoices) – Approval by CEO
 - 8.3.4 Approval Level 3 – Approval by Maher Accountancy
- 8.4 Maher Accountancy integrates invoice into accounting system
- 8.5 Maher Accountancy prepares payment for final release
- 8.6 Payment Release
 - 8.6.1 Wire Payment - CFO or CEO approves release of wire payment
 - 8.6.2 Bill.com Payment – CFO or CEO approves release of payment

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.