



Electronic Funds Transfer Policy

Purpose: The primary goal of this policy is to ensure Electronic Funds Transfers (EFTs) are initiated, executed, and approved in a secure manner. This policy establishes requirements with respect to any payment or processes via EFT for payments or revisions thereof to vendors, employee direct deposit bank accounts, or any monetary transfer.

General Requirements: All EFT payments will be coordinated and submitted through the [Designated Personnel/ Office: Supervisor's, Mayor's, County Administrator's, Clerk's Comptroller's Office]. The [Designated Personnel/ Office] will approve all new changes to electronic funds transfer requests, ensuring that payment via wire is necessary, all required documentation is provided and appropriately approved, and that the request and banking account information is accurate and valid.

[Designated Personnel/ Office] is responsible for ensuring that proper documentation, authorization, and accounting information are provided and accompany any EFT payment instructions. [Designated Personnel/ Office] is responsible for initiating releasing EFTs on behalf of the municipality. Two separate individuals are required to initiate and release EFT payments through the municipality's computer-based system as a form of secondary verification. The [Designated Personnel/ Office] also has the responsibility to confirm EFT instructions with specific departments and individuals if there is any question as to the validity of the EFT request. [Designated Personnel/ Office] is responsible for obtaining and submitting proper support and approvals, including the completed and approved Wire Transfer Request form at least seven business days prior to payment being needed.

Procedures: To safeguard [Municipality Name]'s funds in the EFT environment, the following procedures will be adhered to by any municipal employee requesting payments or changes via EFT and all municipal employees involved in processing payments via EFT.

Authentication of new EFT requests and changes to existing EFTs is required prior to the transaction being input into the computer-based banking system. Steps to authenticate EFT requests and changes include:

1. **Validate** all new electronic payment instruction requests received even if the request is internal.
2. **Contact** the supplier or requester directly by phone to confirm any requests for payment method or payment instruction changes. Do not use the contact information provided on the request to change payment method or payment instructions; do use contact information known to be genuine such as the contact information in your master supplier file or information collected from the original contract. Have the contact confirm existing payment instructions on file prior to making changes to those instructions (i.e., current bank account and routing number provided in original instructions).
3. **Verify** the new information on the payment instructions with the information provided with the known contact (i.e., contact bank to confirm correct account name, number, and routing information).
4. **Document** the verification process that was followed to validate payment instructions. The person responsible for entering/updating wire instructions and the person approving new/updated wire instructions must approve the record of verification. A record of the verification must be maintained in accordance with record retention policies.

Signature of Designated Employee acknowledges understanding of requirements and responsibilities when engaging in any type of Electronic Funds Transfer.

Signature

Date

REMINDER: This process is only effective if documented and disseminated across your municipal team and covered in such a way that ensures everyone's understanding of money transfer scams and adherence to policy when performing money transfers.