

**ADMINISTRATIVE POLICY AND PROCEDURE**

**SUBJECT: ACCOUNTING GUIDE**

**DATE: FEBRUARY 9, 2005**

**AMENDED DATE: March 20, 2025**

**REVIEWED DATE: March 20, 2025**

**STATEMENT**

The purpose of this procedure is to outline ACCEL’s bookkeeping activities, responsibilities and procedures.

**PROCEDURES**

**Types of Financial Reports:**

ACCEL generates various reports monthly, quarterly and annually, unless specially requested.

<b><u>When Generated</u></b>	<b><u>Description</u></b>	<b><u>Responsible Party</u></b>
Monthly	Ratification of Disbursements	Bookkeeper
	Administration Budget	Bookkeeper
	Report of Investments	Investment Manager
	Bank Reconciliation	Bookkeeper
Quarterly	Estimated Earnings Report	Program Administrator
	Financial Statements	Bookkeeper
Annual	Financial Audit	Financial Auditor, Treasurer, Bookkeeper and Program Administrator
	Liability Payroll Audit	Bookkeeper
	Special Districts Annual Report	Bookkeeper
	Investment Policy Reviewed and amended if necessary	Finance Committee

Members receive these reports at their regular Board Meetings. All financial reports are kept on file with the Program Administrator. All financial reports are reviewed by the Treasurer prior to submittal to the Board for approval.

## **Chart of Accounts – Set up:**

Payments and deposits are tracked and recorded by the Bookkeeper in the Chart of Accounts. These codes are determined by the ACCEL Board. Each transaction must be coded in the Charts. The following is an example of various recorded transactions in the Chart of Accounts:

**Codes:** 1200 Premium Deposits  
5200 Claims Payments  
5201 Attorney Claims Payments  
5203 Special Handling  
5204 Coverage Counsel

**Sub-Code:** 001 ACCEL Claimant #1  
002 ACCEL Claimant #2  
003 ACCEL Claimant #3

*Example: The following transactions have been approved and need to be processed:*

- 1) *An attorney is requesting payment of \$5,500 for work done on Claimant #1's case.*

*Check issued to Attorney Firm in the amount of \$5,500, coded as 5201.001*

- 2) *Claimant #3's case has been settled for \$54,000 payable to Claimant #3.*

*Check issued to Claimant #3 in the amount of \$54,000, coded as 5200.003*

- 3) *The Excess Claims Administrator has sent an invoice for Special Handling in the Claimant #2 case in the amount of \$650.*

*Check issued to Excess Claims Administrator for \$650, coded as 5203.002*

- 4) *An ACCEL Member paid their renewal annual deposit of \$350,000.*

*Deposit of \$350,000 is recorded "City of X", coded as 1200*

## **Banking Authority:**

The following representatives are authorized to act on ACCEL's behalf with the following levels of Authority:

LAI: Authority is set up by title and two people are required to complete a change. The Program Administrator (Conor Boughey) and Treasurer are listed.

Union Bank: Daniel Howell as Contracting Officer with only Administrative Authority.

US Bank: Daniel Howell as Authorized Signer with Administrative Rights.

ACCEL requests any administrative changes be reported to Daniel Howell, Conor Boughey, ACCEL's Treasurer and Bookkeeper.

## **Types of Transactions**

The following is a description of the various types of transactions and authorized representative for checking account activities.

### **a) Transfer of Funds (Investments to Administrative Checking Account)**

When transfers are required between ACCEL's investment accounts and Administrative Checking Accounts, Conor Boughey and ACCEL's Treasurer, have authorization to complete transactions. Funds may only be transferred between these accounts, no further authorization is provided. ACCEL's Bookkeeper will contact ACCEL's Investment Manager and banks to initiate the transfer, document ACCEL's files and provide a report to the Board. Transfers generally take 2-3 days to complete.

### **b) Transfer of Funds To and From Local Agency Investment Fund (LAIF)**

LAIF Funds are transferred between LAIF and both the Administrative Checking Account. Conor Boughey, ACCEL Program Administrator, and the ACCEL Treasurer are authorized to transfer these funds. Funds may only be transferred between these accounts, no further authorization is provided. Neither authorized representative has check signing authority.

When funds needed to be transferred, the Bookkeeper prepares the transfer form and verifies documentation with Conor Boughey to make the request at 9:30 a.m. PST or earlier to ensure the transfer is completed before end of business closing day. A request to transfer funds into LAIF from Union Bank of California is controlled through the Bookkeeper.

### **c) Check Issuance and Fund Transfers (including wire transfers)**

#### ***Bookkeeping Procedures***

1. Checks are issued by the Bookkeeper regularly on the 15<sup>th</sup> and last day of every month, unless otherwise specified.
2. The transaction must be recorded in the charts of accounts and applied appropriately.
3. All records are maintained with the Bookkeeper.

#### ***Process for Payments***

1. Invoice or request for payments are submitted to the Bookkeeper.
2. The Bookkeeper prepares the check run and routes to Conor Boughey for approval. If there is reimbursement request to Conor Boughey greater than \$5,000, one of the following will have authority to approve: Daniel Howell or Lorissa Huey.
3. Check Signing will be completed by one of the following two methods:

- a. The Bookkeeper prepares the check and routes to the Treasurer for review and written approval. If a Claims Payment is included, the Program Administrators must obtain additional approval from the Claims Committee Chairperson. If the claim payment is for the same Member City as where the Claims Committee Chairperson is from, additional approval will be obtained from the President. Once completed, the payments will be routed for signatures to two of the following approved signers; The President, Vice President or Secretary for review and approval.
  - b. Prior to the use of a signature stamp to endorse the checks, a list of demands with supporting documentation will be sent in the same manner as above, to obtain all approvals prior to the use of a signature stamp.
4. For wire transfers, the steps above will be completed and in addition the Bookkeeper will receive wiring instructions from the receiving party and will voice verify wiring instructions with the receiving party's accounting department before these transfers are initiated.
  5. Check signing authority is stated in the ACCEL Bylaws, Article VIII – Disbursements of Funds.

**d) Invoicing/Request for Payment**

***Bookkeeping Procedures***

1. Invoices are prepared by the Bookkeeper.
2. Invoices shall be numbered in such a manner as to identify the fiscal year which the invoice applies. Example: Invoice #0405001 or #0405002, etc.
3. All records are maintained with the Bookkeeper.

***Process for Invoices***

1. Bookkeeper mails the invoice to appropriate party to request payment. The due date for payment is normally 30 days.
2. Bookkeeper sends the original invoice and yellow remittance copy along with payment envelope included in the payment request.
3. Bookkeeper provides as much documentation as needed for complex billings.

**ACCEL's Investment Allocation Goals:**

Investments held with ACCEL's investment manager are intended to outperform ACCEL's short-term investments held with LAIF. Quarterly, the Board will review the allocation of assets and compare to ACCEL's projected cashflows. If a transfer of funds from short-term to long-term funding is desired, the Board will make a motion to perform such a transfer.

ACCEL's goal is to maintain sufficient short-term assets for short-term obligations within an appropriate risk margin. All excess funds will be invested with a strategy to maximize monetary gains over the long-term guided by ACCEL's investment policy.

ACCEL's current direction is to allocate the following: ACCEL's short-term assets should not fall below ACCEL's short-term obligations plus 1x ACCEL's retained layer. The remaining assets should be invested in accordance with ACCEL's investment policy.

These transfers are to be considered quarterly by the ACCEL Board of Directors and this policy & procedure does not obligate the Board to transfer funds.

"Short-term obligations" in the above is defined as ACCEL's claims obligations for the next 2 years as shown in the quarterly Cash Flow Report

"Retained layer" in the above is defined as ACCEL's largest combined self-funded layers in any given year over the past ten years. This is the amount between the ACCEL retention and ACCEL's purchased excess insurance or reinsurance.

## CONTACT INFORMATION

A separate contact list is maintained by the Program Administrators.

To request the current list of Committee Members, Board Members, Financial Auditor, Bookkeeper or Third Party Claims Administrator, please contact:

Alliant Insurance Services  
560 Mission Street, 6<sup>th</sup> Floor  
San Francisco, CA 94105

Phone: (415) 403-1411  
Email: [cboughey@alliant.com](mailto:cboughey@alliant.com)

***Disclaimer:** The Program Administrators will follow this Accounting Guide's processes and endeavor to require ACCEL's banking partners to follow these standards. However, the Administrators are not responsible for any actions of the banking partners that deviate from the instructions described in this guide.*