

Memorandum

To: Salton Sea Authority Board of Directors
From: G. Patrick O'Dowd, Executive Director/General Manager
Date: September 21, 2023

Re: Facsimile Signatures and 3rd Party Check Payment

On September 24, 2015, this board approved the attached "Procedures – Authorization for Use of Signature Stamp" to ensure appropriate controls are implemented and to improve operational efficiency of the Authority. Through our accounting firm, we recently implemented a third-party payment processing system that to the maximum extent possible sends out payments electronically to vendors and others. In the event insufficient information is available to effectuate an electronic transfer of funds, a physical check is sent by the payment processor to the payee. We recently learned that those checks are signed in facsimile by a representative payment processor and do not carry the actual or facsimile signatures of Authority representatives as contemplated by the existing policy.

It is important to note that all other procedures and controls remain in place when any payments are released, and in fact utilization of this vendor ensures a high level of technical competency in preparing and distributing payments as approved.

Staff is requesting that, so long as all other procedures and safeguards remain in place pursuant to the attached policy, that Authority staff is and will continue to be authorized to utilize a third-party payment vendor, including the distribution of physical checks with third party signers.

Salton Sea Authority
Procedures – Authorization for Use of Signature Stamp
Effective August 2015

*** UNANIMOUSLY APPROVED AT 9/24/15 SSA BOARD MEETING***

Salton Sea Authority (“SSA”) may hold facsimile signature stamps for all individuals authorized by the Board of Directors to sign checks. The signature stamp may be used as the second or “dry” signature on checks in the amount of \$20,000.00 or less. One “wet” (original) signature is required on all checks issued, and at least one of the signers on all checks must be a Director. The General Manager is designated as the primary signer on all checks. In the event the General Manager is unavailable to provide a “wet” signature, a substitute “wet” signer shall be designated from those authorized. Checks in excess of \$20,000.00 shall require two “wet” signatures.

Prior to placing the stamped signature on a check, permission must first be obtained from the person whose stamp is to be used on said check (the “Facsimile Signer” owner). Permission may be obtained in the following manner.

For Checks

1. Provide the Facsimile Signer with a copy of the Check Approval report, or other report currently in use for this purpose, which the General Manager/Executive Director has reviewed and initialed indicating amounts are approved for payment. The report should list all checks on which the stamp will be used. The report will list the check date, check amount, payee and a brief description of the check purpose.
2. The Facsimile Signer will review the report and indicate to SSA Staff approval for his/her signature stamp to be applied to the checks. The report may be provided to the Facsimile Signer either as a printed original or as an email attachment addressed to the email address issued to the Facsimile Signer by the agency represented for the purpose of conducting official business for that agency. Approval for reports provided in person shall be indicated by the Facsimile Signer signing and dating the original report. Requests provided via email shall be deemed approved when the Facsimile Signer will respond by reply email to the requestor using the same authorized agency email address that signature stamp use is approved or not approved.
3. The Facsimile Signer may request additional information from SSA staff regarding specific checks issued as he/she deems it necessary prior to issuing approval of use.

4. SSA Staff will retain paper copies of the approval email, signed report, or other document and will file them with the Check Approval report.

An individual's signature stamp will be disposed of when he/she is removed as an authorized signer on the Salton Sea Authority's accounts.