Series 3000: Operations, Finance, and Property

3200 Finance and Borrowing

3213 Electronic Transactions of Funds and Automated Clearing House Arrangements

The District may engage in electronic transactions of funds and automated clearing house arrangements in accordance with this Policy.

A. Definitions

1. "Automated clearing house" or "ACH" means a national and governmental organization with authority to process electronic payments, including the National Automated Clearing House Association and the Federal Reserve System.

2. "ACH arrangement" means an agreement between the originator and the receiver of an ACH transaction.

3. "ACH transaction" means an electronic payment, debit, or credit transfer processed through an ACH pursuant to an authorized ACH arrangement.

4. "Electronic transactions officer" or "ETO" means the Superintendent or another person designated by the Board to have the rights and responsibilities of the ETO set forth in this Policy.

B. ACH Arrangements and Transactions

Only the ETO may enter into an ACH arrangement. The Chief Financial Officer or another employee designated by the ETO (ACH Supervisor) will be responsible for the District's ACH transactions, including payment approval, accounting, reporting, and overseeing compliance with this Policy.

C. Internal Auditing Controls

1. The ACH Supervisor and ETO will each separately review and approve in writing all incoming and outgoing payments. Written approvals will be retained in accordance with usual District procedures.

2. For outgoing payments, the ACH Supervisor will document:

a. the goods or services purchased;

b. the cost of the goods or services purchased;

c. the date of the payment; and

d. the department serviced by the payment.

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This documentation can be contained in the District's electronic general ledger software system or in a separate report to the Board.

Legal authority: MCL 124.301 et seq.

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