

Internal Controls

Protecting the Association's accounts, money, and records, whoever is on the Board

Status: *Proposed language from the Governance Committee's working draft (October 2026). Not yet adopted, and pending technical review with the Community Law Center. Items in [brackets] are amounts still to be settled.*

What are internal controls?

Internal controls are the simple, routine safeguards that keep an organization's assets safe and its work running when people change. For an all-volunteer association like the LPCA, the most valuable assets are not just money in the bank. They are the website, email lists, social media pages, shared drive, and the passwords that open them.

Today, much of that can sit with one person. When a volunteer moves on, the Association can lose access to its own accounts, its history, and its ability to reach members. The committee heard about exactly these handover problems during its September 14 review. The proposed bylaws close that gap with a few clear rules.

The core rule: accounts and credentials

PROPOSED BYLAW LANGUAGE · ARTICLE XII, SECTION 1(C)

"Every account, domain, subscription, and credential used for Association business belongs to the Association. At least three Board members shall hold administrative access to each. A departing Board member shall transfer all records and credentials within fourteen days after leaving office, and that person's access shall be removed within the same period."

In plain language: three rules

1 The Association owns it Every account, domain, subscription, and login used for LPCA business belongs to the LPCA, not to the volunteer who set it up or pays for it.	2 At least three people hold the keys At least three Board members have administrative access to each account, so no single person can lock the Association out by accident or on purpose.	3 A 14-day handoff When a Board member leaves office, they hand over all records and credentials within 14 days, and their access is removed in the same period.
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What counts as an "account"?

Anything the Association relies on to do its work or reach its members. For example:

- **Website and domain name**, including the hosting and domain-registration accounts
- **Email**: the Association's addresses and its member mailing list or newsletter service
- **Social media pages and groups** run in the Association's name
- **Shared drives** holding minutes, the membership roster, and Association documents
- **Bank, payment, and donation accounts** (see the financial controls below)
- **Paid subscriptions and tools**, such as meeting software, design tools, or online forms

Related safeguards in the draft

The accounts rule works together with several other provisions. Taken together, they make up the LPCA's internal controls.

Safeguard	What the draft says	Where
Money stays in LPCA accounts	All funds are held in accounts in the Association's name. No Association money may be held in a personal account or a personal payment app. At least [three] Officers have access to every account.	Art. X, §2(e)
Two signatures for larger payments	Payments of \$[1,000] or less need one authorized signer. Larger payments need two, one of whom is the President or Vice President.	Art. X, §2(d)
Spending follows the budget	Spending within the budget the membership approved needs no further vote. Unbudgeted spending needs Board approval up to \$1,000, and membership approval above that.	Art. X, §2(b)–(c)
Regular financial reporting	The Treasurer reports year-to-date results against the budget to the Board, flags any major change or risk, and follows up on the independent accountant's recommendations.	Art. X, §2(a)
Independent review of the books	A finance and audit committee oversees the books. In any year the Association's receipts or assets exceed \$50,000, an independent CPA examines the financial statements and presents the results directly to the membership, not through an Officer. If cost prohibitive, LPCA will find an accountant willing to volunteer or work at a reduced rate.	Art. VII, §3; Art. X, §3
Records are kept and shared	Financial records, minutes, and official communications are kept for at least five years in an electronic archive every Board member can reach. Core documents are kept permanently.	Art. XII, §1(a)–(b)
Officers pass the torch	The Recording and Corresponding Secretaries hand essential records, including account credentials, to their successors at the end of their terms.	Art. IV, §1(c)–(d)

The 14-day handoff: a checklist

When a Board member leaves office, whether at the end of a term or mid-term, the following should be done within 14 days. The Board can adopt a version of this checklist in its Operating Manual.

- ☐ List every account, login, and subscription the departing member used for LPCA business.
- ☐ Confirm at least three current Board members have administrative access to each one and add any who are missing.
- ☐ Transfer files, email threads, and documents from personal storage to the Association's shared drive.
- ☐ Hand over any physical records, keys, checkbooks, or equipment.
- ☐ Change passwords and recovery emails or phone numbers that belonged to the departing member.
- ☐ Remove the departing member's access and update the authorized signers at the bank if needed.
- ☐ Record in the Board minutes that the handoff is complete.

Common questions

Does this mean volunteers are not trusted?

No. These rules protect volunteers as much as the Association. Nobody should be the only person who can get into an account, and nobody should have to worry about being blamed if something goes wrong after they leave. Shared access and a clear handoff make the job easier to take on and easier to hand over.

Why three people, not two?

Board members travel, get busy, and step down. With three people holding access, the Association can still get into every account even if one person is away and another has just left.

What if a volunteer paid for a service personally?

Going forward, any account used for LPCA business belongs to the Association, whoever pays for it. The Board should move such services into the Association's name and pay for them from Association funds, under the budget.

What happens if someone does not hand over access?

For a sitting Board member, refusing to share access may be grounds for removal under Article IV, Section 4. For someone who has already left, the rule makes clear that the accounts belong to the LPCA, which strengthens the Association's hand in recovering them.

When would this take effect?

If adopted, the rules apply as soon as the new bylaws take effect. The committee recommends that the Board start with an inventory of every existing account and its current access holders, then bring each one into line.