

October 13, 2016

SNU Board

Wells Fargo strikes again! This time it looks like they have changed their routing number for our account. That means the checks that the SNU purchased in November of 1975 have an out of date routing number so they need to be replaced. New checks for a business account will need to be purchased if the SNU desires to continue writing checks and that will run upwards of \$100. We also need to check with PayPal to make sure their transfers with the Wells Fargo account have the proper routing.

The primary reason to maintain a bank account is to be able to accept payments and deposit checks. We have been using counter forms for making deposits and that has been suitable for SNU needs. That means there is no need to purchase deposit slips.

A secondary reason is to record official budgeted expense by using checks that are imaged and recorded in the bank statements to provide a proper record of financial activity.

The routing number is not the only issue at hand. Since 9/11 banking regulations in the Patriot Act have tightened the links between accounts and owners and the owners need to be individuals who can prove they are who they say they are. It is no longer just a signature card change needed when the SNU changes treasurer. PayPal also verifies that the linked bank account is tied to the same person as their PayPal account and, right now, the SNU Wells Fargo and PayPal accounts are not in sync so we need to consider the best way to fix that, too.

As for Wells Fargo, the immediate question is whether the SNU buys updated checks. Wells Fargo and PayPal both provide mechanisms to pay individuals but that means the recipient has to let the SNU know about their account – this is like the deposit endorsement that goes on the back of the check but something the recipient tells the SNU rather than writes on the check received. Businesses can often be paid via the bank's Bill-Pay service.

Dues are currently the only official budgeted income (this was a key factor in regards to the Region 12 rally check a couple of years ago) and dues are not really needed except to keep people, especially the WBCCI, from getting confused. The Kitty mechanism was implemented to avoid the hassles of bookkeeping and bank account management. It is a voluntary personal reimbursement 'pass the hat' protocol that is cash based and not an organizational expense or income matter. That means the SNU does not have regulatory and tax issues to consider with the Kitty.

But dues! The SNU does have to keep the books on them and it also needs to keep proper records on their use. At only \$300 per year or so, it isn't a big task but it is a necessary task. The biggest challenge to the SNU has been to decide what to spend it on. Now Wells Fargo has added a wrinkle in deciding how best to get money out of the account to pay for an official budgeted expense. With the limited number of payments the SNU makes, the cost for printing checks seems out of order. A cashier's check

cost \$10. The USPS money order fee is under \$2 and the Wells Fargo debit card could be used for that method.

Going check-less would be less convenient and generally require more advance preparation unless the recipient was a PayPal or Wells Fargo account holder and willing to tell the SNU the necessary pay-to information.

In Summary

- For the last several years the SNU has done most of its monetary transactions electronically primarily through the bank or via paypal. The primary use for checks up until a few years ago was to send dues to WBCCI. That is now all handled through PayPal.
- Most other monetary transactions are done through the kitty. This includes reimbursement for lunches, postage and other incidentals.
- For the last year or so, the SNU has only written, at the most, four checks annually.

In researching options, it appears that if the SNU chooses to get checks we could expect to have to purchase somewhere between 250 (Wells Fargo) and 600 (Costco) checks. That would probably last the SNU another 40 years. The costs for those checks would be approximately \$65 to \$90.

Please share your thoughts and opinions in regards to this issue. Although the need for a decision isn't urgent, we do need to get this decided sometime soon.

Thanks