

RESOLUTION NO. 2018-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY,
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA,
ADOPTING POLICY NO. 2018-01,
CASH MANAGEMENT AND DISBURSEMENT POLICY**

WHEREAS, on October 18, 2017, the Board of Directors (Board) authorized the Treasurer to establish bank accounts on behalf of the Bear Valley Basin Groundwater Sustainability Agency (BVBGSA); and

WHEREAS, the Board of Directors wishes to adopt a policy for the management and disbursement of cash from said account(s);

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of BVBGSA does hereby adopt Policy No. 2018-01, Cash Management and Disbursement Policy, attached hereto.

PASSED, APPROVED, and ADOPTED this 30th day of May, 2018.

AYES: Harris, Hjorth, Ludecke, Green

NOES: 0

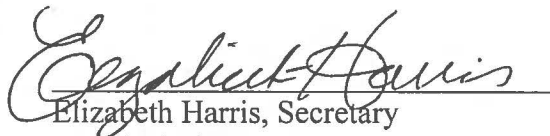
ABSTAIN: 0

ABSENT: 0



Robert C. Ludecke, President,
Board of Directors

ATTEST:



Elizabeth Harris, Secretary
Board of Directors



Bear Valley Basin
Groundwater Sustainability Agency
POLICY

Policy #2018-01

Cash Management and Disbursement Policy

Date Established: May 30, 2018

Date Last Amended:

I. PURPOSE

The purpose of the Cash Management and Disbursement Policy is to ensure adequate controls are in place to safeguard the cash and investments of the agency.

II. ACCOUNTS IN SERVICE

The Bear Valley Basin Groundwater Sustainability Agency (BVBGSA), a joint powers authority (JPA), will maintain the following accounts for the purposes described below:

1. Operating Account for receiving deposits and disbursing payments for accounts payable.
2. Other cash accounts as deemed necessary by the Board of Directors.

III. ESTABLISHING NEW ACCOUNTS

New accounts must be authorized in advance by action of the Board of Directors.

IV. CLOSING ACCOUNTS

Existing accounts may be closed at the direction of the Administrator with concurrence from the Treasurer.

V. DISBURSEMENTS

The BVBGSA will make regular disbursements from the Operating Account for payment of vendors or participating member agencies of the JPA.

A. Positive Pay Authorization

The BVBGSA will establish Positive Pay Authorization for the BVBGSA's Operating Account. The Positive Pay Authorization service validates checks presented for payment from the BVBGSA's account using a data file uploaded to the bank's operation center. This system is used to mitigate the risk of fraudulent payments being processed.

The primary responsibility for uploading the Positive Pay data to the Bank will rest with the Treasurer's Assistant, however, alternates will be trained and authorized to use the system in the event the Treasurer's Assistant is not available. Individuals authorized to upload data to the Positive Pay Authorization system will be limited to the following:

1. Treasurer's Assistant (Primary)
2. Secretary's Assistant
3. Administrator
4. Treasurer

B. Signature Requirements

1. Primary check signers will include:
 - a. The Treasurer of the Board of Directors
 - b. Agency AdministratorPrimary check signers are expected to routinely sign checks.
2. Alternative check signers include three other Directors.
3. Checks will be manually signed unless facsimile signatures are authorized by the Board of Directors by resolution.
4. Checks under \$5,000 may be processed with a single signature if a second signer is not available.
5. Checks of \$5,000 or more require two signatures.

C. Standard Disbursements

1. Vendor Payments/Member Agency Reimbursements

Vendor payments and/or member agency reimbursements will be made on a monthly basis. Checks will be processed on the first Thursday of each month and mailed on Friday.

2. Recurring Automated Clearing House (ACH)/Electronic Funds Transfers (EFT)

ACH filtering will be applied to all bank accounts that restrict the ability to electronically debit BVBGSA bank accounts without prior authorization of the Treasurer.

D. Manual Checks

3. Purpose

Manual checks may be prepared when a payment is due prior to the next regularly scheduled check run. Every effort will be made to ensure that payments are processed through the regular check run to avoid payments by manual check.

4. Authorities

Manual checks are subject to the same signature requirements as standard disbursements.

E. Electronic Payments/Wire Transfers

Non-recurring electronic payments must be authorized in advance under the same signature requirements as standard payments. Requests for electronic payments must be made one week prior to the required transfer date. The Administrator may waive the one week requirement at his/her discretion provided the required authorizations have been obtained.

VI. DEPOSITS

Bank deposits are prepared by the Treasurer's Assistant or his/her designee and reviewed by the Administrator.

VII. PETTY CASH

The BVBGSA may maintain a petty cash fund with an imprest balance of \$200. Disbursements from petty cash are typically for immediate needs and small amounts. The account is reconciled as needed, by the Secretary's Assistant, when the balance needs to be replenished. The reconciliation and supporting detail is reviewed by the Treasurer's Assistant prior to replenishing.

VIII. RECONCILIATION

All bank statements shall be reconciled to the corresponding general ledger account on a monthly basis. Reconciliations are to be completed within 10 business days of receipt of bank statement.

IX. INVESTMENTS

When possible, excess cash balances may be swept into an investment fund approved by the Board of Directors by resolution.