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	EFFECTIVE:	**UPDATE NO.:**
	INITIATED BY: PRIMA CONSULTANT CO., LTD.	**DEPT./SECTION:**
STANDARD OPERATING PROCEDURE	**REVIEWED BY:**	
	APPROVED BY:	
	SUBJECT:	**CHEQUE SIGNING AUTHORITY**

OBJECTIVE:

To define "amount limits" and the cheque signing authority process for all regular bank accounts of the hotel.

POLICY:

1. The Director of Finance is responsible for adding and removing cheque signing authority to employees. The Financial Controller is responsible for managing the cheque signing authority process and alerting all individuals and banks of any changes to authority levels.

2. A limited number of employees will be authorized to sign cheques but there shall be no fewer than three individuals at all times. All cheques should be signed by two signatories, in a two-tier approval level system.

3. Account Payable Supervisor should be allowed to enter invoices, select invoices for payment, then print and sign cheques.

4. All bank mandates must be up-to-date and securely kept in file in the Financial Controller's office

PROCEDURE:

I- Authorized cheque signers

1. The Director of Finance should approve authorized cheque signers in writing. All approvals should then be forwarded to the Financial Controller for processing.

2. It is advisable to have at least three cheque signers authorized for each account, as a back-up signer will ensure continuing operations in case the primary or secondary signer being unable to sign for any period of time.

3. A two-tier approval level is common for cheque signatories: the higher tier will include the Owner Representative, and others such as the Managing Director.

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The lower tier signatories will include the General Manager and the Director of Finance

II- Changing cheque signers

1. The Financial Controller receives all approval paperwork and should prepare and maintain a file record of all authorized cheque signers.

2. A "cheque signing authority log" should be maintained and be kept of all individuals and their status to sign cheques should be updated as soon as their status changes. The log should contain the following information:
   - Recipient name / position or title
   - Authority start date
   - Authority end date
   - Maximum expenditure authority level

3. The Financial Controller will contact the bank that administers the account for details on adding, changing,or removing cheque signers. Normally this is a simple process of presenting identification and signing a card to be placed on file at the bank. Banks maintain an authorized cheque signer's card for each account and only those individuals listed on the authorized cheque signer's card may sign cheques.

4. The Director of Finance may revoke cheque signing authority. The Financial Controller will oversee the proper notification of the hotel's banks whenever authorized signature changes are made, and written confirmation of the amended cheque signing authority must be received from the bank.

III- Authority levels

1. The authority level must be defined by the Director of Finance in liaison with the hotel's owner and strictly respected. The issuance of multiple cheques for smaller amounts with the intention of avoiding the established authority level must not be tolerated.

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2   The following signature levels should be established according to the amount of the cheque:

- Less than *Baht 50,000 Amount*: a cheque issued requires two different authorized signatures from different levels
- Greater than *Baht 50,000 Amount*: a cheque issued requires two signatures, one of which must be that of owner representative and the second signature must be that of the Managing Director .

_____   _____
Chief Accountant   **Date**

_____   _____
Financial Controller   **Date**

_____   _____
Director of Finance   **Date**