

# Background for Proposed Payment Policy and Procedures

## ***MLA Chapter Business Guidelines***

<http://www.mlanet.org/chapters/cbg.html>

Financial Responsibilities:

- Each chapter has financial responsibility for its operations, including but not limited to, responsibility for administrative and advisory services, information services for the chapter membership, support services for the governing body of the chapter, chapter business meetings and programs, and chapter publications. Chapters should not enter into financial commitments that exceed current reserves.

Position Description Chapter Treasurer:

- Maintain the chapter's bank account, and control cashbooks and check register.
- Maintain a system to document approved disbursements.

## ***Bylaws References:***

<http://midwestmla.org/business/bylaws.html>

Duties:

- 4.B.6 (President) To authorize payment of bills submitted with proper documentation.
- 4.F.2 (Treasurer) To pay all bills owed by the Chapter and authorized by the President.

## ***Treasurer's Procedure Manual:***

Expenses:

- Signed authorization form received from the President. (President faxes copies of form and receipts to expedite payments, originals are sent via USPS if needed.)
- Pay bill as soon as possible.
- Note the check number and date paid on authorization form. File.
- Update checkbook.
- Update ledger.

## ***Check Request Form***

<http://midwestmla.org/business/check.pdf>

See attached.

# **Banking Policy**

Midwest Chapter / Medical Library Association  
Approved by the Board September 27, 2002

## ***Accounts***

The Treasurer will open accounts in accordance with Chapter Bylaws and the MLA Chapter Business Guidelines. The following business accounts should be maintained at a single institution:

1. Savings.
2. Interest-bearing checking. The Treasurer should transfer monies into or out of the savings account to maintain sufficient funds in the checking account to cover all anticipated expenses.
3. Business Reserve Funds should be maintained in certificates of deposit. One-third should be maintained in short-term accounts to facilitate access and two-thirds should be kept other certificates of deposit. A majority vote by the Board is required to transfer funds into or out of the Business Reserve Funds (an exception is made for account maintenance which lasts for less than one business day).
4. Credit card. The credit card balance must be paid in full each month from the checking account. If all expenses itemized on the credit card statement were previously approved by the President, payment of the credit card balance does not require additional approval.

## ***Co-Signer***

All accounts should have a co-signer to ensure that accounts remain accessible in the event the Treasurer becomes disabled.

## ***Statements***

Statements should be balanced monthly.

## ***Deposits***

All monies received should be deposited as soon as possible. Monies may be deposited to the checking or savings account at the Treasurer's discretion.

## ***Disbursements***

All disbursements must follow the procedures outlined in the Bill Payment Policy (an exception is made for account maintenance which lasts for less than one business day).

## ***Ledger and Registers***

A simple Accounts Ledger is maintained by the Treasurer to track all accounts. A register is maintained for the savings, checking and credit card accounts.

## ***Record Retention***

Record retention should follow the procedures in the MLA Chapter Business Guidelines.

# **Bill Payment Policy**

Midwest Chapter / Medical Library Association  
Approved by the Board September 27, 2002

## ***Authorized Expenses***

Expenses itemized in the annual Budget as approved by the Board are authorized for payment. A majority vote of the Board is required to obtain authorization for payment of expenses not included in the annual Budget. In addition, a majority vote by the Board is required to obtain authorization for all scheduled or open payment accounts (e.g. monthly billing accounts, open-ended hotel/catering accounts).

## ***Procedures***

### **Request**

A Payment Request Form must be completed for payment of a bill or reimbursement of an incurred expense. The Payment Request Form is submitted to the President. The following are required with submission of a Payment Request Form:

1. Description. This must include sufficient information for the President to determine if the expense is authorized and for the Treasurer to determine which account should be debited.
2. Total amount payable.
3. Payee.
4. Method of payment. This must include sufficient information for the Treasurer to determine how to make the payment (e.g. an address to which a check should be mailed, a web address for online payment, a telephone number for a hotel or airline).
5. Requestor name.
6. Requestor signature and date.
7. Documentation. This must include sufficient information to prove the total amount of the payment. Allowable documentation includes invoices, receipts, not-to-exceed estimates, and vendor quotes. In all cases, the President determines if documentation is sufficient.

### **Approval**

The President determines if the expense is authorized or obtains authorization from the Board (see above). If the expense is not authorized, the President returns the Payment Request Form to the requestor with an explanation. If the expense is authorized, the President signs and dates the Payment Request Form and forwards the form and all documentation to the Treasurer for payment. To expedite payment, a copy of the signed form and documentation is sent to the Treasurer and original documents are sent via US mail.

## **Payment**

The Treasurer makes all approved payments in a timely manner. The Treasurer pays bills from Chapter accounts by check or credit card. In no case will cash be used for payments. The procedure for making payment follows:

1. Receive the copy of the Payment Request Form from President.
2. Verify that all required information is included. If necessary, contact the President and/or requestor to obtain required information.
3. Enter the payment in the Accounts Ledger. Assign the payment an Item number. Add the payment to the appropriate Expense Account. Deduct the payment from the checking or credit card account, as appropriate.
4. Write the date, Item number, and Expense Account number, and the amount paid on the copy of the Payment Request Form.
5. Make the payment.
  - a. Check: write the Item number and Expense Account number on the check; write the check number on the copy of the Payment Request Form; enter the check in the checkbook register.
  - b. Credit card: attach the payment confirmation receipt to the copy of the Payment Request Form; enter the payment in the credit card register.
6. File the copy of the Payment Request Form.
7. Receive the original Payment Request Form and documentation from the President. File with the copy of the Payment Request Form.



# Payment Request Form

Description (This must include sufficient information for the President to determine if the expense is authorized and for the Treasurer to determine which account should be debited.)

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Total Amount Payable: \_\_\_\_\_

Payee: \_\_\_\_\_

Method of Payment (This must include sufficient information for the Treasurer to determine how to make the payment. For example, an address to which a check should be mailed, a web address for online payment, a telephone number for a hotel or airline.)

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Requestor Name: \_\_\_\_\_

Requestor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Documentation must include sufficient information to prove the total amount of the payment. Allowable documentation includes invoices, receipts, not-to-exceed estimates, and vendor quotes. In all cases, the President determines if documentation is sufficient.

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President's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Payment Date: \_\_\_\_\_ Item: \_\_\_\_\_ Account: \_\_\_\_\_

Method: \_\_\_\_\_

Midwest Chapter / Medical Library Association  
Christopher J. Shaffer, Treasurer  
Financial Statement September 26, 2002

	Beginning	Ending
<b>Assets</b>		
110 Checking	\$160.08	\$1,494.33
120 Savings	\$25,435.06	\$16,057.46
130 Business Reserve Fund 1	\$0.00	\$5,049.46
140 Business Reserve Fund 2	\$0.00	\$10,084.12
150 Annual Conference Loans	\$2,500.00	\$2,000.00
<b>Total</b>	<b>\$28,095.14</b>	<b>\$34,685.37</b>
<b>Net (Ending - Beginning)</b>		<b>\$6,590.23</b>

	Budgeted	Actual
<b>Income Accounts</b>		
210 Membership Dues	\$8,300.00	\$8,280.00
220 Annual Conference	\$5,922.33	\$5,922.34
230 Interest	\$590.00	\$208.71
240 Contributions	\$0.00	\$0.00
<b>Income</b>	<b>\$14,812.33</b>	<b>\$14,411.05</b>
<b>Expense Accounts</b>		
310 Board	\$7,900.00	\$4,244.40
320 Archives Committee	\$0.00	\$0.00
330 Audit Committee	\$0.00	\$0.00
340 Awards Committee	\$1,500.00	\$0.00
350 Education Committee	\$0.00	\$0.00
360 Finance Committee	\$519.00	\$519.50
370 Governmental Relations Committee	\$0.00	\$0.00
380 Membership Committee	\$1,700.00	\$1,297.85
390 Nominations and Elections Committee	\$400.00	\$142.45
400 Program Committee	\$1,000.00	\$38.12
410 Publications Committee	\$2,000.00	\$1,578.50
<b>Expenses</b>	<b>\$15,019.00</b>	<b>\$7,820.82</b>
<b>Net (Income - Expenses)</b>	<b>(\$206.67)</b>	<b>\$6,590.23</b>