

# Village of Avoca

## Electronic Transfer of Funds

### Policy and Procedure

Policy: <b>Village of Avoca – Electronic Transfer of Funds</b>						Policy <b>#27</b>	
Effective: <b>June 8, 2023</b>				Author: <b>Eric R. Tyner</b>			
Approved by Board:	Mayor:	Trustee:	Trustee:	Trustee:	Trustee:	Filed:	Clerk:

#### I. 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.

#### II. General Policy

- A. All EFT payments will be coordinated and submitted through the Village Treasurer's Office or Mayor's Office. The Treasurer will approve all new and changes to electronic funds transfer requests, ensuring that the 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.
- B. The Treasurer's Office is responsible for ensuring that proper documentation, authorization and accounting information are provided and accompany any EFT payment instructions.
- C. The Treasurer 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. The Mayor 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.
- D. The Treasurer 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.

#### III. General Procedure

- A. To safeguard the Village of Avoca 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.

- B. Authentication of new EFT requests and changes to existing EFTs required prior to the transaction being input into the computer-based banking system and includes the following steps:
- C. Validate all new electronic payment instruction requests received even if the request is internal.
  - 1. 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).
  - 2. Verify the new information provided on the payment instructions provided with the known contact (i.e. contact bank to confirm correct account name, number and routing information).
  - 3. 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.

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**Name (Printed)**

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**Title**

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**Signature**

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**Dated**