

American Contract Bridge League Accounts Payable & Check Signing Policies & Procedures April 2013

ACBL strives to maintain efficient business practices and good cost control. The accounts payable function assists in accomplishing this goal through processing invoices and making payments for authorized transactions.

The recording of assets or expenses and the related liability is performed by an employee independent of ordering and receiving. The amounts recorded are based on the vendor invoice for the related goods or services. The vendor invoice is supported by an approved purchase order where necessary, and is reviewed and approved by a supervisor or manager indicating proper authorization. Approval authorization limits are established by the Chief Financial Officer. Invoices and related general ledger account codes are reviewed prior to posting in the JDE system.

POLICY

- ACBL policy related to processing and payment of invoices requires that:
- The vendor master file be maintained and updated on a regular basis.
- Original invoices are submitted for payment.
- Disbursements are properly authorized.
- Invoices are processed in a timely manner.
- Duplicate payments are avoided.
- Vendor credit terms and operating cash managed for maximum benefits.

PROCEDURES

Vendor Master File

ACBL administrative departments are responsible for obtaining appropriate documentation to establish new vendors. When invoices are submitted for a new vendor or person, the department will forward the appropriate documentation to the Accounts Payable Coordinator for processing. The A/P Coordinator will check to see the following information is provided:

- Completed IRS form W9 for 1099 Misc payments.
- Vendor's legal name and any DBA names(s).
- Street address.
- Telephone number.
- Fax number, if applicable.

When the preceding information is not complete, all paperwork will be returned to the originator for completion.

On an annual basis, vendors that have not been utilized over the preceding 24 month period will be evaluated to determine they should be marked as inactive in JDE. In addition, on an ongoing basis, the Accounts Payable Coordinator should perform the following procedures:

- Cross-check vendors for matching street or P. O. Box addresses.
- Review payment histories for signs of repeat invoice numbers or other signs of duplicate payments.

Receipt and Recording of Payment Requests

Invoices with a value of over \$5,000.00 must be approved by the CEO, Chief Financial Officer, or Senior Director of Bridge Operations prior to processing by accounts payable. All invoices received will be date stamped with the date received by the accounts payable coordinator. The accounts payable coordinator makes sure the appropriate approval(s) is obtained from the department that ordered the material or services.

All accounts payable transactions must be supported by adequate documentation that explains the nature and purpose of the expenditure. Accounts payable transactions are processed for payment based upon the vendors credit terms. Information is entered into the accounts payable JDE module from approved invoices and disbursements with appropriate documentation attached.

When the original invoice is not available, a duplicate copy may be submitted to process the payment. The duplicate copy must be approved, coded and verified the invoice has not been paid previously. Vendor statements shall not be used to support payments.

Vendor invoices that are received, approved and supported with proper documentation by the last business day of the month will be recorded as an accounts payable liability at the end of that month, providing the invoice pertains to goods and services delivered by month-end.

Processing of Invoices

The accounts payable coordinator should perform the following steps to process invoices for payment:

- Check the mathematical accuracy of each vendor invoice.
- Compare the nature, quantity and prices of all items ordered per the vendor invoice to the purchase order, if applicable.
- Verify the account code, using ACBL's current chart of accounts.
- Verify the approval by authorized personnel, within their spending limits, associated with the goods or services purchased. Directors, managers and supervisors may not

approve expenses incurred outside of their area of responsibility. Approvals shall be documented with the initials or signatures of the approving individuals.

Vendor Discounts

To the extent practical, ACBL shall take advantage of all prompt payment discounts offered by vendors. When availability of such discounts is noted, and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts.

Processing Checks

When processing checks, the following procedures are prohibited:

- Checks payable to "bearer" or "cash"
- Checks signed with no payee
- Altered checks or bank transfers

Checks are issued every Thursday, except during NABC weeks. After processing checks, the Accounts Payable Coordinator performs the following steps:

- Separates the checks with their back up by category. Over \$25,000 in the red folder. Invoices approved by CEO, Chief Financial Officer and Senior Director of Bridge Operations are put in their own stacks (with those under \$1,000 and over \$1,000 separated). The small basket will have the over \$1,000 checks that are approved by department heads and the large basket will have checks that are under \$1,000 that have been approved by department heads. Chief Financial Officer signs all checks which he/she did not approve, over and under \$1,000.00. Once this has been completed, checks are then delivered to the CEO and Senior Director of Bridge Operations to sign.
- Sends the approved check run to the bank via positive pay.

Once checks have been signed, they are returned to the Accounting Manager for mailing. Supporting documents will be disposed of to prevent subsequent reuse once the document has been scanned.

Signature Policy

Checks greater than \$1,000.00 require two signatures, one of which is to be the signature of the CEO, Chief Financial Officer or the Senior Director of Bridge Operations. All checks over

\$25,000.00 require the signature of the CEO. Checks are to be signed by officials (“signatories”) other than those who approved the transaction for payment.

Manual Checks

The following procedures apply to the issuance of manual checks.

- The Accounting Manager approves manual checks.
- The Accounts Payable Coordinator notifies BOA of each check issued through the use of positive pay.
- The Accounts Payable Coordinator enters each check’s date in the JDE Accounts Payable System.

Voided Checks

Checks issued by ACBL, which needs to be voided must be approved by the Accounting Manager. The Accounts Payable Coordinator voids the check through the JDE Accounts Payable system and notifies the bank through positive pay. The voided check will have the signature portion removed and destroyed, be filed, accounted for and protected.

Reconciliation of A/P Subsidiary Ledger to General Ledger

At month-end, amounts due to vendors per the accounts payable subsidiary ledger are reconciled to the total per the accounts payable general ledger account, 1.3110.999 – AP Trade, (control account). All differences are investigated and adjustments are made as necessary. The reconciliation and the results of the investigation of differences are reviewed and approved by the ACBL Chief Financial Officer.

ACBL Finance & Accounting Personnel Reporting Relationships as of April 2013..

Finance & Accounting Positions

Chief Financial Officer
Accounting Manager
Staff Accountant
Accounts Payable Coordinator
Accounts Receivable Coordinator

Reporting Relationships

C.E.O. ----- Chief Financial Officer

Chief Financial Officer ----- Accounting Manager

Accounting Manager ----- Staff Accountant & Coordinators

Designated ACBL Financial Account Signers

A. The following positions are authorized for purposes of establishing company bank and investment accounts for the ACBL. ACBL Chief Executive Officer; ACBL Chief Financial Officer and Director of Finance

1. The resolution included in the Bank of America "Deposit Account Documentation," attached hereto as Exhibit "A," are approved.

2. The resolution included in the RBC Royal Bank "Resolution Regarding Banking and Security," attached hereto as Exhibit "B" are approved.

(Exhibits A and B were reviewed by the committee and are on file with the League.)

B. The following positions are authorized to wire transfer funds from ACBL. ACBL Chief Executive Officer (confirm only) ACBL Chief Financial Officer (initiate and confirm other than his own initiations) ACBL Accounting Manager (initiate only)

C. The following positions are authorized signers on checks written by ACBL.* ACBL Chief Executive Officer; ACBL Chief Financial Officer ; Other ACBL management as designated by CEO * - Stamp or machine impression signatures also allowed.

In addition, the following positions are authorized signers on the ACBL disbursement account that is used exclusively for the North American Bridge Championships: NABC Finance Office Director NABC Assistant Finance Office Director D. Management requests the current practice regarding the number of signatures per check set forth below be continued:

1. One Signature required :
ACBL Disbursements under \$1,000
ACBL Payroll Account
2. Two Signatures required:
ACBL Disbursements of \$1,000 or greater.
3. CEO Signature Required:
All ACBL disbursements of \$25,000 or greater

In case the CEO is unavailable the Chief Financial Officer may sign in his absence.

The CEO shall review these items upon his return.

4. Secretary of the Corporation shall provide a copy to the Chairman of the Audit Committee of all corporate resolutions dealing with signatures.