

Codification Appendix 2-A

American Contract Bridge League Accounts Payable and Check Signing Policies and Procedures January 2019

The 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 reviewed and approved by a supervisor or manager indicating proper authorization. Approval authorization limits are established by the Director of Finance. Invoices and related general ledger account codes are reviewed prior to posting in Great Plains.

POLICY

The 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 are 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 (A/P Coordinator) for processing. The A/P Coordinator will check to see the following information is provided:

- Completed IRS form W9 for 1099 miscellaneous payments.
- Completed IRS form W8 for 1042-S 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.

When the preceding information is completed, the A/P Coordinator will fill out a New Vendor Setup form and forward it along with the invoice and completed tax form to the Controller for review and verification.

On an annual basis, vendors that have not been utilized over the preceding 24-month period will

be evaluated to determine whether they should be marked as inactive in Great Plains. In addition, on an ongoing basis, the A/P 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

All invoices received will be date stamped with the date received by the A/P Coordinator. The A/P 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 vendor's credit terms. Information is entered into the accounts payable module in Great Plains 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 that 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 A/P 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; and
- 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. 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. The Executive Coordinator 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 Executive Director and In-House Counsel to sign.
- Sends the approved check run to the bank via positive pay.

Once checks have been signed, they are returned to the A/P Coordinator to attach any remittance, if applicable. The checks are then delivered to the Payroll Coordinator 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. Charity and Education Foundation checks require two signatures whether they are under \$1,000 or over \$1,000 and is to be the signature of the Executive Director and the Executive Coordinator. RBC checks over \$1,000 require two signatures and are to be signed by the Executive Director and Executive Coordinator. All checks over \$25,000.00 require the signature of the Executive Director. 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 A/P Coordinator notifies Bank of America (BOA) of each check issued through the use of positive pay.
- The A/P Coordinator enters each check's date in the Great Plains Accounts Payable System.

Voided Checks

Checks issued by the ACBL, which need to be voided, must be communicated by email to the A/P Coordinator for documentation purposes. The A/P Coordinator voids the check through Great Plains 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 Controller.

ACBL Finance & Accounting Personnel Reporting Relationships as of January 2019.

Finance & Accounting Positions

- Director of Finance
- Controller
- Staff Accountants
- Accounts Payable Coordinator
- Accounts Receivable Coordinator
- Payroll Coordinator

Reporting Relationships

- Executive Director — Director of Finance
- Director of Finance — Controller
- Controller — Staff Accountants & 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 Executive Director, Director of Finance and Controller.
 - 1. The resolution included in the BOA “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 ACBL.)
- B. The following positions are authorized to wire transfer funds from ACBL. ACBL Executive Director (confirm only), Director of Finance (initiate and confirm other than his own initiations), and Controller (initiate only).
- C. The following positions are authorized signers on checks written by the ACBL*: ACBL Executive Director, Chief Financial Officer, and other ACBL management as designated by the Executive Director.

*Stamp or machine impression signatures are 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 (NABCs): the NABC Finance Office Director and the NABC Assistant Finance Office Director.

- D. The number of signatures per check is set forth below:
1. One signature required:
ACBL disbursements under \$1,000
ACBL Payroll Account
 2. Two signatures required:
ACBL disbursements of \$1,000 or more
 3. Executive Director signature required:
All ACBL disbursements of \$25,000 or more
In case the Executive Director is unavailable, a designated signor may sign in his absence upon his approval. The Executive Director shall review these items upon his return.
 4. The Secretary of the ACBL shall provide a copy to the Chairman of the Audit Committee of all corporate resolutions dealing with signatures.