

**Lady Creek Water System
Banking and Cash Disbursements Policy
August 18, 2020**

This updated policy was approved by the Lady Creek Water System (“LCWS”) Board of Directors on August 18, 2020, to clarify policies concerning cash disbursements and banking arrangements. This policy supersedes the policy dated November 11, 2008.

1. Cash receipts shall be restrictively endorsed “for deposit only” in the LCWS bank account immediately upon receipt and shall be deposited promptly in the LCWS bank account as soon as practicable thereafter.
2. All cash and short-term investments of LCWS are to be maintained in financial institutions providing FDIC insurance. No more than the maximum FDIC insured amount shall be on deposit in any one financial institution or account.
3. Cash in excess of short-term estimated needs shall be invested in money market accounts, bank certificates of deposit, savings accounts or other similar instruments of short duration. Investment objectives, in order of priority, will be 1) safety of principal, 2) liquidity and accessibility to the cash, and 3) rate of return.
4. LCWS shall maintain current signature cards for its bank accounts. The following positions will be authorized signors on bank accounts:
 - a. Board President
 - b. Board Vice President
 - c. Board Treasurer
 - d. Board Secretary
5. All cash disbursements of LCWS require evidence of authorized approval. Checks and other forms of disbursements for less than \$2,500.00 will require one authorized signature. Checks and other forms of disbursements for \$2,500.00 or greater will require two authorized signatures. Electronic transfers of any kind will require a written authorization form, listing the details of the disbursement, and evidencing approval, with the same dual signature authorization requirements in effect for disbursements of \$2,500.00 or greater.
6. Approvals may be documented by commercially reasonable electronic means, such as DocuSign, HelloSign, or other commercially available electronic signature systems, or through other electronic systems that authenticate the signer using appropriate means (including out-of-band verification where available) and which capture authorization of the signer for a specific transaction or set of transactions, or by email if other means are not practical in the circumstances.