

# **Charles T. Davidson Scholarship Fund, Inc.**

## **Policies and Procedures Cash Management**

### **I. Introduction**

Charles T. Davidson Scholarship Fund, Inc. (the “Fund”) organized as a New York State Corporation has adopted and implemented written policies and procedures designed to provide internal controls over the receipt, deposit and disbursement of cash. The term cash includes all currency, checks, money orders or charge card transactions.

The policies should provide effective cash management practices and prevent mismanagement of cash by any Director, Officer or Member of the Fund. The Board of directors (the “Board”) including the audit committee will have guidance and oversight of the Fund’s cash.

### **II. Cash Receipts/Collections**

1. All individuals that officially receive cash on behalf of the Fund, shall keep proper records, provide adequate physical control over such cash, and place the collections under proper accounting control promptly after receipt. This includes donated, quasi-public, and unearned monies. Whenever possible, payers must be instructed to make checks and other negotiable instruments payable to Charles T. Davidson Scholarship Fund, Inc. All checks and other negotiable instruments should be mailed to:

Charles T. Davidson Scholarship Fund, Inc.  
P.O Box 250214  
Brooklyn, New York 11225

2. The Treasurer or a designated officer shall account for all receipts and deposits. Proper accounting control and records shall be kept for all cash received. Cash collected on behalf of the Fund shall not be commingled with personal funds or used for cashing checks or money orders.
3. Generally, all monies should be mailed to the Treasurer. In the event that other members obtain monies on behalf of the Fund, the monies should immediately be presented to the Treasurer within 5 days of receipt. The Treasurer should promptly deposit such monies into the Fund’s bank account. The monies should be deposited within 5 days after receipt to ensure the most economical and cash flow technique in the Fund. All deposits should be reported to the Board at the next meeting.

### **III. Issuance of Electronic/Automated Teller Machine (ATM)**

1. In the event that an ATM Card is issued in the Treasurer's name on behalf of the Fund, stringent controls must be exercised to oversee the usage of such card. The Fund's ATM card should be use for deposits purposes only. Under no circumstances should it be used for withdrawals or purchases. Specifically, the Bank must be promptly notified when a new Treasurer has been elected.
2. When a new Treasurer has been elected, whether by annual election or as a result of removal/replacement of the current Treasurer, the President shall promptly send a letter to the appropriate personnel at the Fund's bank requesting that the current ATM card under the name of the outgoing Treasurer be canceled. The letter should request that the new ATM card be in the name of the new Treasurer and held at the bank to be collected by the incoming Treasurer.

### **IV. Cash Disbursements**

1. All disbursements must be approved and properly supported by adequate documentation, such as receipts, invoices, receiving reports, etc. Such documentation shall be made available for review to the Board, and audit Committee of the Fund
2. The Treasurer is required to audit and approve each voucher before certifying the disbursements for payment.
3. Proper tax identification will be obtained prior to any payment.
4. Any disbursement and/or contracts over \$1,000 require approval from the Board prior to committing the Fund.

### **V. Signatories**

1. All disbursements of the Fund require at least of two signatories. Signatories of the Fund shall be the Chairman, Vice Chairman, President, Treasurer, and Secretary.
2. In the event that there are changes in signatories for the Fund's bank account, the President shall inform the Fund's bank by providing written notice to the appropriate personnel of such changes. The letter should:
  - indicate the signatory(ies) to be removed, and the current replacement(s).
  - indicate that the new signatory(ies) must be in possession of a letter written on the Fund's letterhead and signed by two of the Fund's officers.
  - indicate the names of the two officers whose signatures would be on the letter.

**The letter should be accompanied by a copy of the minutes of the meeting at which the decision made to change the signatory(ies), or the results of the election giving cause to the change in signatory(ies).**

3. The President should simultaneously prepare an additional letter(s) signed by at least two officers of the Fund for the new signatory(s) to take to the bank. The signatures appearing on this letter must be that of the same persons who signed the first letter that was sent to the bank informing the bank of the signature change.

**VI. Audits**

1. The books and records of the organization must be presented to the Audit Committee and or an independent public accountant for review at least once per year.

**VII. Investment policy**

1. The Fund may make investment in Certificate of Deposit, Mutual Funds, real estate or other investment vehicle as it deems appropriate by the Board and other relevant Committee. The Fund may invest cash balances over amounts required to meet current financial obligations to achieve the highest rate of return, consistent with the other primary objective of preservation of principal and maintenance of adequate liquidity.
2. The Board is charged with the overall responsibility for the investment of the Fund. As such, all investment decision must be approved by the Board.