

Policy:

The King County Regional Homelessness Authority (“KCRHA” or “the Authority”) shall maintain an effective system of cash management that anticipates cash needs and have plans to meet its cash flow needs.

The Authority shall manage its cash assets to preserve principal, provide ample liquidity to meet the Authority’s daily cash requirements, and generate a fair return. The Authority’s Treasurer shall ensure the accurate and timely accounting, investment, and security of all cash assets.

**Banking**

Authority funds shall be deposited in a qualified public depository as required by law. The Authority shall establish a special fund with the County treasurer to be designated the Operating fund of the King County Regional Homelessness Authority. The County shall act as the fiscal agent and Treasurer of the Authority with the authority to hold and invest funds on the Authority’s behalf and make payments for approved expenditures.

Through the interlocal agreement, KCRHA has entered into cash management services agreement with King County for King County to provide cash management services for all of the KCRHA’s funds that are invested in the King County Investment Pool (“the Pool”).

All other bank accounts, such as imprest/petty cash account, shall be authorized by the Implementation Board, and to be monitored by Chief Executive Officer and/or Chief Financial Offer. Other employees shall not open or operate unauthorized bank accounts for receiving, holding, or expending funds of the Authority.

The incumbent and incoming Authority officers and employees in the following positions are currently authorized by the Implementation Board as signatories:

- a. Chief Executive Officer
- b. Deputy Chief Executive Officer
- c. Chief Administrative Officer

At the absence of Chief Executive Officer, Deputy Chief Executive Officer and Chief Administrative Officer, dual signatures from the following officers and employees are required:

- a. Chief Program Officer
- b. Director of Communication and External Affairs

## Investments

Through the interlocal agreement, KCRHA has entered into King County Investment Pool Agreement with King County. All KCRHA's funds designated for cash management services provided by King County, including but not limited to interest earnings on the funds invested in the Pool, are automatically and fully invested in the Pool. The King County Investment Officer, or other individual duly authorized by King County, with oversight by the King County Treasury Manager and Finance and Business Operations Director, shall have sole authority and responsibility for determining and executing the specific investments for the Pool, consistent with state law and the investment policies adopted by the King County Executive Finance Committee.

The investment in the Pool is a long-term investment. KCRHA shall not withdraw its funds from the Pool unless they are needed for immediate expenditure.

KCRHA, specifically, accounting team is responsible for obtaining the monthly investment pool statement and performing a monthly reconciliation.

## Cash Receipts

All funds received in the form of cash or check shall be deposited to the funds set up within the King County Investment Pool.

Cash receipts shall be accompanied by adequate supporting documentation as established by the Accounting Team. Supporting documents shall be reconciled with actual cash received. Any discrepancy shall be clearly identified and brought to the attention of the Accounting Team for resolution.

Whenever possible, incoming cash will be counted by two individuals. When dual counting is not possible, a compensating control must be used.

Whenever possible, cash receipts shall be turned in to the appropriate cashier, along with associated supporting documentation by the end of each day. If funds are received outside business hours and the cashier is not available, an appropriate accounting personnel shall lock cash receipts in a secure location until the next business day when the cash receipts and associated supporting documentation can be remitted to the appropriate cashier.

Cash receipts may not be used to make purchases, pay reimbursements, or establish refund or change funds. Cash receipts should however be used to replenish the specific change fund(s) of the activities from which the cash receipts were generated.

Any cash and checks received shall be kept in a secure controlled location at the KCRHA's office until they are deposited. Under no circumstances are funds to be kept in an unsecure location.

All cash receipts must be recorded in the Authority's accounting records using an account code that accurately reflects the type of cash receipt being received.

### Cash Disbursements

KCRHA may withdraw funds from the Pool for immediate expenditure by submitting a warrant or electronic payment request. Proper approval must be obtained before submitting any payment requests.

Advance payments or prepayments shall be avoided whenever possible. It is prudent business practice not to pay for goods or services until they have been received in good order or rendered satisfactorily. Prepayments increase the risk to the Authority of loss due to potential for non-fulfillment or non-performance under contract.

Access to the Authority's purchasing instruments as well as bank accounts and statements shall be secured and controlled by the Accounting Team.

All disbursements and electronic fund transfers, including ACH transactions, shall be for KCRHA business and each transaction must be supported with properly authorized documentation such as an invoice, payroll record, or expenditure/check request.

### Cash Flow Analysis

The Authority's CFO shall monitor the Authority's cash position daily to ensure sufficient liquidity to meet the Authority's payment obligations and other cash flow needs. The daily cash flow analysis incorporates anticipated cash receipts and disbursements based on historical information, projected financial activity and value of investment returns, if any.