

AGENDA ITEM

50-1 JULY 2017

DATE: July 14, 2017
TO: Members, Board of Trustees
FROM: Christine Wong, Chief Financial Officer
SUBJECT: Financial Resolution

EXECUTIVE SUMMARY

The Board of Trustees adopts a financial resolution identifying the State Bar's various bank accounts and delegating authority to certain positions in the State Bar to initiate cash transfers, sign checks, and buy and sell securities. This resolution must be adopted by the Board annually. A recent review of Finance policies and procedures has revealed that the policy governing wire transfers should be modified to strengthen internal controls. The existing Financial Resolution, adopted by the Board in September 2016, should therefore be amended.

BACKGROUND

Bank and Safe Deposit Authorization

The State Bar maintains ten commercial accounts and lock boxes with Wells Fargo Bank: one general account in San Francisco; one special account for payroll; one petty cash account in Los Angeles; two special accounts (one commercial account and one lock box) for membership and application fees; one special account (lock box) for funds received for Admissions; one special account (lock box) for funds received for the Legal Services Trust Fund; and three special accounts (lock box) for fees received for Legal Specialization. The State Bar also maintains one account with U.S. Bank National Association for credit card processing. To accommodate the LA 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 in the State Treasury.

Those authorized to sign are the Executive Director, Chief Operating Officer, Chief Financial Officer, Director of General Services and Director of Human Resources or their successors in the office. Any of the persons enumerated in the following proposed resolution may authorize investment transactions; sign withdrawal orders, transfer orders and checks; and order the deposit or withdrawal of monies in the Local Agency Investment Fund; except that:

- (a) Checks of \$75,000.00 or more require the manual signature of any two of the authorized persons.

- (b) Checks less than \$75,000.00 drawn on a general commercial account may be signed using a check-signing machine utilizing a signature plate engraved with the name of the Executive Director.
- (c) Transfer of funds from one State Bar account to another State Bar account require approval by any two of the authorized persons.
- (d) Wire transfers out to non-State Bar Accounts must be processed on-line and require approval of any two of the authorized persons. Manual wire transfers, requested in-person at a bank branch, are prohibited.

Those authorized to sign checks drawn in the Los Angeles office on the Los Angeles commercial account are the Director of General Services, Director of Human Resources, and the Director of Operations and Management in Admissions, except that

- (a) Checks for less than \$3,000.00 drawn in the Los Angeles office on the Los Angeles commercial account require only one signature of any of the above authorized persons.
- (b) Any single check of \$3,000.00 or more requires the signature of any two of the authorized persons.

The banks have stated that they will accept the signatures of the authorized signatories endorsed on the following resolution in lieu of individual signature cards for each account.

DISCUSSION

None.

FISCAL/PERSONNEL IMPACT

None.

RULE AMENDMENTS

None.

BOARD BOOK IMPACT

None.

BOARD GOALS & OBJECTIVES

BOARD COMMITTEE RECOMMENDATIONS

Should the Board concur with the amendment, it would be in order to adopt the following resolution authorizing the foregoing persons to act as herein above described:

RESOLVED, that authority heretofore granted to persons to sign transfer orders and checks upon the various State Bar accounts and to have access to the State Bar safe deposit box is hereby revoked; and it is; 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 Operating Officer, Chief Financial Officer, Director of General

Services and Director of Human Resources, 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:

Elizabeth Parker	Executive Director
Leah Wilson	Chief Operating Officer
Christine Wong	Chief Financial Officer
Steven Mazer	Director of General Services
Gilda Munoz	Director of Human Resources

For checks drawn on a commercial account:

- (a) Any single check of \$75,000.00 or more requires the manual signature of any two of the authorized persons.
- (b) Any single check less than \$75,000.00 may be processed through a check signing machine utilizing a signature plate engraved with the name of the Executive Director.
- (c) Transfer of funds from one State Bar account to another State Bar account may be approved by any two of the authorized persons.
- (d) Wire transfers to non-State Bar accounts must be processed on-line and require approval of any two of the authorized persons. Manual wire transfers, requested in person at a bank branch, are prohibited.

Authority is hereby granted to any two of the above persons to open cash accounts for the State Bar of California at securities brokerage firms and to place orders in such accounts to purchase and sell securities.

Transfer of funds from one State Bar account to another State Bar account, whether requested by telephone, internet, fax, orally or in writing requires the signature of any two of the authorized persons.

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

- (a) Any single check less than \$3,000.00 requires the signature of one of the following:

Steven Mazer, Director of General Services
Gilda Munoz, Director of Human Resources
Greg Shin, Director of Operations and Management, Admissions

- (b) Any single check of \$3,000.00 or more requires the signature of any two of the above listed persons.

ATTACHMENT(S) LIST

A. Financial Resolution