Fiscal Management

ELECTRONIC TRANSACTIONS OF FUNDS AND AUTOMATED CLEARING HOUSE ARRANGEMENTS

This policy shall govern the use of electronic transactions and automated clearing house arrangements in accordance with Public Act 738 of 2002; MCL 124.301, et seq. ("Act"). This includes transactions conducted in numerous ways other than by written check, such as moneys received or paid via Automated Clearing House (ACH), wire, telephone or the Internet. Technology has enabled financial transactions, both the receipt and payment of funds, to efficiently occur electronically in multiple forms for which traditional means of processing and monitoring no longer apply or are adequate.

1. Definitions. The following definitions shall be used in this policy:

"Automated Clearing House" or "ACH" means a national and governmental organization that has authority to process electronic payments, including, but not limited to, the national automated clearing house association and the federal reserve system.

"ACH Arrangement" means the agreement between the originator of the ACH Transaction and the receiver of the ACH Transaction.

"ACH Policy" means the procedures and internal controls set forth in this policy.

"ACH Transaction" means an electronic payment, debit, or credit transfer processed through an ACH.

"Electronic Transactions Officer" or "ETO" means the Business Manager as the person designated by the Board of Education to be responsible for the district's ACH agreements, including payment approval, accounting, reporting, and general oversight of ACH Policy compliance.
2. **Authorization for ACH Arrangements.** The ETO may enter into an ACH Arrangement in accordance with the Act and this ACH Policy.

3. **Responsibility for ACH Arrangements.** The ETO, or an officer or employee designated by the ETO, is responsible for the ACH agreements of Adrian Public Schools, including payment approval, accounting, reporting, and general oversight of ACH Policy compliance. The ETO, or an officer or employee designated by the ETO to be responsible for disbursement of funds, shall submit to Adrian Public Schools documentation detailing:

   a. The goods or services purchased;
   b. The cost of the goods or services purchased;
   c. The date of the payment; and
   d. The unit or department serviced by the payment.

This report can be contained in the Adrian Public Schools electronic general ledger software system or in a separate report to the Board of Education.

4. **Internal Controls.** All invoices upon which payment is made by an electronic transaction shall be approved before payment. All electronic transactions (whether receipts or payments) shall be either approved prior to its occurring and/or reviewed at least monthly by at least two employees in the Business Office. The bank statements showing all electronic transactions shall be reported to the Board Finance Committee at least quarterly.

Policy:
Adopted: March 29, 2004
Amended: