

Appendix 2-A

Accounts Payable and ~~Check Signing~~ Disbursement Policies and Procedures

~~February 2021~~ June 2023

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 W-9 for 1099 miscellaneous payments.
- Completed IRS form W-8 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~~ Purchasing module in Great Plains from approved invoices ~~and disbursements~~ or check requests 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 and quotes 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~~ Payments

When processing ~~checks~~ payments, the following procedures are prohibited:

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

~~Checks~~ Payments (checks and electronic funds transfers i.e., ACH or wires) are issued every Thursday, except during NABC weeks. After processing ~~check~~ payments in Great Plains, the Accounts Payable Coordinator performs the following steps:

- Creates payment and invoice electronic files for ACBL, ~~RBC~~, Charity and Education companies in Great Plains.
- Uploads and processes each payment and invoice file into OnPay Connect (third party payment processor that prints and mails checks or sends electronic payment files to our banks for further processing).
- Scans all backup documentation into email. Note, copies of all invoices and payment requests are filed in the company document repository, PaperWise.
- Emails each approver the back-up documentation and requests them to log into OnPay Connect to make their approvals for each company.
 - The first approver approves all payments up to \$1,000. Once this has been completed, the Director of Finance approves payments over \$1,000 up to \$25,000 and the Executive Director approves all payments \$25,000 and above.
- Builds and transmits all payment files for each company and payment type after all approvals have been made within OnPay Connect. ~~The Executive Coordinator approves all payments over and under \$1,000.00. Once this has been completed, the Director of Finance approves payments over \$1,000.00 and under \$25,000.00 and the Executive Director approves all payments \$25,000.00 and above.~~

- Builds and transmits approved payment files ~~to the bank via positive pay~~ for positive pay submissions to the respective bank.

~~Back-up documentation 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~~ regardless of the amount. ~~RBC checks over \$1,000 require two signatures.~~ All checks payments over \$25,000.00 or more require the signature of the Executive Director.

Manual Checks

The following procedures apply to the issuance of manual checks:

- The Controller approves manual checks.
- The A/P Coordinator notifies Bank of America (BOA) of each check issued through the use of positive pay.
- Checks are to be signed by officials (“signatories”) other than those who approved the transaction for payment.

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, 001.3110.999 – 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 February 2021.

Finance & Accounting Positions

Director of Finance
Controller
Senior Accountant
Accounting Specialist
Accounts Payable Coordinator
Accounts Receivable Coordinator
Payroll Coordinator

Reporting Relationships

Executive Director — Director of Finance

Director of Finance — Controller

Controller — Senior Accountant, Accounting Specialist & 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, Director of Finance, Executive Coordinator 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 accounts ~~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~~ up to \$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~~ their absence upon ~~his~~ their approval. The Executive Director shall review these items upon ~~his~~ their 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.