


# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

## MEMORANDUM

TO: CFX Board Members

FROM: Lisa Lumbard, Chief Financial Officer 

DATE: August 4, 2015

RE: Adoption of Revised Expenditure Control Policy

As part of CFX's internal control structure, policies are reviewed at least every two years. Since there was a recent reorganization, the Expenditure Control policy was reviewed. Attached is a redline version of the policy. The noted recommendations include:

- Title Changes.
- Eliminating the dollar threshold under which checks can be electronically signed.

Staff has looked at the internal controls that CFX currently has in place and feels confident that the above changes can be made and recommends that the Board approve this policy as presented.

cc: Laura Kelley, Executive Director

**A RESOLUTION OF CENTRAL FLORIDA  
EXPRESSWAY AUTHORITY AMENDING THE  
EXPENDITURE CONTROL POLICY**

**WHEREAS**, the Central Florida Expressway Authority (“CFX”) previously adopted an “Expenditure Control Policy” on July 10, 2014 establishing the protocol for issuance of checks, wire transfers and debits of CFX; and

**WHEREAS**, CFX’s governing Board concurs in the revised Expenditure Control Policy.

**NOW, THEREFORE, BE IT RESOLVED BY CENTRAL FLORIDA  
EXPRESSWAY AUTHORITY** as follows:

- Section 1. ADOPTION. The current “Expenditure Control Policy” shall be amended in accordance with the attached “Expenditure Control Policy” attached hereto as Exhibit “A”
- Section 2. CODIFICATION. This Resolution and Policy should be codified in section FIN-4 of the CFX Policies and Procedures.
- Section 3. EFFECTIVE DATE. This policy shall take effect upon adoption by the CFX governing board.

**ADOPTED** this \_\_\_\_\_ day of August, 2015.

\_\_\_\_\_  
Welton G. Cadwell  
Chairman

ATTEST: \_\_\_\_\_  
Darleen Mazzillo  
Executive Assistant

Approved as to form and legality

\_\_\_\_\_  
Joseph L. Passiatore  
General Counsel

## Central Florida Expressway Authority Expenditure Control Policy

### Rationale

It is important that Central Florida Expressway Authority (CFX) financial policies and procedures strike a balance between maintaining strong internal controls, while minimizing the administrative burden on both Board members and senior staff. This policy serves to replace the current check policy, which was adopted on July 10, 2014.

### Check Signers

Only the following officials, or acting officials, have the authority to sign checks:

- Chairperson, Vice Chairperson and Secretary/Treasurer of the Board
- Executive Director
- Chief Financial Officer
- Chief of Infrastructure
- Chief of Staff/Public Affairs Officer
- Chief of Technology/Operations

### Signature Requirements

- A. All checks may be electronically signed with the written authorization of two check signers on a trial check list. For payroll checks, the Manager of Human Resources must sign off manually on the payroll journal. In his or her absence, any other check signer may sign off on the journal.
- B. Vendors and employees may be paid by Electronic Funds Transfers (EFT). The EFT file will be transmitted to the bank for payment only after approval has been obtained in accordance with the check signing requirement above.

### Security

Only two signatures may be produced electronically, that of the Board Chairperson or Board Vice Chairperson and Executive Director or Chief Financial Officer, or acting Executive Director or Chief Financial Officer. The authorization to process invoices and create checks must be segregated so that two people should be involved. The person who cuts the checks must be of a position at the Accounting Supervisor level or above. That person will be responsible to verify that the trial check list has been signed by two authorized signers, indicating authorization to cut checks.

### Checks Payable to Signatories

Expense checks payable to any check signer cannot be authorized by that same person.

Wire Transfers and Automatic Debits. The Chief Financial Officer or Manager of Accounting and Finance are authorized to assign to staff responsibility to execute wire transfers and debits to Authority accounts described below, provided that banking controls are in place that requires two people to execute such transfer or initiate the automatic debit. The only exception shall be for the State's investment pool, the SBA, where the funds can only be transferred into a designated Authority account and

changes to that account must be authorized by two of the following persons: the Chairman, Vice-Chairman, Secretary/Treasurer, Executive Director, Chief Financial Officer, or any person acting as one of the above. In this case, documentation of a second person's written authorization for funds transfer shall substitute for this requirement.

- (a) Transfer of funds between Authority accounts
- (b) Routine wire transfers or automatic debits to execute the transfer of funds to:
  - 1. The Authority's trustee for its bond debt service and the payment of fees.
  - 2. The IRS for payment of payroll taxes.
  - 3. The State of Florida or any of its agencies for the payment of tolls, taxes, retirement fund contributions, insurance or other payments associated with the normal course of business.
  - 4. Other partners of the Authority for payment or collection of fees associated with the interoperability of the E-PASS transponder program.
  - 5. Routine debits for payments to purchasing card provider under the Authority's purchasing card program.
- (c) All other wire transfers can be executed by authorized staff only upon the approval of two check signers.

#### Authority to Post Checks

The person who cuts the checks must be of a position at the Accounting Supervisor level or above and should not be the same person who posts the checks.

#### Responsibility for Internal Controls

The Chief Financial Officer shall establish and enforce adequate controls over the check processing system. This shall include, but not be limited to, physical controls over checks and check stock and proper segregation of duties in the process.

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### Check Signers

Only the following officials, or acting officials, have the authority to sign checks:

- Chairperson, Vice Chairperson, ~~Secretary and~~ Secretary and ~~Treasurer of the Board~~
- Executive Director
- ~~Deputy Executive Directors~~
- Chief Financial Officer
- Chief of Infrastructure
- Chief of Staff/Public Affairs Officer
- Chief of Technology/Operations
- ~~General Counsel~~

### Signature Requirements

A. All checks ~~under \$25,000~~ may be electronically signed with the written authorization of two check signers on a trial check list. For payroll checks, the ~~Director~~ Manager of Human Resources must sign off manually on the payroll journal. In his or her absence, any other check signer may sign off on the journal.

~~B. Checks of \$25,000 or more must be manually signed by two authorized check signers. The signature of a Board member is not necessary unless internal signers are unavailable.~~

CB. Vendors and employees may be paid by Electronic Funds Transfers (EFT). The EFT file will be transmitted to the bank for payment only after approval has been obtained in accordance with the check signing ~~thresholds~~ requirement above.

### Security

Only two signatures may be produced electronically, that of the Board Chairperson or Board Vice Chairperson and Executive Director or Chief Financial Officer, or acting Executive Director or Chief Financial Officer. The authorization to process invoices and create checks must be segregated so that two people should be involved. The person who cuts the checks must be of a position at the Accounting Supervisor level or above. That person will be responsible to verify that the trial check list has been signed by two authorized signers, indicating authorization to cut checks. ~~Checks with amounts equal to or greater than \$25,000 shall require two manual signatures.~~

### Checks Payable to Signatories



Expense checks payable to ~~any member of the Board, the Executive Director, Deputy Executive Directors, Chief Financial Officer and General Counsel check signer~~ cannot be signed/authorized by that same person.

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