

# MAINE STATE LEGISLATURE

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**MAINE  
CONNECTIVITY  
AUTHORITY**

January 30, 2025

Honorable Matthea Daughtry  
President of the Senate  
3 State House Station  
Augusta, Maine 04333

Honorable Ryan Fecteau  
Speaker of the House  
2 State House Station  
Augusta, Maine 04333

Dear President Daughtry and Speaker Fecteau:

Pursuant to 5 M.R.S.A., Section 12023, please consider this the letter of transmittal for the required report from the Maine Connectivity Authority due by February 1, 2025.

Please contact me if you have any questions or need additional information.

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew Butcher".

Andrew Butcher  
President  
[abutcher@maineconnectivity.org](mailto:abutcher@maineconnectivity.org)  
207.209.3868

Enclosures:  
MCA Financial and Procurement Policy  
MCA Cash Management Policy



**MAINE CONNECTIVITY AUTHORITY  
5 MRS §12023 ANNUAL REPORT  
FINANCIAL POLICIES AND PROCEDURES  
FY JULY 1, 2023 – JUNE 30, 2024**

The Maine Connectivity Authority (MCA), files this annual report pursuant to 5 MRS §12023 concerning the financial policies and procedures required by 5 MRS section 12022. The annual report covers MCA's preceding fiscal year, July 1, 2023, to June 30, 2024, being the most recent July 1 to June 30 budget cycle, the fiscal year used by MCA, consistent with the guidance of 5 MRS §12023(3).

MCA was established by the Connectivity Infrastructure Act, P.L. 2021, chapter 364, codified at 35-A MRS §9401 *et seq.* P.L. 2021, chapter 364, §1 designates MCA a general government board under 5 MRS § 12004-G, sub-§33-G (later reallocated to sub-§33-H) and chapter 364, §2 designates MCA a quasi-independent reporting entity under 5 MRS -§12021(5) and (6).

In the fourth quarter of FY24, MCA updated its procurement policy for organizational growth and the transition of roles. Under this revised policy, MCA Managers have authority to approve expenses up to \$25,000, MCA Directors and Senior Managers have authority to approve expenses up to \$100,000, the President and Director of Finance and Operations have authority to approve expenses up to \$250,000, and any expenditure greater than \$250,000 requires full Board of Directors or Executive Committee approval.

The MCA Procurement Process contained in the Financial and Procurement Policy is a systematic and strategic framework aimed at guiding the organization through the acquisition of goods and services. Starting with needs identification and budgeting, the process utilizes a procurement cover memo template, evaluates vendor options, estimates costs, and determines the appropriate procurement pathway, seeking approval from key stakeholders and the President or Director of Finance and Operations.

The subsequent vendor selection process is tiered based on financial considerations, distinguishing between procurements under \$10,000, and those exceeding \$10,000 utilizing the RFP or single-source approach. Clear roles and responsibilities are outlined for the MCA Vendor Lead and the Procurement Team. The closing process ensures legal compliance, involving the creation of a final memo reviewed by Contracting and Legal, development of a detailed Statement of Work, and identification of payment terms and funding sources.

The post-approval phase involves setting up invoicing and payment procedures, defining roles for vendor management, maintaining comprehensive documentation, and addressing vendor performance and payment issues. This holistic approach ensures a transparent, efficient, and legally compliant procurement process for MCA.

Copies of the current Cash Management Policy and the Financial and Procurement Policy are attached for your information.

## **Maine Connectivity Authority Financial Policies and Procedures**

### **1. Approved Financial Policies Comply with 5 MRS 12022**

The approved MCA Financial Policies and Procedures (Financial Policies) include all written policies and procedures required by 5 MRS §12022(1) - (6). The Financial Policies:

1.1 limit MCA activities and expenditures to those necessary to accomplish the entity's mission and duties consistent with the MCA law [§12022(1)];

1.2 ensure that the MCA Board of Directors, management, and staff comply with financial policies and procedures established by the governing body [§12022(2)];

1.3 establish procedures for vendor selection, including competitive procurement as the standard procurement method, specify the conditions under which the competitive procurement may be waived, and require written justification of any procurements over \$10,000 not competitively procured [§12022(3)];

1.4 establish procedures for grant awards by MCA to third parties [§12022(4)];

1.5 establish policies and procedures for meals, travel, and entertainment expenditures, limiting those costs to reasonable and necessary expenditures to accomplish MCA's mission [§12022(5)]; and

1.6 MCA has registered Andrew Butcher (President), Maggie Drummond-Bahl (Senior Director of Digital Equity and Partnerships), Tanya Emery (Director of Development), Kendra Jo Grindle (Director of Community Strategy), Brian Allenby (Senior Director of Program Operations), and John Dougherty (Director of Middle Mile) as MCA legislative designees, consistent with the requirements of 3 MRS §313-A(10) [§12022(6)].

### **2. Financial Policy Oversight (5 MRS §12022(2))**

The MCA Board of Directors has designated both MCA President, Andrew Butcher, and Director of Finance and Operations, Harrison Smith, to oversee the implementation of the Financial Policies. The Director of Finance and Operations provides a quarterly report to the MCA Board of Directors meeting concerning procurement issues and MCA's compliance with the Financial Policies.

### **3. List of Procurements exceeding \$10,000 where competitive procurement was waived (5 MRS §12023(2))**

The following list includes all procurements exceeding \$10,000 in the preceding fiscal year ending June 30, 2024, for which competitive procurement was waived under the MCA Financial Policy, including names of vendors and costs associated with those procurements:

<b>Vendor</b>	<b>Annual Cost</b>
Baker Newman Noyes	\$374,355.000
Ookla	\$43,500.00
Carahsoft	\$40,519.59
Outside Angle	\$349,823.13
Lincoln Institute	\$101,949.00
Tilson	\$389,399.73
KMA Human Resources Consulting	\$91,898.75
Bernstein Shur	\$66,017.50

#### **4. List of contributions greater than \$1,000 under 5 MRS section 12023(2)(A))**

The following list includes all persons (entities and individuals) to which MCA made contributions (including grants) greater than \$1,000 in the preceding fiscal year ending June 30, 2024, and the total amount contributed to each, The MCA grant programs are competitive programs accompanied by extensive public outreach to inform citizens about the program availability and requirements.

<b>Recipient</b>	<b>Amount</b>
Androscoggin Valley Council of Governments	\$100,463.76
Biddeford Internet Corporation	\$248,919.50
Charter Communications Holdings, LLC	\$1,722,807.25
Comcast Cable Communications, LLC	\$69,001.50
Consolidated Communications Enterprise Services, Inc.	\$10,578,131.85
Eastern Maine Development Corporation	\$62,500.00
Four Directions Development Corporation	\$206,586.83
Greater Franklin Development Council	\$187,569.75
Greater Portland Council of Governance	\$202,475.04
GrowSmart Maine	\$152,288.68
Information Technology Exchange dba GiveIT GetIT	\$113,147.43
Island Institute	\$196,979.23
Lincoln County Regional Planning Commission	\$193,605.00
Maine Broadband Coalition	\$60,000.00
National Digital Equity Center	\$191,000.00
Northern Forest Center	\$128,013.91
Northern Maine Development Commission	\$197,500.00
Outer Reach Broadband	\$83,063.00

Sebago Fiber & Wifi, LLC	\$807,594.00
Somerset Economic Development Corp	\$186,650.00
Southern Maine Planning and Development Commission	\$197,500.00
Sunrise County Economic Council	\$144,081.25
TDS Telecom Service, LLC	\$698,295.00
Tidewater Telecom, Inc.	\$637,049.00
Town of Arrowsic	\$898,496.00
Town of Vienna	\$557,349.00
Town of Winterport	\$30,000.00
Unitel, Inc	\$1,585,209.50
VVD Funding LLC dba Premium Choice Broadband	\$5,470,202.40

**5. Travel and Meal Expenses (5 MRS section 12023(2)(B))**

The Financial and Procurement Policy section on travel, meals and expenses provides that Travel, meal and entertainment costs are limited to those reasonable and necessary for accomplishing the entity's mission and activities, and consistent with the Employee Handbook. MCA budgets and accounts for these expenses separately in the MCA Budget. The Board of Directors must approve an annual budget for travel, meals, and expenses.

**6. Lobbyist Prohibition (5 MRS section 12022(6))**

MCA is aware of the section 12022(6) prohibition concerning MCA retention of any person, other than MCA staff, who is required to register as a lobbyist as defined in Title 3, section 312-A, subsection ten. MCA has registered employees Andrew Butcher (President), Maggie Drummond-Bahl (Senior Director of Digital Equity and Partnerships), Tanya Emery (Director of Development), Kendra Jo Grindle (Director of Community Strategy), Brian Allenby (Senior Director of Program Operations), and John Dougherty (Director of Middle Mile) as MCA legislative designees, consistent with the requirements of 3 MRS §313-A(10) [§12022(6)].

Please contact me with any questions.



Andrew Butcher  
 President  
[abutcher@maineconnectivity.org](mailto:abutcher@maineconnectivity.org)  
 207.209.3868 (direct)



## Maine Connectivity Authority (“MCA”)

### Financial and Procurement Policy

**This MCA Financial and Procurement Policy is adopted pursuant to 5 MRS §12022 to ensure that all MCA financial activities and expenditures are limited to those necessary to accomplish the entity's mission and to carry out the entity's duties consistent with MCA's charter law at 35-A MRS Chapter 94-A, and to ensure that the MCA Board of Directors, management and staff comply with these financial policies and procedures and written policies and procedures governing the selection of vendors. This Policy is designed to ensure that MCA secures the best value in its procurements.**

The purpose of this Financial and Procurement Policy (“Policy”) is to:

- ensure supplies, products and services are procured efficiently, effectively, and at competitive prices;
- ensure quality, experience, timeliness and service are given appropriate consideration along with pricing;
- promote open and free competition in contracting, establishing competitive procurement as the standard procurement method except under the specific conditions that justify a waiver of competitive procurement set forth in this Policy;
- provide safeguards for maintaining a procurement system of quality and integrity; and
- ensure MCA purchasing actions comply with applicable Federal standards and regulations and State and local laws.

The Policy applies to MCA, its officers, directors, and staff in all MCA-related activities. The Finance & Operations Director of MCA, or whomever the Audit & Risk Committee of the Board of MCA so authorizes in writing, shall serve as the Procurement Officer to administer MCA's procurement transactions.

MCA will maintain appropriate documentation for a minimum of five years related to procurement activity.

Documentation will include a description of and rationale for:

- identified need
- proposed scope of work inc. specific deliverables and timeline
- funding source for engagement
- the method of procurement
- the basis for the contract or vendor price
- proposed contractor or vendor selection/rejection
- procurements exceeding \$10,000 that were not competitively procured, with the written justification for, and evidence of, approvals
- other relevant information as MCA determines appropriate.

For purposes of determining whether a MCA approval should be treated as a contract or a grant under this policy MCA will be guided by the federal Uniform Administrative Guidance (2 CFR § 200.1) definitions of “contract” and “grant and the related terms “contractors” and “subrecipients”, and shall refer to 2 CFR § 200.331, to differentiate between them. These provisions are consistent with the terminology used in Maine laws on procurement. This will assist MCA in determining if the characteristics of an agreement are deemed to be a contract with a contractor/vendor (and thus follow MCA's procurement process), or a grant to a subrecipient (and thus follow MCA's grant approval process).

Basic guidance is as follows:



- Grant to a Subrecipient: A legal instrument of financial assistance between MCA and a non-federal entity is a subaward for the purpose of carrying out part of a federal award to MCA or to the State of Maine, or a State of Maine grant assistance program. The subaward creates a federal or state assistance relationship between MCA and the subrecipient, enabling the subrecipient to receive the targeted assistance under the federal or state grant program. The principal purpose of the grant is to carry out the public purpose authorized by federal or state assistance programs, and not to acquire property or services for MCA's direct benefit or use.
  - See 2 CFR 200.1, 200.93 & .330 (a) of the Uniform Administrative Guidance
- Contract with a Contractor: A legal instrument between MCA and a non-federal entity to purchase goods or services for MCA's own use. The contract creates a procurement relationship between MCA and the contractor.
  - See 2 CFR 200.1, 200.22 & .330 (b) of the Uniform Administrative Guidance

Final determination of contract vs. grant will be provided by MCA's Procurement Officer.

### **1) Procurement amount & executing contracts**

The total annualized purchase amount for a contract term will be utilized for purposes of establishing applicability of the procurement requirements described below. If a contract is not applicable, total projected purchases in the fiscal year will be used.

The President or Finance & Operations Director may authorize purchases under \$250,000, or execute contracts that obligate MCA to an amount under \$250,000 annually. All purchases (on an annual basis) above \$250,000 require Board approval, or the Executive Committee on behalf of the Board. The MCA may enter into State and local intergovernmental agreements for procurement or use of common goods and services.

### **2) Procurement process - by size of purchase**

When acquiring supplies, products or services, MCA will obtain quotes based upon size of purchase. MCA may obtain these price quotations by telephone, email, fax, internet, verbally, as long as the information is documented in writing, or as otherwise allowed by State or local laws. MCA will make awards to the responsible firm whose proposal is most advantageous to the applicable program, with price and other factors considered if the award is based on factors in addition to price so long as it justifies its action in writing.

#### **1. Procurement < \$10,000**

For purchases below \$10,000, MCA may solicit one quotation if MCA considers the price received to be fair and reasonable.

#### **2. Procurement > \$10,000 < \$50,000**

For purchases from \$10,000 to \$50,000, MCA must obtain quotations or estimates from three qualified sources.

#### **3. Procurement > \$50,000**

For purchases above \$50,000, MCA will use requests for responses (RFR), requests for information (RFI) and/or requests for proposals (RFP) to identify all the evaluation factors and their relative importance. For the purposes of the Policy, all will be referred to as an RFP. MCA will identify criteria for evaluating proposals received and selecting awardees. MCA will make awards to the responsible firm whose proposal is most advantageous to the applicable program, with price and other factors considered and MCA may negotiate price and services beyond the original submittal, or may reject the original proposal if an agreement cannot be reached and open negotiations with the next highest bidder. MCA may reject any and all proposals.

### **3) Waiver to Procurement Policy - Single Source Contracts above \$10k**

The Procurement Officer may seek an exception (waiver) to the processes set forth above. For purchases from \$10,000 to \$50,000, a waiver may be granted by the MCA President to proceed with a Single Source Contract up to \$50,000. A waiver above \$50,000 will require Board or Executive Committee approval.

In order to qualify for an exception (waiver), one of the following conditions must exist:

- item or service is available only from a single source;
- benefits attained could not be replicated by another source; or
- public urgency or emergency exists, and the urgency will not permit delay beyond the time needed to employ competitive procurement.

Waiver approval by the Board will be captured and documented in MCA's procurement documentation closing process, with the written justification for the waiver as required by Maine State Law.

#### **4) RFPs**

RFPs should be distributed on a public, available to all basis. If the nature of certain needs is sufficiently narrow or specialized, that there is evidence to suggest that only a limited number of qualified vendors exist, then a targeted, by-invitation RFP process is justified, to be distributed to at least three vendors. In such cases, MCA will document the justification for a limited-scope solicitation, citing to include the cost justifications and the approach to be used to identify qualified vendors. This written justification should be able to withstand challenge from a vendor not deemed to be qualified. RFPs distributed to the public will be noticed in a manner deemed appropriate in each circumstance and accessible on MCA's website for the length of the proposal submission period. RFPs targeted to a limited number of vendors need not be advertised or put on the MCA's website. The final decision from any review committee is public information.

The following documentation will be required for each purchase:

- Name and address of vendor(s) or contractor(s)
- Price, quantity, specifications of product or service, and quality of product(s)
- Criteria for Decision Making
- Reasons for Decision if for not using price as deciding factor in Competitive Proposals

The length of a contractual agreement to provide supplies, services or product generally should not exceed five years for services rendered. Prior to the end of the contract MCA should begin the process for replacing the contract according to the Policy.

#### **5) Procurement Requirements and Considerations - Competition**

**All procurements shall be conducted in a manner that provides, to the maximum extent practical, full and open competition. Procurements shall:**

- a) **Avoid noncompetitive practices that may restrict or eliminate competition, including but not limited to:**
  - i) **Unreasonable qualification requirements.**
  - ii) **Unnecessary experience and excessive bonding requirements.**
  - iii) **Noncompetitive pricing practices between firms or affiliated companies.**
  - iv) **Noncompetitive contracts to consultants on retainer contracts.**
  - v) **Organizational conflicts of interest.**
  - vi) **Specifying "brand name" only instead of allowing "an equal to" product.**
  - vii) **Arbitrary actions.**
- b) **Not intentionally split a single purchase into two or more separate purchases to avoid dollar thresholds that require more formal procurement methods.**
- c) **Include in any prequalified list an adequate number of current, qualified vendors, firms, or products.**

- d) Not preclude additional potential bidders from qualifying during the solicitation period.
- e) Not use any geographic preferences (state, local or tribal) in the evaluation of bids or proposals, except where expressly mandated or encouraged by applicable Federal statutes.

**6) Construction related contracts only - Minimum Bonding Requirements**

For construction or facility improvement contracts or subcontracts exceeding \$250,000, the requirements for bonding shall, at a minimum, be as follows:

- A performance bond on the part of the contractor is for 100% of the contract price.
- A payment bond on the part of the contractor is for 100% of the contract price.

Prior to the procurement process starting for each construction RFP/contract, MCA's Procurement Officer will determine whether a bid bond guarantee from bidders is required.

All bonds required in this section are obtained from companies holding certificates of authority as acceptable sureties pursuant to the surety requirements for companies doing business with the United States (31 CFR Part 223) and authorized to do business in the State of Maine.

Performance Bonds are crucial for guaranteeing that contractors will complete the project according to the agreed contract terms, including adherence to quality standards and deadlines. A performance bond amounting to 100% of the contract value will be required. This bond must be submitted and approved before any construction work begins and will remain in effect until the project is completed and formally accepted by the MCA. The performance bond must be issued by a surety company listed on the U.S. Department of the Treasury's List of Approved Sureties to ensure that the provider is reputable and capable of fulfilling its obligations.

Payment Bonds are essential to ensure that all subcontractors and suppliers involved in the project are compensated for their work and materials. Similar to the performance bond, a payment bond equal to 100% of the contract amount will be required. This bond must be provided before the start of construction and remain valid until all payments have been verified and accepted by the MCA. Payment bonds must also be issued by surety companies listed on the Treasury's approved list.

Performance and payment bonds must be submitted and verified before any construction activities commence. MCA's Procurement Officer will review the eligibility and validity of the bonding providers to ensure they meet the necessary requirements and are capable of fulfilling their bond obligations.

**7) Request of funds for expenditure approval**

MCA has established approval limits by position for the request of funds to pay expenses in the course of normal business operations (excluding grant disbursements - see below). The intention of the limits is to provide appropriate authority to those MCA staff that have direct working knowledge of the specific activity.

Board of Directors	>\$250,000
President /Finance & Ops Director	\$250,000
Directors / Senior Managers	\$100,000
Managers	\$25,000

The provision of expense approval under this policy does not supersede those authorities required for initiating competitive bid proceedings or executing contracts.

The provision of expense approval under this policy does not supersede the established check signatories as per Cash Management Policy, to provide final approval of disbursements.

#### **8) Travel, Meals and Entertainment**

MCA resources may be used to pay the costs of travel, meals and entertainment consistent with MCA consistent with the following policies and procedures:

- Travel, meal and entertainment costs are limited to those reasonable and necessary for accomplishing the entity's mission and activities;
- MCA shall reimburse officers and employees for expenses reasonably incurred as a result of traveling on MCA business consistent with the policies and procedures set forth in the Employee Handbook (including all costs associated with travel (e.g., mileage, tolls, parking, airfare, automobile rental, lodging, and meals) following submittal of an employee expense report with all proper documentation supporting such expenses and approval of such report by the responsible manager;
- MCA shall budget and account for travel, meal and entertainment costs separately from other expenditures in MCA's records;
- MCA's Board of Directors must approve the annual budget for travel, meal and entertainment costs and be provided periodic reports on actual costs paid directly or reimbursed.

#### **9) Annual Financial Report**

MCA Board of Directors shall submit annual financial reports to the Legislature as required by 5 MRS §12023 and 35-A MRS §9409.

#### **10) Credit cards**

MCA issued credit cards may be used in accordance with the expense authorizations in this Policy. MCA's Operations & Finance Director and/or President will manage corporate credit cards, manage users, set card limits and approve new credit cards. With the exception of certain de-minimis expenses, such as parking or office supplies, prior authorizations should be obtained if the staff member is not authorized to approve expenses according to this Policy.

#### **11) Grant Approval Process (GAP)**

The MCA Board of Directors will approve a Grant Approval Process (GAP) for each MCA grant program. Each programmatic GAP will include authorized levels of approval, and make clear distinction between approval level for MCA Staff Grant Committee, sub-committee(s) of the Board as appointed, and full Board of Directors. All grants approved internally by the MCA Staff Grants Committee and/or sub-committee(s) of the Board will be ratified by the Board of Directors at the next scheduled meeting.

Each programmatic GAP will include:

- Link to the original and/or updated grant application information
- Information on scoring mechanism/matrix (if relevant)
- Program specific table of information reviewed

Any grantee seeking approval as an exception outside of the program designated GAP will need to be approved by the Board of Directors.

All grant approvals and/or ratifications by the Board and/or Sub-Committee will be captured and documented in approved minutes.

#### **12) Grant disbursements**

MCA has established approval limits by position for the authorization of subrecipient grant disbursements. Payment request approvals can only occur after approval of the grant from the Board. MCA approved grant agreement templates must be used except where the Procurement Officer approves an exception.

Grant approval by the Board and/or Sub-Committee will be captured and documented in approved minutes.

President / Finance & Ops Director	No Limit
Directors / Senior Managers	No Limit
Grants Managers	\$250,000

### 13) Grant amendments

Via each programmatic GAP, MCA has established approval limits for the approval of amendments to grant contracts, when applicable. All amendment requests must be accompanied by a progress report from the grant recipient.

Where relevant, amendment approval by the Board and/or Sub-Committee will be captured and documented in approved minutes.

#### Extension requests - typical language included in each GAP:

Board and/or Sub-Committee	>12 month extension
Staff Grant Committee	Up to a 12 month extension

#### Grant size amendment requests - typical language included in each GAP:

Board and/or Sub-Committee	>10% size adjustment
Staff Grant Committee	Up to a 10% size adjustment

All other grant amendment requests will be reviewed by the Board and/or Sub-Committee, as designated in the program specific Grant Approval Plan.

### 14) Execution of grant documents & other contracts

MCA has established approvals by position for the execution of contracts and execution of amendments to contract, when applicable. MCA approved contract templates must be used except where the Procurement Office approves an exception.

As per expense authorization approval limits above, any contract over \$250,000 will have to be approved by the Board of Directors prior to contract execution. As per grant approval limits, all Grant Approval Plans will have to be approved by the Board of Directors, and then the specified approval process has to be completed prior to grant contract execution. Approval of a new grant is deemed as approval to empower the MCA staff to execute the grant contract - subject to no material changes in terms (location, amount, timing).

Any required approval by the Board and/or Sub-Committee prior to the execution of a contract or a grant contract will be captured and documented in approved minutes.

President	No Limit
Finance & Operations Director	No Limit

### 15) NDAs

MCA has established approval protocols for entering into Non-Disclosure Agreements (NDAs), whereby only the President and Finance & Operations Director are authorized to sign on behalf of MCA.

### 16) Policy Governance

**MCA Board of Directors authorizes MCA to make future edits to this policy upon review and approval by MCA’s Audit & Risk Committee (or Executive Committee only when necessary for timeliness of action), to be ratified by the MCA Board of Directors at the next meeting.** It is intended that the Policy may be modified by MCA in disbursement of specific federal program funds to the extent necessary to comply with any mandatory procurement or financing restrictions applicable to those program funds, consistent with the approval process in this section.

The Finance & Operations Director will administer the Policy and ensure all MCA expenditures comply with the Policy. Working with the Finance & Operations Director, the MCA Audit & Risk Committee will review and approve the Policy.

The Audit & Risk Committee will also review and approve MCA’s Cash Management Policy, established October 7th 2022, updated June 7th 2024.

The MCA Audit & Risk Committee will vote to approve the selection of MCA’s independent auditor.

The Finance & Operations Director will ensure submission of all required reports to the Maine State Legislature.

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**ConnectMaine Authority (“CME”) - Procurement Policy**

For purposes of CME activities and financial transactions, MCA is following the approved MCA Procurement Policy, as stated above.

CME Board of Directors authorizes MCA to make future edits to this policy upon review and approval by MCA’s Audit & Risk Committee.

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MCA Revised Policy adopted by MCA Board of Directors 08.09.24

**APPENDIX A - Procurement Cover Memo Template**

[Procurement Cover Memo Template-DRAFT - Google Docs](#)

**APPENDIX B - Staff Grant Committee Process & Guidelines**

[APPROVED MCA Staff Grant Committee Process & Guidelines 06.03.2024.docx - Google Docs](#)



## Maine Connectivity Authority (“MCA”)

### Cash Management Policy

The purpose of this Cash Management Policy (“Policy”) is to effectively control the process of collecting, disbursing and investing cash. It is the policy of MCA that appropriate internal controls and accepted best practices be utilized in the handling, receiving, safeguarding, transporting, depositing, and the accounting of all MCA cash assets.

The Finance & Operations Director will administer and update the Policy and ensure all MCA approvals comply with the Policy. The Policy (and subsequent updated versions) will be reviewed and approved by MCA’s Audit & Risk Committee (or Executive Committee only when necessary for timeliness of action).

#### **Segregation of Duties**

Every effort will be made to ensure proper segregation of duties is in place and no financial transaction is handled by only one person from beginning to end. Separate staff should authorize payments, sign checks, record payments in the books, and reconcile the bank statements.

#### **Safeguarding of Funds**

All forms of Cash (currency, checks, money orders, and negotiable instruments) must be physically protected through the use of safes or vaults, locked cash drawers, locked cash registers, or locked metal boxes, etc.

A reconciliation of each bank account will be prepared each month and then reviewed and approved by the Finance & Operations Director, or designee.

#### **Bank Accounts, Check Signatories & Credit Cards**

The Finance & Operations Director and President, acting on approval from the MCA Audit & Risk (“A&R”) Committee (or Executive Committee when necessary for timeliness of action), have the authority to open and operate new bank accounts and sign checks..

Approved MCA “Check Signatories” are as follows:

- President
- Finance & Operations Director

Check Signatories are named administrators and designated signatories for MCA’s corporate credit card account, with the authority to set-up new users and credit card limits.

All MCA expenses must be approved by one of the Check Signatories, via PDF expense batch summary or via ERP system approval documentation.

#### **Online Banking**

Access to online banking, along with appropriate access to tasks, will be set up by the Finance & Operations Director, President or Accounting Manager, each of whom will serve as administrators on MCA’s online bank account.



All disbursements will require dual online approvers designated by the Finance & Operations Director. Accounting Manager is authorized to facilitate disbursements on behalf of MCA, subject to the approval of expenses having already been provided and documented by a Check Signatory.

Initial disbursements will be prepared and approved by designated MCA Accounting staff. Secondary approvals, and exemption requests, will be made by the following MCA approved positions:

- President
- Finance & Operations Director
- Accounting Manager

## **Cash Receipts**

All cash or checks received through the mail or in person must be immediately forwarded to the Operations Manager. The Operations Manager, with direction from the Accounting Manager and/or Finance & Operations Director, will deposit the funds into the appropriate cash account in a timely manner.

Funds should only be held for deposit with the approval of the Finance & Operations Director.

## **Cash Disbursements**

All cash disbursement related procedures should ensure that disbursements are only for valid business purposes after approvals by authorized persons and in compliance with applicable donor, sponsor or regulatory requirements.

### ACHs

Payments by ACH are strongly encouraged by MCA and should be documented for each vendor. Individual or batch ACHs must be approved by a check signatory prior to approval through online banking. All ACHs will require dual online approval, per this Policy.

### Checks

Checks are more expensive, cumbersome and timely to manage, therefore MCA strongly encourages ACH payments instead of checks.

Access to blank checks are limited to persons authorized to prepare checks. Blank check stock must be locked in a secure place when not in use. Any voided/spoiled checks must be marked "Void", and either shredded or discarded with the signature portion removed.

Checks may only be signed by approved signatories, either wet-ink or electronic signature utilizing a process approved by the Finance & Operations Director.

Positive pay is utilized for all MCA bank accounts to protect against potential check fraud. A file will be uploaded or added manually online immediately after each check is issued. Positive pay exceptions will be reviewed and approved or rejected by the Finance & Operations Director, President, or Accounting Manager.

### Wires

Payments by wire are inherently riskier and will be used only in rare and necessary circumstances. All wires will require dual online approvals, per this Policy, plus an additional phone approval by an MCA check signatory.

### Direct Withdrawals

Certain vendors may be set up and approved to receive their payments by direct debit from MCA's bank account. Approved vendors and an estimated maximum withdrawal amount will be reported to the bank and will be subject to banking controls. The Finance & Operations Director, President, and

Accounting Manager will have access to add vendors, set maximum withdrawal amounts and approve any exceptions that may occur.

**MCA Board of Directors authorizes MCA to make future edits to this policy upon review and approval by MCA's Audit & Risk Committee (or Executive Committee only when necessary for timeliness of action).**

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**ConnectMaine ("CME") Authority - Cash Management Policy**

For purposes of CME activities and financial transactions, MCA is following the approved MCA Cash Management Policy, as stated above, with the following edits:

CME check signatories

- SOLIX
  - CME engaged administrator of funds and bank accounts - approved by CME Board
- CME Board Chair

CME online banking & check management

- SOLIX
  - CME engaged administrator of funds and bank accounts - approved by CME Board

CME Board of Directors authorizes MCA to make future edits to this policy upon review and approval by MCA's Audit & Risk Committee (or Executive Committee only when necessary for timeliness of action).

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MCA Updated Policy adopted by MCA Audit & Risk Committee 06.07.24