	SAN ANTONIO RIVER AUTHORITY	POLICY & PROCEDURE	POLICY NUMBER: FN 0004
SUBJECT: Obligation and Disbursement of Funds		FINANCE	REPLACING POLICY NUMBER: Manager's Instruction 2000
RESPONSIBLE MANAGER: Director of Finance and Administration		EFFECTIVE DATE: 07/31/2000	
		REVISED DATE: 04/01/2005	PAGE: 1 of 3

PURPOSE

This policy sets forth the San Antonio River Authority Policy to provide the staff with current Board of Directors and General Manager procedures to follow to obligate funds.

PROCEDURES

1. Obligation of Funds of the San Antonio River

A. Authority to Obligate Funds: The power to obligate funds of the San Antonio River Authority (River Authority) is vested in two groups:

- i. **General Manager.** The General Manager (Manager) may execute, on behalf of the River Authority, without specific authorization of the Board of Directors (Board) any contract not subject to competitive bidding and any contract placed through the Texas State Purchasing and General Services Commission (or other governmental pooled purchasing group) in an amount not to exceed that approved in the annual budget. The Manager may execute on behalf of the River Authority and with specific authorization of the Board, any other contract.
- ii. **Board of Directors.** Power to execute contracts, which are subject to competitive bidding, is vested solely in the River Authority's Board. Authorization will direct the Manager or the Chairman of the Board, in the Manager's absence, to execute the contract.

B. Obligation of Funds for Certain purposes: The Annual Budget of the River Authority allocates the amount of funds that may be expended by the General Manager during the applicable fiscal year for the following purposes:

- i. The employment of employees, agents, accountants, attorneys, engineers and others rendering professional services necessary and required to accomplish the purposes of the River Authority.
- ii. The cost of maintaining the River Authority's facilities and vehicles, including but not limited to rent, supplies, utilities, furniture and equipment.
- iii. Travel and training expenses.
- iv. Contingencies.

C. Method of Obligating Funds:

- i. **Budgeted items.** Items authorized in the Annual Budget may be obligated by purchase order. Division Director and Department Managers are authorized to approve any Purchase Requisition when the total amount obligated is no more than \$2,000 with respect to items budgeted for their respective divisions or departments. The Director of Finance and Administration is authorized to approve any Purchase Requisition when the total amount obligated is more than \$2,000. The Director of Finance and Administration must approve all capital outlay items on the Purchase Requisition before the Purchase Order is prepared.
- ii. **Unbudgeted Items.** Items which are not authorized in the Annual Budget may be obligated in the same manner as described in c. (i.) above, except the Manager, after review by the Director of Finance and Administration shall approve the Purchase Requisition for unbudgeted items.

2. Cash Disbursements

A. Processing, Recording and Review of Invoices, Bills and Statements

- i. All incoming invoices, bills and statements shall be delivered to the Finance Department where each shall be marked with the River Authority's receipt stamp.
- ii. The Finance Department shall route all items for payment to the cognizant Division or Department which will assign the proper account classification. The cognizant Division or Department shall review each item routed to it and recommend payment. By recommending payment, the Division Director or Department Manager verifies that the material listed on the invoice, bill or statement has been received or services performed. It will then be returned to the Finance Department.
- iii. The Finance Department shall review each invoice, bill or statement for material received or services performed. Such review will include a mathematical verification, comparison with contractual agreement, proper account classification and if applicable a comparison with delivery slips.

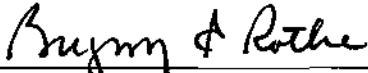
B. Payment and Disbursement. Primary signatures for all River Authority accounts are necessary from either the General Manager and/or the Director of Finance and Administration. Counter signatures can be obtained from either a primary signer, officer of the Board or a facsimile signature of the Chairman of the Board. Signing and disbursement shall be accomplished normally on Fridays as follows:

- i. The Director of Finance and Administration is authorized to use a facsimile signature machine for all checks up to \$10,000. The use of the facsimile signature machine shall be safeguarded through an appropriate system of internal controls to be developed and implemented by the Controller.
- ii. If the amount of the check is over \$10,000, or the facsimile signature machine is not available, the following steps would apply:

- a. After final review, the checks will be delivered first to the Director of Finance and Administration for primary signature and then forwarded to the General Manager, or in the General Manager's absence, to one of the other persons authorized to counter-sign.
 - b. In the absence of the Director of Finance and Administration, the checks will be delivered first to the General Manager for the primary signature and then forwarded to one of the other persons authorized to counter-sign.
 - c. After the counter-signature is obtained, the checks will be delivered to the Finance Department for processing and mailing disbursements.
- iii. If the funds are to be delivered electronically, the Director of Finance and Administration shall initiate the transaction. The Accounting Supervisor shall verify and approve the transaction electronically. In the absence of the Director of Finance and Administration, the Controller shall initiate the transaction.

Electronic wires over \$10,000 shall be approved by the General Manager or one of the other persons authorized to counter-sign. Due to the time urgency of some items, the following are exceptions from this approval: payroll, Section 125 Reimbursements, insurance claims reimbursements, investment transfers, money market transfers, retirement transfers.

Approved



Gregory E. Rothe, P.E., General Manager

4-6-05
Date