



The State Bar of California

OPEN SESSION AGENDA ITEM 50-4 MARCH 2020

DATE: March 12, 2020

TO: Members, Board of Trustees

FROM: John Adams, Chief Financial Officer

SUBJECT: Financial Resolution to Update Authorized Bank Account Signatories

EXECUTIVE SUMMARY

The Board of Trustees periodically adopts a resolution identifying the State Bar's various bank accounts and delegating authority to certain State Bar employees to initiate banking and investing activities. This resolution must be amended to add and remove authorized positions who can make banking and investing transactions.

BACKGROUND

The State Bar maintains various commercial accounts and lock boxes with Wells Fargo Bank, including: (1) one general account in San Francisco; (2) one special account for payroll; (3) one petty cash account in Los Angeles; (4) one commercial account for Legal Services Trust Fund deposits; (5) one lock box account for licensee fees; (6) one lock box account for funds received for the Legal Services Trust Fund; (7) and three lock box accounts for fees received for other annual fees. To accommodate the Los Angeles office acquisition and the tenant improvement project in the San Francisco office, the State Bar also maintains a commercial account with Bank of America for debt servicing. Investment accounts are maintained primarily with Wells Fargo Bank, Fidelity Investments, and the Local Agency Investment Fund (LAIF) in the State Treasury.

Those authorized to sign are the Executive Director, Chief Administrative Officer, Chief Financial Officer, Controller, Finance Manager, and Director of General Services, or their successors in the office. Any of these persons may authorize investment transactions; sign withdrawal orders; transfer orders and checks; and order the deposit or withdrawal of monies in (LAIF) except that:

- a. Checks of \$75,000 or more require the manual signature of any two of the authorized persons.
- b. Automated Clearing House (ACH) payments of \$75,000 or more require the approval of any two of the authorized persons.
- c. Checks less than \$75,000 drawn on a general commercial account may be signed by electronically printing the name of the Executive Director, Chief Administrative Officer or Chief Financial Officer.
- d. Transfer of funds from one State Bar bank account to another State Bar account requires approval by any two of the authorized persons.
- e. Wire transfers out to non-State Bar bank accounts or to another State Bar account requires approval by any two of the authorized persons. Manual wire transfers, requested in person at a bank branch are prohibited.

Those authorized to sign checks drawn on the Los Angeles commercial account are the Chief Administrative Officer, Executive Director, Program Manager II, State Bar Court and Program Manager I, Admissions, except that:

- a. Checks for less than \$3,000 drawn on the Los Angeles office commercial account require only one signature of any of the above authorized persons.
- b. Any single check of \$3,000 or more requires the signature of any two of the authorized persons.

DISCUSSION

None

FISCAL/PERSONNEL IMPACT

None

AMENDMENTS TO RULES OF THE STATE BAR

None

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

None

STRATEGIC PLAN GOALS & OBJECTIVES

None

RECOMMENDATIONS

Should the Board of Trustees concur in the proposed action, passage of the following resolution is recommended:

RESOLVED, that the Board of Trustees approve the financial resolution to update authorized bank account signatories as contained in Attachment A.

ATTACHMENT(S) LIST

- A.** Financial Resolution

Financial Resolution

RESOLVED, that authority heretofore granted to persons to sign transfer orders and checks upon various State Bar accounts and to have access to any State Bar safe deposit box is hereby revoked; and it is

FURTHER RESOLVED, that each bank in which the State Bar maintains an account or safe deposit box shall be furnished a copy of this resolution and be notified that the Executive Director, Chief Administrative Officer, Chief Financial Officer, Controller, Finance Manager and Director of General Services or their successors in the office, who are now so authorized to purchase and sell securities, sign withdrawal orders, transfer orders and checks to order the deposit or withdrawal of monies in the Local Agency Investment Fund, and authorize transfer of funds from one State Bar account to another State Bar account are as follows:

Donna Hershkowitz, Interim Executive Director

Steve Mazer, Chief Administrative Officer

John Adams, Chief Financial Officer

Justin Ewert, Controller

Mayte Diaz, Director of General Services

Signatures for various transactions are:

For checks drawn on a commercial account

- a. Any single check \$75,000 or more requires the manual signature of any two of the authorized persons.
- b. Automated Clearing House (ACH) payments of \$75,000 or more require the approval of any two of the authorized persons.

- c. Checks less than \$75,000 drawn on a general commercial account may be signed by electronically printing the name of the Executive Director, Chief Administrative Officer or Chief Financial Officer.
- d. Transfer of funds from one State Bar bank account to another State Bar account may be approved by any two of the authorized persons.
- e. Wire transfers to non-State Bar accounts must be processed on-line and require approval of any two of the persons. Manual wire transfers, requested in person at a bank branch are prohibited.

In addition, for checks drawn on the Los Angeles commercial account:

- a. Any single check less than \$3,000 requires the signature of one of the following:

Donna Hershkowitz, Interim Executive Director

Steve Mazer, Chief Administrative Officer

Tammy Campbell, Program Manager I, Admissions

Michelle Cramton, Programs Manager II, State Bar Court

- b. Any single check of \$3,000 or more requires the signature of any two of the above listed persons.

I hereby certify that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Trustees at the meeting held on March 12, 2020 in San Francisco, CA.

Donna Hershkowitz, Interim Executive Director
Date: March 12, 2020