

## The Right Door for Hope, Recovery and Wellness

Chapter Title	Chapter #		Subject #
Fiscal Resources	F		225.4
Subject Title	Adopted	Last Revised	Reviewed
Disbursements from Bank Accounts	12/15/99	3/31/23	2/24/14; 4/20/10; 06/06/06; 04/18/06; 03/15/05; 4/14/15; 4/28/2016; 6/26/19; 8/13/20; 7/30/21; 6/24/22; 3/31/23; 6/17/24

### PROCEDURE

#### Application

This procedure shall apply to The Right Door for Hope, Recovery and Wellness.

#### 1. Intent

Payments for goods and services are organized so that no unauthorized payments are made. Payment for all goods and services has been authorized by the Chief Executive Officer (CEO) through a system of authorization processes that delegate authority to the Chief Financial Officer (CFO).

#### 2. Preparing Checks, ACHs, and Bank Transfers

2.1. A determination that the transaction is valid shall be accomplished by reviewing the following supporting documentation as applicable:

2.1.1. Invoices (together with receiving reports and purchase orders)

2.1.2. Payroll records

2.1.3. Petty cash vouchers

2.1.4. Remittance advice

2.1.5. Check requisitions

2.2. Supporting documentation shall be signed by authorized management, following the Expenditure Authority procedure.

2.3. Checks, ACHs, and bank transfers shall be prepared by persons other than those who initiate or approve documents that generate disbursements.

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2.4. Checks shall be designed or completed in such a way as to make subsequent, unauthorized alteration difficult, such as using protective paper, check imprint, etc.

2.5. The following is prohibited:

2.5.1. Check payable to "bearer" or "cash"

2.5.2. Signing blank checks

2.5.3. Altered checks

### 3. Paper Checks

#### 3.1. Check Signing

3.1.1. Checks may be signed only by board approved signatories.

3.1.2. The Chief Financial Officer, or designee, shall examine the original supporting documentation to ensure that each item has been checked and approved in accordance with procedures.

3.1.3. The copies of the checks shall be distributed as follows:

3.1.3.1. Vendor gets the negotiable copy

3.1.3.2. Copy is attached to voucher documentation

#### 3.2. Disbursement of Checks

3.2.1. After signing, all checks shall be locked in a secure location until the accounts payable release day.

### 4. ACH Transactions

4.1. ACH transactions shall follow a process that includes the following components:

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4.1.1. ACH Authorization Forms, Files, and Reports:

4.1.1.1. ACH Authorization forms, either electronic or paper, shall be obtained from Vendors prior to any ACH transaction processing.

4.1.1.2. A vendor providing ACH payment information on the submitted invoice will be considered as authorizing the payment in ACH form.

4.1.1.3. Accounting staff will contact the vendor to identify the proper format and location to send remittance advices.

4.1.1.4. An attempt to verify the vendor bank account shall be made by calling the identified bank before the ACH setup is completed in the GLAP system.

4.1.1.5. ACH authorization forms, both electronic and paper, shall be stored securely and accessible by staff performing ACH processing related roles. Forms will be stored for a minimum duration of two years following cancellation/revocation.

4.1.1.6. ACH reports and files shall be stored securely following the processing of ACH files. These will be accessible to staff performing ACH related roles.

4.1.1.7. Any disposal of ACH related documents shall follow secure disposal practices for electronic and paper documents. See policy ITIS301 for reference.

4.1.2. ACH Processing

4.1.2.1. ACH transactions including file uploads shall be performed using agency owned computers and on the organizational network. No open wifi networks shall be used to transmit ACH files to the bank.

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4.1.2.2. Where available, a prenote will be performed at least three business days before the first scheduled ACH transaction is processed.

4.1.2.3. Notification of Change reports will be reviewed and addressed prior to the initial ACH processing.

4.1.2.4. For failed transactions, ACH transactions will not be resubmitted more than two times.

4.1.2.5. Returns citing Unauthorized reason will not be reinitiated unless a new ACH authorization form is received.

4.1.2.6. Where available, dual control will be used to submit ACH files to the bank for processing.

4.1.3. ACH Process Security and Contingency

4.1.3.1. If any unauthorized access is discovered within the ACH system, Accounting staff must notify the bank immediately.

4.1.3.2. ACH activity will be monitored for those with ACH processing permissions. When available, alerts will be part of the monitoring system.

4.1.3.3. In the event any required component of the ACH process is unavailable, paper checks will be used.

4.2. Remittance Advice

Following the ACH payment process vendors will be provided a remittance advice in paper or electronic format.

5. Cancel Supporting Documents

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The supporting documents shall be canceled by stamping "Paid" and recording the check number to prevent duplicate payment.

6. Maintenance of Check Control Log

- 6.1. A separate record of checks being processed shall be maintained by using a control log.
- 6.2. All checks shall be sequentially pre-numbered to establish that all checks have been accounted for as part of a valid transaction.
- 6.3. The usage of checks shall be accounted for by recording the quantity of checks to cash disbursement records. The GLAP system tracks the previous check number used for validation purposes. Discrepancies to the starting check number will be identified and noted.
- 6.4. Supplies of un-issued checks are to be kept in the safe.

Kerry Possehn, Chief Executive Officer	Date			