

Olivehurst Public Utility District



Agenda Item Staff Report

Meeting Date: November 19, 2020

Item description/summary:

Check Signature Requirement.

Expenditures are authorized with the Board approved annual budget. Payments for purchases are authorized by the budget managers. Vouchers and check runs are reviewed by the Financial Manager and District Accountant. Checks are then signed by the General Manager and 2 Board members.

Check runs are then formally approved by the full Board with a consent agenda item.

Weekly check runs with triple signature requirement become increasingly more difficult to complete. Emergency checks require special arrangements.

The multiple-signature procedure is an internal accounting control procedure not offered by most banks because these accounts can make banks liable when the customer's personnel fail to comply with the customer's internal multiple authorization requirement. Resolution 2125 adopted 2006 designating US Bank as depository for OPUD's operating cash June 15, 2006 recognized that "checks, drafts or other orders for the payment, transfer or withdrawal of any of the funds or other property of the Depositor on deposit with the Bank shall be binding on the Depositor when signed, manually or by use of a facsimile or mechanical signature or otherwise authorized, by any one of the individuals listed in the section entitled 'Authorized Signers'". Accordingly, US Bank will process OPUD checks with one authorized signature.

To streamline commercial operations, staff recommends that the Board would consider authorizing the General Manager and Fire Chief (to be added as authorized signer) to sign weekly warrants, except warrants that cover purchases subject to board approval (items > \$15,000).

Fiscal Analysis:

No fiscal impact

Sample Motion:

Consider adding Fire Chief as authorized signers, two signature requirement for checks under \$15,000 and three signatures for checks above \$15,000 threshold

Prepared by:

Karin Helvey – Financial Manager