



To: Executive Committee
From: Greg Matson, Executive Director
Date: May 2, 2024
Subject: Recommended Amendment to Bylaw 8(a)

Attached is a recommended amendment to Commission Bylaw 8(a). Bylaw 8(a) requires checks and similar paper instruments used for payments by the Commission that are not related to payroll and are in excess of \$10,000 to be countersigned by the chair or vice chair (the executive director or deputy executive director are primary signatories).

This amendment would eliminate this countersigning requirement and instead allow for prior approval by the chair or vice chair in writing for such payments. The amendment is being proposed for several reasons. First, it is now preferable for payments to be made electronically rather than by paper check, not only for bookkeeping efficiency but also to mitigate against check fraud. Second, this change would eliminate the expense of mailing checks to the chair or vice chair for signature, including pre-paid postage for mailing from the chair or vice chair after signature to the payee. Finally, it would eliminate the risk of the payment being lost in transit from the MTC or from the chair or vice chair.

The amendment makes minor corrections for consistency and also makes express what the MTC has practiced for decades—loosely interpreting “payroll” to include employee benefits related payments (insurance premiums and retirement plan transfers) and office rent.

If approved by the Executive Committee, the 60-day prior notice required by Bylaw 12 would be provided to the states and the amendment would be before the Commission for final consideration at its annual meeting in July 2024.

A clean version of this Bylaw after amendment is attached and is followed by a redline version that shows the changes made to the original.

- - - AS AMENDED - - -

Bylaw 8: Financial Affairs

(a) All checks, drafts, or other documents for the withdrawal of funds of the Commission are to be signed by the executive director or, in his or her absence and if specifically authorized in writing approved by the Executive Committee, by an employee specifically designated by the executive director. Any such check, draft, or other document, including an electronic payment or transfer, which is not related to the payroll, employee benefits, or office rent, and is in excess of \$10,000, may be either countersigned or approved in advance in writing by the chair or the vice chair. Endorsement of checks to be deposited to the credit of the Commission is made by either the treasurer, the executive director, an employee designated previously in this paragraph, the chair, or the vice chair.

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