

The Merrymount Board is proposing to amend the By-laws, Article VI.

Article VI currently written:

3. Checks, Drafts or Orders. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of the corporation in accordance with the foregoing provisions or otherwise on the corporate accounts established at a financial institution(s) approved by the Board shall be signed by two (2) directors of the Board and/or the Treasurer and one (1) director of the Association.

Proposed changes: (highlighted)

Checks, Drafts or Orders. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of the corporation in accordance with the foregoing provisions or otherwise on the corporate accounts established at a financial institution(s) approved by the Board shall be signed by two (2) directors of the Board and/or the Treasurer and one (1) director of the Association. **As an alternative the Board shall allow the use of online banking to accommodate paying recurring monthly bills (for example, utilities, water, security camera, etc.) and will be reviewed by two (2) directors of the Board and/or the Treasurer and one (1) director of the Association before payment. All bank statements will be reviewed at board meetings.**

Reasons for requested changes:

The proposed change is requested in order to accommodate paying recurring monthly bills (for example, utilities, water, camera) through online banking, rather than writing checks and requiring 2 signatures on the checks. Monthly bank statements and financial reports are reviewed and signed-off by the Board at our regular meetings during financial reporting.

Checks have long been a risky and an anachronistic way of paying for things, which has become truer as online banking has improved and reduced fraud.

- Currently the U.S. Postal Service is experiencing backlogs of mail throughout the country, resulting in late fees being assessed due to delayed posting of checks.

- Per Bankrate.com, key credentials on checks (bank account number and routing number) allows others to fraudulently use that information to withdraw money from bank accounts. The National Automated Clearing House Association, which handles electronic transfers that use your checking account number, stated the best solution [to prevent fraud] they offer is “stop writing paper checks.”
- per Treasury.gov electronic payments help protect against financial crimes. You are 125 times more likely to have a problem with a paper check than with an electronic payment and \$70M in treasury checks were fraudulently endorsed in 2011.
- The risk of mail theft is significant. USPS handles more than 187.8 million pieces of first-class mail each day. That's 187.8 million opportunities for identity thieves to obtain information that can be used fraudulently.
- There's also a very good chance that if someone gets ahold of the bank account number and decides to empty the account, it means we lose access to the balance until the matter is resolved, and will also be stuck with the chore of cutting and then replacing all the connections to the checking account.
- Cost savings (checks, envelopes, stamps, late fees) plus preserving the Earth's resources (ie., all that paper, reducing paper waste that goes into landfills, etc). Processing online payments is a lot cheaper than handling mailed, phoned or in-person payments.
- Online banking is faster and easier and would allow setting up automated payments to contractual obligations. Also allows easier recourse in the event of a dispute.