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| Effective Date: February 12, 2026 | Scope: This policy applies to the OTCC, its Secretariat, and the OTC member states. |
| Purpose: This policy establishes the process for the OTCC to make monthly payments to the OTC member states. The OTCC collects state fees on behalf of each member state which sells OTC privileges to practice. Those fees are returned to the state via check or ACH transfer from the OTCC. | |
| Policy Statement: In accordance with the OTC Commission's rules and procedures, the OTCC shall remit 100 percent (100%) of the State Fee to each state for which it collected state fees. | |
| Policy: <u>Overview</u> <ul style="list-style-type: none">• All transactions are settled the day following their purchase.• Settled transactions are those that have been batched and paid in the credit card processing vendor (ex: Authorize.net) daily transaction.• Weekly Reports include transactions purchased from Friday through Thursday and settled in CompactConnect from Saturday through Friday.• Monthly Reports include transactions settled from the first to the last day of the month. These may include purchases made on the last day of the previous month through the next-to-last day of the current month.<ul style="list-style-type: none">○ Example: A report for October would include transactions settled between October 1 and October 31, with purchases made between September 30 and October 30.• The Secretariat will maintain an up-to-date list of all states and their designated payment methods (check or ACH). <u>Reconciliation of Daily Transactions</u> <p>The Executive Director (ED) or their designee shall verify that daily deposits match the settled transaction reports, ensuring that the total deposit aligns exactly with the reported dollar amount.</p> <u>Weekly Reconciliation</u> <p>The ED or their designee shall confirm that weekly reports accurately reflect the total dollar amount and number of transactions per state, based on the compilation of the verified daily reports.</p> <u>Monthly Reconciliation</u> <p>The ED or their designee shall verify that the cumulative totals from the weekly reports match the monthly report, both in total dollar amounts and number of transactions per state. Once verification is complete, the ED or designee will prepare a monthly payment summary listing:</p> <ul style="list-style-type: none">• Each state eligible for payment• The number of privileges settled in that state during the previous calendar month• The corresponding dollar amount to be disbursed <p>This summary, along with the monthly statement, shall be emailed to the Treasurer for review. Supporting documentation of approved payments will be maintained by the Secretariat for a period of at least seven (7) years.</p> | |

Treasurer Review and Payment Authorization

- The Treasurer shall review the monthly payment summary and email either approval or questions back to the ED.
- Payments approved by the Treasurer shall be issued by the Secretariat via check or ACH transfer.
- If approval is received after the 15th, payments must be issued within two business days.
- Any questions from the Treasurer should be addressed within one business day to ensure timely disbursement.
- The Treasurer’s written approval must be shared with both the ED and the Secretariat staff member(s) responsible for processing payments.
- Verification shall be completed by a staff member independent from the person responsible for initiating payments whenever possible.
- The Chair of the Commission shall complete the review and approval in the absence of the Treasurer.

Payment Processing

Upon receiving approval from the Treasurer, the Secretariat will:

- Starting on the 15th of each month, initiate payment for approved transactions via check or ACH transfer within two business days.
 - The payment shall clearly indicate the month the payment covers and any memo information required by the receiving state.
- Provide the OTCC via the ED with a list of all payments issued, including:
 - State name
 - Date of issuance
 - Check number (or ACH confirmation date)

Reporting to States

The OTCC via the Secretariat shall send each state a monthly report summarizing all privileges issued during the prior month. This report will include:

- A list of each individual transaction
- The total amount paid to the state
- The date and number of the check, or the date of the ACH transaction

Policy Review:

This policy will be reviewed annually to ensure its relevance and effectiveness. Any updates or changes to the policy will be communicated to all OTCC Commissioners and staff.

This policy was originally drafted by the OTCC Finance and Executive Committees in January 2026. It’s original effective date is February 12, 2026.

| POLICY REVISION HISTORY | | | |
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| Date of Revision | Revisions completed by (author) | Final approval authority | Effective Date of Revised Policy |
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