

CCRA FINANCE POLICY AND PROCEDURE #1

Commitments, Expenditures and Approvals **Approved <DATE>**

A. Introduction

As provided in Article VIII of the Bylaws, any expenditure of Center City Residents Association funds, withdrawal or transfer of funds held in CCRA's name, or financial commitment in CCRA's name (including the incurrence of indebtedness) may be made only if such act is authorized in accord with written policies and procedures approved by CCRA's Board of Directors.

B. Commitments, Expenditures, and Approvals

The expenditure of the corporation's funds, withdrawal or transfer of funds held in the corporation's name, or financial commitment in the corporation's name (including the incurrence of indebtedness) (hereafter "Financial Transactions") may be made or entered into by the President or any person to whom the President delegates such authority, in all cases subject to the approval requirements set forth below.

C. Required Approvals

Financial Transactions may only be made or entered into if approved in advance in accordance with this section.

1. A Financial Transaction that is made or entered into in accordance with an itemized budget approved by the Board must be approved by the President, the Executive Vice-President, the Treasurer or the Assistant Treasurer (each an "Approved Officer").
2. A Financial Transaction that is not made or entered into in accordance with an itemized budget approved by the Board must be approved as follows:
 - (a) If the Financial Transaction exceeds \$2,500 it must be approved by the Board and an Approved Officer.
 - (b) If the Financial Transaction exceeds \$1,000 but does not exceed \$2,500 it must be approved by two Approved Officers. For this purpose, an individual holding two offices counts as one Approved Officer.
3. Any other Financial Transaction must be approved by an Approved Officer.

Requests for approvals should be routed to the Treasurer in the first instance. If the Treasurer is not available on a timely basis to approve a Financial Transaction, the President, the Executive Vice-President or the Assistant Treasurer may act in the Treasurer's stead.

Notwithstanding the above, in the event that it is anticipated that an Approved Officer will not be available to approve Financial Transactions on a timely basis, the President may temporarily delegate approval authority to another officer of CCRA.

The Approved Officer should consult with the President before approving a Financial Transaction, as appropriate, taking into account the size and the nature of the transaction.

D. Method of Approving Payments

1. All Payments must be approved in a manner appropriate for the method of payment and the approval method used must provide transparency and generate a record sufficient to create an audit trail.
2. Checks must be signed (with signature constituting approval) or otherwise approved by the requisite number of Approved Officers. Approvals that do not take the form of a check signature (e.g., approvals of a credit or debit card, wire transfer, or electronic payment) should be made in the form of an “Approval Email”, which is an email string documenting the request to make a payment and each approval, and indicating that any Approved Officer approving the payment was contemporaneously copied on the email. Approval Emails should be maintained in CCRA’s records.
3. To the extent feasible, payments should be made using an electronic bill-paying system that permits, in an integrated fashion, the making of payments following approval of such payments online. The requirement for an Approval Email may be disregarded to the extent such a system provides an equivalent record of approvals.

E. Method of Approving Financial Commitments

Financial commitments, e.g., incurring indebtedness, entering into a lease or other contract, or renewing insurance coverage, must be approved in a manner similar to that provided for approving payments. Commitments that result in routine short-term accounts payable, such as the acquisition of goods or services by purchase order or credit card, should follow the above procedures prior to the commitment. Commitments in the form of borrowings and other longer-term liabilities can only be made by Approved Officers, and the Board if in excess of \$2,500, and related documents must be signed by Approved Officers.

F. Expense Reimbursements

These policies and procedures may not apply to the extent provided in an Expense Reimbursement Policy.

G. Changes to This Policy and Procedure

Any changes to the Policy and Procedure must be approved by the Board.