



MEETING of the Finance Committee of the Clean Power Alliance of Southern California

Wednesday, February 26, 2020

11:00 a.m.

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at gmonzon@cleanpoweralliance.org or (213) 269-5870. Notification in advance of the meeting will enable us to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.

PUBLIC COMMENT POLICY: *The General Public Comment item is reserved for persons wishing to address the Committee on any Clean Power Alliance-related matters not on today's agenda. Public comments on matters on today's Consent Agenda and Regular Agenda shall be heard at the time the matter is called. Comments on items on the Consent Agenda are consolidated into one public comment period. As with all public comment, members of the public who wish to address the Committee are requested to complete a speaker's slip and provide it to Clean Power Alliance staff at the beginning of the meeting but no later than immediately prior to the time an agenda item is called.*

Each speaker is customarily limited to two (2) minutes (in whole minute increments) per agenda item with a cumulative total of five (5) minutes to be allocated between the General Public Comment, the entire Consent Agenda, or individual items in the Regular Agenda. Please refer to Clean Power Alliance Policy No. 8 – Public Comments for more information.

In addition, members of the Public are encouraged to submit written comments on any agenda item to PublicComment@cleanpoweralliance.org. To enable an opportunity for review, written comments should be submitted at least 72 hours but no later than 24 hours in advance of the noticed Committee meeting date. Any written materials submitted thereafter will be distributed to the Committee at the Committee meeting. Any written submissions must specify the Agenda Item by number, otherwise they will be considered General Public Comment.

Clean Power Alliance Finance Committee
February 26, 2020

Members of the public may participate in this meeting remotely at the following addresses:

Beverly Hills City Hall
4th Floor, Conference Room 4B
455 N. Rexford Drive, Beverly Hills, CA 90210

Carson City Hall
Executive Conference Room
701 E. Carson Street
Carson, CA 90745

Rolling Hills Estates City Hall
4045 Palos Verdes Drive N.
Rolling Hills Estates, CA 90274

City of Santa Monica City Hall
1685 Main Street, Room 201
Santa Monica, CA 90401

I. WELCOME & ROLL CALL

II. GENERAL PUBLIC COMMENT

III. CONSENT AGENDA

1. Approve Minutes from the January 22, 2020 Finance Committee Meeting
2. Receive and File December 2019 Monthly Financial Dashboard

IV. REGULAR AGENDA

3. Report from the Chief Financial Officer
4. Review and Recommend Approval of Proposed Investment Policy by the Board of Directors
5. Review and Recommend Approval of Proposed Amended and Restated Credit Card Policy by the Board of Directors

V. COMMITTEE MEMBER COMMENTS

VI. ADJOURN

Public Records: *Public records that relate to any item on the open session agenda for a Committee Meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all, or a majority of, the members of the Committee. The Board has designated Clean Power Alliance, 555 W. 5th Street, 35th Floor, Los Angeles, CA 90013, as the location where those public records will be available for inspection. The documents are also available online at www.cleanpoweralliance.org.*

MEETING of the Finance Committee of the
Clean Power Alliance of Southern California
Wednesday, January 22, 2020, 11:00 a.m.
555 W. 5th Street, 35th Floor, Los Angeles, CA 90013

MINUTES

Beverly Hills City Hall
4th Floor, Conference Room 4B
455 N. Rexford Drive, Beverly Hills, CA 90210

Carson City Hall
Executive Conference Room
701 E. Carson Street
Carson, CA 90745

Rolling Hills Estates City Hall
4045 Palos Verdes Drive N.
Rolling Hills Estates, CA 90274

I. WELCOME & ROLL CALL

Chair Julian Gold called the meeting to order at 11:06 a.m. and Acting Board Secretary Jennifer Ward conducted roll call.

Roll Call			
Beverly Hills	Julian Gold	Committee Chair	Remote
Carson	Reata Kulcsar	Committee Member	Remote
Rolling Hills Estates	Steve Zuckerman	Committee Member	Remote
Santa Monica	Pam O'Connor	Committee Member	Remote

II. GENERAL PUBLIC COMMENT

Harvey Eder provided general public comments.

III. CONSENT AGENDA

1. Approve minutes from the December 11, 2019 Finance Committee Meeting
2. Receive and file November 2019 Monthly Financial Dashboard
3. Receive and file Risk Management Team Report

Motion: Committee Member Zuckerman, Rolling Hills Estates

Second: Committee Member Kulcsar, Carson

Vote: Items 1 through 3 were approved by a roll call vote, 4-0.

IV. REGULAR AGENDA

4. Report from the Chief Financial Officer

David McNeil, Chief Financial Officer, provided an update and noted that CPA was ahead of budget for the month of November.

Mr. McNeil explained that CPA congestion revenue rights are financial instruments by the CAISO intended to offset congestion costs incurred by Load Serving Entities and are traded in markets overseen by the CAISO. CPA has a portfolio of these rights and CPA uses them to offset CPA congestion costs. CPA manages the CRR portfolio by diversifying and reducing risk by selling these rights at various opportune times. Mr. McNeil noted that CPA sold about \$4 million of congestion revenue rights in an annual auction that took place in November 2019 and recorded a gain as a result of that sale.

Chair Gold asked if the congestion revenue rights expire and whether they could be carried over. Mr. McNeil responded that the congestion revenue rights are associated with a specific time frame and that they could have been sold off in the month-ahead auction or the current month auction but cannot be sold after the fact.

Mr. McNeil provided an update on the banking and treasury operations noting a positive cash situation for CPA. Committee Member Zuckerman asked about the November 2019 Dashboard and for further clarity on the variance numbers for November. Mr. McNeil indicated he would review the data and follow up with more details.

Mr. McNeil indicated that CPA's Finance team added Alex Maranga as Financial Analyst and Sean Swe as Manager of Load Forecasting and Analysis.

Public Comments: Harvey Eder provided public comments on Item 4 and commented on the FBI.

This item was for informational purposes only.

5. Review and Discuss Draft Investment Policy

Mr. McNeil provided a draft of the investment policy and indicated that staff would bring this item back for further discussion at the next Finance Committee meeting, and pending Committee approval, staff will bring this to the Board of Directors for consideration.

Mr. McNeil described the Draft Investment Policy and indicated that CPA anticipates beginning investing outside of current bank accounts in the 4th Quarter of 2020.

Committee Member Kulcsar asked for additional information on the Bids and Purchase of Securities section of the policy. Mr. McNeil indicated that when CPA goes out to invest, it may solicit proposals from multiple investment bidders, and

in other situations that is not necessary because there is a highly liquid market for these securities, such as US Treasury securities. On the broker/dealer side, CPA expects to work with one broker/dealer as is the typical practice for other CCAs.

Committee Member Kulcsar asked why this policy is exempt from the Non-Energy Contracting Policy. Mr. McNeil responded that the purchase and sale of securities is very different than the transacting for other goods and services that CPA conducts, which is why the proposed Investment Policy is distinct from the Non-Energy Contracting Policy. Nancy Whang, General Counsel, added that the Non-Energy Contracting Policy is related to solicitations, and is not related to the Executive Director's signing authority, which remains intact. Committee Member Kulcsar asked how these transactions take place and what level of review from the Committee or Board there would be. Mr. McNeil responded that there would be a delegation of authority to staff to purchase securities permissible under the proposed Policy, and that CPA would work with its broker to complete those transactions / purchase those securities.

Chair Gold added that this Policy enables staff to purchase the appropriate investments under the rules set forth in this Policy.

Committee Member Zuckerman added, that as per Section XI of the Policy, there will be monthly reports and Mr. McNeil added that there are authorized investments spelled out in the Policy. Committee Member Zuckerman indicated his support for the range of investments but asked if there are any allowable instruments under the Government Code that CPA did not include. Mr. McNeil said he would review further and provide that information prior to the next meeting. Committee Member Zuckerman also asked if CPA would always make purchases through a broker or if CPA would ever make those directly. Mr. McNeil responded that the that intention is to use a broker depending on the type of investment under consideration.

Chair Gold asked staff to look into how CPA's proposed Policy compares to the LA County investment policy. Chair Gold also asked if CPA should define a percentage of liquidity in the Policy, and Mr. McNeil indicated that we keep a minimum amount of cash in our checking account, and also have a money market and ICS account, which are more like savings accounts, and CPA would continue to keep a healthy amount of funds in those accounts to meet short-term liquidity needs.

Chair Gold asked if CPA has the ability to invest in capital projects, such as wind farms. Mr. McNeil indicated that CPA does have the ability to do so, however, such an investment would not be governed by this investment policy.

Public Comments: Harvey Eder provided public comments on Item 5.

6. Review and Discuss Financial Controls

The Committee reviewed information provided by staff. Mr. McNeil indicated that if any questions arise, the Committee may contact Mr. McNeil via email.

Public Comments: There were no public comments on this item.

V. COMMITTEE MEMBER COMMENTS

There were no additional comments.

VI. ADJOURN

Committee Chair Gold adjourned the meeting at 12:00 p.m.



Financial Dashboard

YTD
December
2019

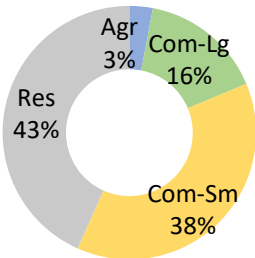
Active Accounts

1,005,000

Opt-Out %

5.3%

YTD Sales Volume
6,065 GWh



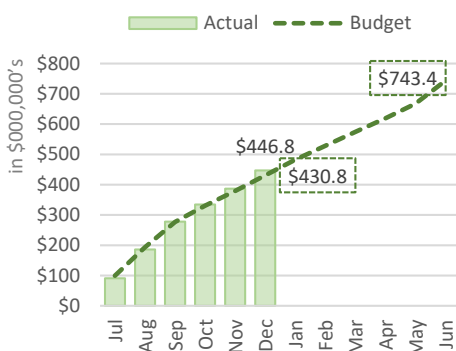
Summary of Financial Results

in \$000,000's	December				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Energy Revenues	\$60.1	\$51.4	\$8.7	17%	446.8	430.8	16.0	4%
Cost of Energy	\$49.9	\$51.1	-\$1.2	-2%	416.8	410.3	6.5	2%
Net Energy Revenue	\$10.2	\$0.3	\$9.9		30.0	20.5	9.5	46%
Operating Expenditures	\$1.8	\$2.0	-\$0.3	-12%	10.8	12.6	-1.8	-14%
Net Income	\$8.4	-\$1.8	\$10.2	572%	19.2	7.9	11.3	143%

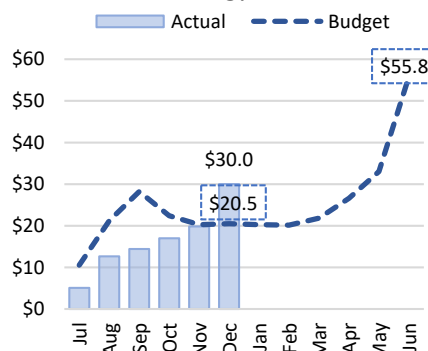
Note: Numbers may not add up due to rounding.

- CPA recorded results for the period that exceeded expectations. December results were favorably impacted by higher energy use and revenue, lower per unit energy costs and the non-utilization of contingencies. Expenditures remain within authorized budget limits.
- For year-to-date:
 - Revenues of \$446.8 million were \$16 million or 4% above budgeted revenues.
 - Cost of energy of \$416.8 million was 2% above budgeted energy costs.
 - Operating expenditures of \$10.8 million were 14% lower than budgeted primarily due to lower than budgeted staffing, legal services, and Data & SCE service fees.
 - Net income of \$19.2 million was \$11.3 million above budgeted net income of \$7.9 million.
 - Management believes that available liquidity and bank lines of credit are sufficient for CPA to continue to meet its obligations.

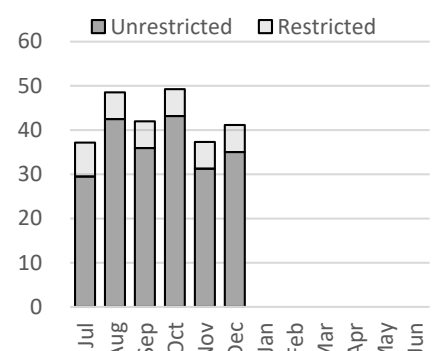
Cumulative Revenue



Net Energy Revenue



Cash & Cash Equivalents



Definitions:

Accounts: Active Accounts represent customer accounts of active customers served by CPA per Calpine Invoice.

Opt-out %: Customer accounts opted out divided by eligible CPA accounts

YTD Sales Volume: Year to date sales volume represents the amount of energy (in gigawatt hours) sold to retail customers

Revenues: Retail energy sales less allowance for doubtful accounts

Cost of energy: Cost of energy includes direct costs incurred to serve CPA's load

Operating expenditures: Operating expenditures include general, administrative, consulting, payroll and other costs required to fund operations

Net income: Net income represents the difference between revenues and expenditures before depreciation and capital expenditures

Cash and Cash Equivalents: Includes cash held as bank deposits.

Year to date (YTD): Represents the fiscal period beginning July 1, 2019



Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Finance Committee
From: David McNeil, Chief Financial Officer
Subject: Report from the Chief Financial Officer
Date: February 26, 2020

The Chief Financial Officer will provide an oral report updating the Finance Committee on the following items:

- Update on borrowing and treasury operations.
- December 2019 financial performance and financial outlook.
- Upcoming First and Second Quarter 2020 activities.



Staff Report – Agenda Item 4

To: Clean Power Alliance (CPA) Finance Committee

From: David McNeil, Chief Financial Officer

Approved by: Ted Bardacke, Executive Director

Subject: Review and Recommend Approval of Proposed Investment Policy to the Board of Directors

Date: February 26, 2020

RECOMMENDATION

Review and recommend approval of Proposed Investment Policy (attached) to the Board of Directors.

SUMMARY

Since CPA began operations, the use of cash has been carefully monitored by staff. In view of the growth of the organization and anticipated increases in cash balances, staff recommends the adoption of an Investment Policy ("Policy") that would govern the management of funds controlled by CPA. On January 22, 2020, staff discussed the Draft Policy with the Finance Committee. Staff plans to present the Policy for consideration by the Board on March 5, 2020.

The Policy outlines CPA's investment objectives, defines a standard of care consistent with California Government Code Sec. 53600, delegates authority to manage CPA Investments to the Treasurer, defines acceptable investment types, and requires an annual review of the Investment Policy by the Treasurer.

CPA investment objectives in order of priority are 1) to ensure the safety of principal, 2) to ensure adequate liquidity to enable CPA to meet its obligations, and 3) to obtain a

market return on investment. Authorized investments are deposits at banks, funds deposited with the Local Agency Investment Fund, US Treasury and Federal Agency Securities, Bankers' Acceptances, Certificates of Deposit, Service Deposits, and Money Market Funds. Banks holding CPA deposits must, by law, have a satisfactory rating by the FDIC, and must hold no less than 110% of the value of deposits as collateral.

The Draft Investment Policy presented to the Finance Committee in January 2020 included Commercial Paper as an eligible investment. Commercial Paper is investable securities issued by private sector companies. Staff recommends that CPA defer inclusion of Commercial Paper as an eligible investment. Staff also recommends that the Finance Committee consider an amendment to the Policy next year that would i) include Commercial Paper as an eligible investment and ii) incorporate Socially Responsible Investing (SRI) principles.

Staff note that the County of Los Angeles is developing SRI principles over the next six months for inclusion in the County's Investment Policy and that CPA would likely be able to benefit from the County's research on this topic when CPA reviews the Policy next year. Foregone revenue from investments in Commercial Paper is not expected to be material over the next 12 months given the anticipated scale of CPA's investable funds.

Attachment: 1) Proposed Investment Policy



Investment Policy

DRAFT

This Investment Policy (Policy) establishes guidelines for the management of cash, deposits, and investments (together, "Funds") at Clean Power Alliance of Southern California (CPA).

I. Investment Objectives

When managing Funds, CPA's primary objectives, in the following order of importance, shall be to (1) safeguard the principal of the Funds, (2) meet the liquidity needs of CPA, and (3) achieve a return on investment on Funds in CPA's control.

- A. Safety:** Safety of principal is the foremost objective of cash and investment management activities. The investment of Funds shall be undertaken in a manner that seeks to ensure the preservation of principal.
- B. Liquidity:** The Funds of CPA shall remain sufficiently liquid to meet all operating needs that may be reasonably anticipated. Since all possible cash demands cannot be anticipated, the investment of Funds in deposits or instruments that are available on demand is recommended.
- C. Return on Investment:** The deposit and investment portfolio shall be designed with the objective of attaining a market rate of return throughout the economic cycle while considering risk and liquidity constraints. The return on deposits and investments is of secondary importance compared to the safety and liquidity objectives described in I.A. and I.B., above.

II. Standard of Care

CPA will manage Funds in accordance with the Prudent Investor Standard pursuant to California Government Code Section 53600.3¹:

"[G]overning bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

Pursuant to Section 53607, the Board hereby delegates responsibility to manage Funds to CPA's Treasurer or in lieu thereof, the Executive Director. The Treasurer is authorized to appoint Deputy Treasurer(s) as the Treasurer deems necessary for the prompt and faithful discharge of its duties, pursuant to Section 53607.

¹ All further statutory references are to the California Government Code unless otherwise stated.

III. Acceptable and Prohibited Investment Types

A. The following types of investments are permitted:

1. **Deposits at Bank(s):** Funds may be invested in non-interest-bearing depository accounts to meet CPA's operating and collateral needs and grant requirements. Funds not needed for these purposes may be invested in interest-bearing depository accounts or Federal Deposit Insurance Corporation (FDIC) insured certificates of deposit with maturities not to exceed five (5) years. Banks eligible to receive deposits will be federally or state chartered and will conform to Section 53635.2 which requires that banks "have received an overall rating of not less than 'satisfactory' in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code." As per Section 53652, banks must collateralize the deposits of public agencies in an amount equal to no less than 110% of as currently stated in the value of the deposits. The Treasurer will monitor the credit quality of eligible banks holding CPA deposits that exceed FDIC insurance limits to ensure the safety of CPA deposits.
2. **Local Agency Investment Fund (LAIF):** Funds may be invested in the Local Agency Investment Fund established by the California State Treasurer for the benefit of local agencies.
3. **US Treasury Obligations:** Funds may be invested in United States Treasury obligations with a term to maturity not exceeding five (5) years and subject to the limitations set forth in Sections 53601 et seq. and 53635 et seq.
4. **Federal Agency Securities:** Funds may be invested in Federal Agency Securities with a term to maturity not exceeding five (5) years and subject to the limitations set forth in Sections 53601 et seq. and 53635 et seq.
5. **Bankers' Acceptances:** Funds may be invested in Banker's Acceptances provided that they are issued by institutions which have short-term debt obligations rated "A-1" or its equivalent of better by at least one NRSRO (Nationally Recognized Statistical Rating Organization). Not more than 40% of the portfolio may be invested in Bankers' Acceptances, and no more than 5% of the portfolio may be invested in any single issuer. The maximum maturity shall not exceed 180 days.
6. **Negotiable Certificates of Deposit:** Funds may be invested in negotiable certificates of deposit in accordance with the requirements of Section 53601 and 53601.8, and subject to the following limitations:
 - i. Issued by an entity as defined in Section 53601(i); and
 - ii. No more than 30% of the total portfolio shall be invested in certificates of deposit.
7. **Placement Service Deposits:** Funds may be invested in deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States (Section 53601.8). The full amount of principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. The combined maximum portfolio exposure to the deposits placed pursuant to this section, Certificate of deposits and Negotiable

Certificates of Deposits is limited to 30 percent and the maximum investment maturity will be restricted to five years.

8. **Money Market Funds:** Funds may be invested in money market funds pursuant to Section 53601(l)(2) and subject to Section 53601(l)(4).

B. Prohibited Investment Types

Pursuant to Section 53601.6, CPA shall not invest Funds in any security that could result in a zero-interest accrual, or less, if held to maturity. These prohibited investments include, but are not limited to, inverse floaters, range notes, or mortgage-derived interest-only strips.

IV. Investment Portfolio Management

The term to maturity of any Funds invested shall not exceed five (5) years pursuant to Section 53601. The Treasurer will allocate Funds among authorized investments consistent with the objectives and standards of care outlined in this Policy.

V. Bids and Purchase of Securities

Prior to the purchase of an investment pursuant to this Policy the persons authorized to make investments shall assess the market and market prices using information obtained from available sources including investment services, broker or dealers, and the media. A competitive bid process, when practical, will be used to place all investment purchases and sales transactions. Any competitive bid process used pursuant to this Policy shall be exempt from CPA's Non-Energy Contracting Policy.

VI. Brokers

Broker/dealers shall be selected by the Executive Director upon recommendation by the Treasurer. Selection of broker/dealers shall be based upon the following criteria: the reputation and financial strength of the company or financial institution, the reputation and expertise of the individuals employed, and pursuant to the requirements of Section 53601.5. The Executive Director shall require any selected broker, brokerage firm, dealer, or securities firm to affirm that it has not, within any 48-consecutive month period, made a political contribution to any member of the CPA Board, or any candidate who may join the CPA Board in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, the Political Reform Act, including section 84308, or any applicable CPA Policy, as amended from time to time. The selected broker or dealers shall be provided with and acknowledge receipt of this Policy, the Vendor Communication Policy, and the Campaign Contribution Disclosure Form.

VII. Losses

Losses are acceptable on a sale before maturity and may be taken if required to meet the liquidity needs of CPA or if the reinvestment proceeds will earn an income flow with a present value higher than the present value of the income flow that would have been generated by the original investment, considering any investment loss or foregoing interest on the original investment.

VIII. Delivery and Safekeeping

The delivery and safekeeping of all securities shall be made through a third party custodian when practical and cost effective as determined by the Treasurer and in accordance with Section 53608.

The Treasurer shall review all transaction confirmations for conformity with the original transaction.

IX. Conflict of Interest

CPA staff shall comply with state law and applicable CPA policies regarding conflicts of interest.

X. Audits

CPA's Funds shall be subject to a process of independent review by its external auditors. CPA's external auditors shall review the investment portfolio in connection with CPA's annual audit for compliance with the Policy pursuant to Section 27134. The results of the audit shall be reported to the Treasurer.

XI. Reports

- A. Monthly:** The Treasurer will perform a monthly review of the investment function. Following the commencement of investment transactions, the Treasurer shall submit a monthly report of all investment transactions to the Finance Committee. Investment transactions are defined as the purchase, sale or exchange of securities.
- B. Annually:** The Treasurer will submit an annual report to the Finance Committee within 60 days of the end of a fiscal year providing the following:
 - i. A list of individual securities by investment type, issuer, credit risk rating, CUSIP number, settlement date of purchase, date of maturity, par value and dollar amount invested on all securities, the market value and source of the market value information;
 - ii. A statement that the portfolio is in compliance with this Policy and in accordance with Section 53646 or the manner in which the portfolio is not in compliance; and
 - iii. A statement of CPA's ability to meet anticipated cash requirements for the upcoming 12 months.
- C. Annual Review:** This Policy will be reviewed annually by the Treasurer. The Executive Committee is authorized to approve changes to this Policy following the review of proposed changes by the Finance Committee.



Staff Report – Agenda Item 5

To: Clean Power Alliance (CPA) Finance Committee

From: David McNeil, Chief Financial Officer

Approved by: Ted Bardacke, Executive Director

Subject: Review and Recommend Approval of Proposed Amended and Restated Credit Card Policy by the Board of Directors

Date: February 26, 2020

RECOMMENDATION


Review and Recommend Approval of Proposed Amended and Restated Credit Card Policy by the Board of Directors.

SUMMARY

On August 22, 2018 the Finance Committee approved Financial Policy 1 – Credit Card Policy and Procedures (“Credit Card Policy”). The Credit Card Policy governs use of CPA’s Corporate Credit Card.

Proposed amendments to the Credit Card Policy are administrative in nature and include removing references to Chase Bank, eliminating reporting requirements to the Chair of the Finance Committee and adding an Employee Corporate Credit Card Use Acknowledgement Form that would govern employee use of the CPA corporate credit card. In addition, the amendment would delegate authority from the Board to the Finance Committee to approve changes to the Credit Card Policy as and when needed.

Attachment: 1) Proposed Amended and Restated Credit Card Policy

	<u>Corporate Credit Card</u>	<u>February 26, 2020</u> August 22, 2018
	<u>Policy and Procedures</u>	Financial Policy 1
	<u>Version 12</u>	

1.0 PURPOSE:

The purpose of this Credit Card Policy and Procedures (Policy) is to set guidelines for the ~~usage and payment of business expenditures from~~use of the Clean Power Alliance Corporate Credit Card(s) (Card).

2.0 RESPONSIBLE PARTIES:

The ~~Chief Financial Officer (CFO)/Finance Manager~~Controller is responsible for ensuring uniform procedures are followed for this Policy. ~~Any cardholder is~~Cardholder and Authorized User are responsible for signing ~~an~~the acknowledgement form ~~provided on the last page of this Policy~~, indicating they have reviewed ~~the policy~~this Policy and ~~will~~agreeing to comply with it.

3.0 GENERAL GUIDELINES:

3.1 The Executive Director will authorize and approve issuance of any Cards, establish Cardholders and the limits of ~~every~~ issued Card.

3.2 ~~The~~The Controller or in his/her absence the Executive Director will review and approve the monthly statements ~~before the Card~~.

3.2.3 ~~Cardholder is paid a~~ CPA staff member to whom a Card has been issued

3.3 ~~Monthly statements and documentation of expenditures will be provided to the Chair of the Finance Committee by the CFO/Finance Manager on a quarterly basis for review and audit.~~

3.4 ~~The use of~~Authorized User is a CPA staff member who is authorized by the Executive Director, Chief Financial Officer or Controller to make Authorized Payments using the Card is restricted only for.

3.4.3.5 Authorized Payments are payments for approved CPA business-related expenditures. The Card is not be used for charges for personal purchases, items, or use. The Card cannot be used for cash withdrawals. This prohibition extends to cash equivalents such as bank checks, traveler's checks, money order, and electronic cash transfers.

3.0 ~~The Card cannot be used for cash withdrawals.~~

4.0 SCOPE

4.1 The Policy applies to all ~~the Corporate Credit~~ Cardholders and Authorized Users of ~~Clean Power Alliance (CPA).~~the Card.

5.0 CARD USAGE

The proper name of the ~~cardholder~~Cardholder will be embossed on the card along with "Clean Power Alliance". ~~The Card is issued by Chase Bank.~~

	<u>Corporate Credit Card Policy and Procedures</u> <u>Version 12</u>	<u>February 26, 2020August 22, 2018</u> Financial Policy 1
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The Card is valuable property which requires proper treatment by the ~~cardholder~~Cardholder to adequately secure and protect ~~it~~the physical Card, as well as the Card account number, from misuse by unauthorized parties. The ~~cardholder~~Cardholder is required to activate (as per instructions received with the Card) and sign the card immediately upon receipt. When a new Card is issued, the ~~cardholder~~Cardholder will return the previous Card to the Executive Director or Controller, who will destroy the Card. If the ~~cardholder's~~Cardholder's employment is terminated for any reason, the ~~cardholder~~Cardholder will return the Card and receipts/invoices to the Executive Director or ~~CFO/Finance Manager~~Controller. The Executive Director or ~~CFO/Finance Manager~~Controller will destroy the Card.

The Card may not be transferred to, assigned to, or used by anyone other than the ~~designated cardholder~~Chase BankCardholder or an Authorized User. The credit card company or CPA may, at any time, suspend or cancel the Cardholder's privileges for any reason and the Cardholder will immediately surrender the Card to the Executive Director or Controller.~~cardholder's privileges for any reason and the cardholder will immediately surrender the Card to the Executive or CFO/Finance Manager.~~

Use of the Card is limited to:

- Vendors who do not accept payment by ACH or Wire;
- Vendors who may accept checks but for whom payment by card is necessary for the timely and efficient delivery of goods and services; ~~and~~
- ~~Necessary~~Approved business-related travel expenses; ~~and~~
- Payments for the Required on-line purchases.

The following items require prior documented approval, in electronic format, from the Executive Director ~~and/or CFO/Finance Manager~~:

- All goods and services over \$5,000 for a single transaction or to a single ~~vendor~~vendor's payment request within one month;
- All goods and services requiring signed contracts; and Consultant services or independent contractors.

The Executive Director may delegate his/her responsibilities as defined in Section 5 of this Policy.

6.0 CARD SAFEGUARDS

The ~~cardholder~~Cardholder is required to ensure proper safeguard of the Card by:

- 6.1** Securely keeping the Card in his/her possession, signing the back of the Card, and destroying expired or replaced Cards.

	<u>Corporate Credit Card</u>	<u>February 26, 2020</u> August 22, 2018
	<u>Policy and Procedures</u>	<u>Financial Policy 1</u>
	<u>Version 12</u>	

- 6.2 Ensuring that only the last four digits of the Card number appear on any printed document.

7.0 REPORTING LOST / STOLEN CARD

Lost or stolen Cards must be reported immediately to ~~Chase Bank~~the bank issuing the Card, and ~~notifying to~~ the Executive Director and ~~CFO/Finance Manager~~Controller.

8.0 EXPENSE ACCOUNTING, REPORTING AND PAYMENT

- 8.1 ~~The cardholder is~~Cardholder and Authorized User are required to obtain and submit ~~the original to~~ CPA Finance and Accounting itemized invoices/receipts for all Card expenditures, indicating the name of the vendor, location, date, ~~and~~ dollar amount and business purpose of expenditure.

8.2

- 8.3 ~~The cardholder is~~Cardholder and Authorized User are responsible for submitting transaction invoices/receipts to ~~the CFO/CPA's~~ Finance Manager and Accounting Department within five (5) business days of incurring the transaction.

- 8.4 The ~~CFO/Finance Manager~~Controller is responsible for the credit card reconciliation, including downloading monthly credit card statements, matching the invoices/receipts to the statement charges, ensuring accounting charges in the appropriate period, and requesting payment authorization.


- 8.5 The ~~CFO/Finance Manager~~Controller will retain monthly billing statements with the ~~cardholder's~~Cardholder's signature, purchase receipts/invoices, and written purchase approvals for at least five (5) years.

9.0 POLICY ENFORCEMENT

- 9.1 Employees are NOT permitted to use the Card for personal expenses for any reason. Use of the Card for personal expenses may result in disciplinary action, up to and including termination of employment.
- 9.2 Any willful intent to disregard any part of the Policy will result in immediate suspension and revocation of the Card or termination of the Card use privilege, and may result in disciplinary action, up to and including termination of employment.

10.0 DISPUTED TRANSACTIONS

- 10.1 Disputed Transactions must be resolved with the vendor and the credit card company by the Cardholder. The Cardholder must notify the credit card company immediately for resolution.

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11.0 TERMINATION OF EMPLOYMENT

11.1 Prior to departure or termination of duties with CPA, the Cardholder must reconcile all expenditures on his/her Card account since the last statement submitted.

11.2 It is the responsibility of the Cardholder to ensure that his/her account is settled prior to departure.

11.3 The Card must be surrendered to the Executive Director or Controller upon termination of employment.

12.0 Policy Administration

12.1 The Board of Directors delegates authority to make changes to this Policy to the Finance Committee.

12.2 Changes to this Policy approved by the Finance Committee will be communicated to the Executive Committee at its next regular meeting as a review and file item on the Consent Agenda.

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**CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA (CPA)
CREDIT CARD POLICY AND PROCEDURES
POLICY ACKNOWLEDGEMENT**

I have read the Credit Card Policy and Procedures (Policy) and understand its provisions. I understand that ~~guidelines for the usage and payment of business expenditures from the Clean Power Alliance corporate credit card~~ must ~~be adhered~~adhere to all aspects of the Policy.

I accept responsibility for any transactions that occur on the corporate credit card issued to me and understand that the Card may not be transferred to, assigned to, or used by anyone other than the designated ~~cardholder~~Cardholder or Authorized User.

I understand that ~~Employees~~CPA employees are NOT permitted to use the card for personal expenses for any reason. ~~Failure to abide by this provision~~Use of the Card for personal expenses may result in disciplinary action, up to and including termination of employment. Any willful intent to disregard any part of the Policy will result in immediate suspension and revocation of the Card or termination of the Card use privilege and may result in disciplinary action, up to and including termination of employment.

I understand that any outstanding charges not authorized or accounted for in accordance with this Policy may be deducted, at CPA's sole discretion, from the Cardholder's or Authorized User's next paycheck(s).

By signing this form, I agree to abide by the policy currently in place and I agree to review periodically any changes or modifications. I understand that my regular review of this policy is required. I understand updates to this policy are available online.

Name
(Print): _____

Emp. ID
(If applicable): _____

Signature: _____

Date: _____

Executive Director Signature: _____

Date: _____

This document will be maintained in CPA's Human Resources files.