



Agenda Item No. 6

To: Rules, Policy and Industrial Relations Committee/Committee of the Whole  
Meeting of February 27, 2009

From: Joseph M. Wire, Auditor-Controller  
Celia G. Kupersmith, General Manager

Subject: **APPROVE AN AMENDMENT TO RULE XII, DISTRICT BANK  
ACCOUNTS AND SIGNATURES, OF THE RULES OF THE BOARD**

### **Recommendation**

The Rules, Policy and Industrial Relations Committee recommends that the Board of Directors approve an amendment to **RULE XII., DISTRICT BANK ACCOUNTS AND SIGNATURES**, of the *Rules of the Board*, as set forth below.

### **Summary**

In November, 2008, the Board approved a Request for Proposal (RFP) No. 2009-D-2 (*Banking Services and Associated Financial Services*) which authorized the District to establish banking relationships with Wells Fargo Bank, N.A. Subsequent to this action, staff has been working with the bank representatives to transition to the new bank. As a part of this ongoing process, the District may change its current banking account structure to coincide with Wells Fargo's banking terminology and account structure, and thereby take advantage of improved reporting capabilities and operating efficiencies. As a result, the Finance-Auditing Committee recommends changes to the *Rules of the Board* to facilitate the conversion process. The existing Rule XII, attached for reference, is organized by each type of bank account maintained by the District. The recommended language, set forth below, maintains the same authorized signatories as in existing Rule XII, while enabling the Auditor-Controller to change the bank account structures as needs dictate.

Consequently, it is recommended that Rule XII, District Bank Accounts and Signatures, of the *Rules of the Board* be amended and replaced in its entirety with the following:

*“The Auditor-Controller shall recommend to the Board for approval the bank that will be utilized by the District for its banking functions. The Auditor-Controller shall oversee the banking relationship with the bank selected by the Board and maintain the District's bank accounts in accordance with the following:.*

A. Any two of the following authorized signatories are required to deposit, invest, withdraw, transfer or disburse funds of the District for District purposes for all bank accounts maintained by the District:

*General Manager  
Auditor-Controller  
Secretary of the District  
Director of Accounting.*

*These positions are authorized to take action on behalf of the District by oral, telephonic, electronic or written order. For the Local Agency Investment Fund, only one signatory is required to take action.*

B. The Auditor-Controller may delegate to certain external service providers that are retained by the District under contract (such as workers compensation claim adjusters and liability insurance adjusters) the authority to approve specific payment transactions that are within the scope of services for which these providers were engaged. External signatories cannot authorize payments in excess of \$20,000 or the maximum allowed by federal or state law or regulations (as in the case of flexible spending accounts), whichever is less. Payments exceeding this threshold require an additional authorized signature of the District.

C. The Auditor-Controller may delegate to certain internal District positions the authority to approve specific payment transactions, including LAIF, that are performed via telephone or electronically. The following positions are authorized to approve telephonic or electronic transactions, subject to appropriate monetary limitations as established by the Auditor-Controller, without additional District signatories:

*Director of Budgets & Programs (for LAIF transactions)  
Supervising Accountant (for LAIF transactions, tax payments and foreign currency transactions)  
Payroll Administrator (for payroll-related transactions and pension payments)  
Accountant (for tax payments and foreign currency transactions)”*

**Fiscal Impact**

There is no fiscal impact to this report.

Attachment

## Attachment 1

### EXISTING RULE XII OF THE *RULES OF THE BOARD* RELATIVE TO DISTRICT BANK ACCOUNTS AND SIGNATURES

The following persons are authorized and empowered to deposit, invest, withdraw, transfer or disburse funds of the District for District purposes in such amounts and manner as may be determined by oral, telephonic, electronic or written order, and to act on behalf of and to bind the District by oral, telephonic, electronic or other instrument of any one of them and shall have the same binding effect as if written and duly signed by the District:

A. Consolidation Account

All deposits for the account of the District are to be made to this account. Transfers to other accounts are to be made to cover checks drawn on a daily basis.

Authorized Signatories (any two):

General Manager  
Auditor-Controller  
Secretary of the District  
Accounting Manager

B. Operating Account

Authorized Signatories (any two):

General Manager or facsimile  
Auditor-Controller or facsimile  
Secretary of the District  
Accounting Manager

C. Payroll Account

Authorized Signatories (any two):

General Manager or facsimile  
Auditor-Controller or facsimile  
Secretary of the District  
Accounting Manager

D. Bus Liability Account

Authorized Signatories:

Signatories on the authorized signature agreement from the Liability Insurance Adjusters, as authorized by the Board  
General Manager  
Auditor-Controller

Secretary of the District  
Accounting Manager

Both signatories from the Liability Insurance Adjuster may sign checks up to \$20,000. If the check exceeds \$20,000, then a second signatory, either the General Manager, Auditor-Controller or Secretary of the District or Accounting Manager is necessary.

E. Workers' Compensation Account

Authorized Signatories:

Signatories on the authorized signature agreement from the Workers' Compensation Insurance Adjuster, as authorized by the Board  
General Manager  
Auditor-Controller  
Secretary of the District  
Accounting Manager

The signatories from the Workers' Compensation Insurance Adjuster may sign checks up to \$20,000. If the check exceeds \$20,000, then a second signatory, either the General Manager, Auditor-Controller, Secretary of the District or Accounting Manager is necessary. (Res. 04-055, 6/25/04.)

F. Flexible Spending Accounts

Authorized Signatories:  
Signatories on the authorized signature agreement from the Third Party Administrator, as authorized by the Board:  
General Manager  
Auditor-Controller  
Secretary of the District  
Accounting Manager

The signatories from the Third Party Administrator may sign checks up to \$5,000. If the check exceeds \$5,000, then a second signatory, either the General Manager, Auditor-Controller, Secretary of the District or Accounting Manager, is necessary. (Res. 04-049, 6/11/04.)

G. Local Agency Investment Fund

Authorized signatories:

General Manager  
Auditor-Controller  
Secretary of the District  
Accounting Manager

In addition, telephonic and/or oral instructions may be initiated by any of the following:

Budget & Program Analysis Manager  
Accounting Supervisor  
(Res. 06-067, 8/11/06.)

H. Wire Transfer

In addition to the authorized signatories (General Manager, Auditor-Controller, Secretary of the District and the Accounting Manager), wire transfers of funds from the Operating Account or telephonic and/or oral instructions to the bank may be initiated by any of the following:

Budget & Program Analysis Manager  
Accounting Supervisor

Authority to order wire transfers of funds to pay approved invoices for regular pre-approved vendor accounts may be initiated by any of the following:

Budget & Program Analysis Manager  
Accounting Supervisor  
Accountant  
(Res. 01-167, 10/26/01; Res. 05-090, 11/18/05.)”