SILVER CREEK TOWNSHIP
WRIGHT COUNTY, MINNESOTA
Resolution No. 2026-01

RESOLUTION AUTHORIZING THE USE OF ACH PAYMENTS AND ESTABLISHING AN ACH PAYMENT POLICY

WHEREAS, Minnesota Statutes, sections 471.38 and 471.381 permit town boards to authorize the use of ACH payments to make purchases on behalf of the town;

WHEREAS, the Board of Supervisors ("Town Board") of Silver Creek Township ("Town") determines it is in the best interest of the public to allow the use of ACH payments by Town officials, appointed and delegated by the Town Board, to expedite Town purchases and avoid officers and employees having to purchase the items with their own funds and then having to seek reimbursement from the Town; and

WHEREAS, the Town Board also determines that it is important to establish appropriate limitations and oversight for the use of ACH payments on behalf of the Town.

NOW, THEREFORE, BE IT RESOLVED, that the Town Board hereby authorizes the use of ACH payments by Town officials, appointed and delegated by the Town Board; and

BE IT FINALLY RESOLVED, that the Town Board hereby adopts the ACH Payment Policy attached hereto as Exhibit A.

Adopted this 25 day of August, 2026.

BY THE TOWN BOARD

Town Chairperson

Attest:
Town Clerk/Treasurer

Exhibit A

ACH Payment Policy

(attached hereto)

SILVER CREEK TOWNSHIP
WRIGHT COUNTY, MINNESOTA

ACH PAYMENT POLICY

1. Purpose and Scope

The purpose of this policy is to establish guidelines for the use of Automated Clearing House (ACH) electronic payments, authorized by Silver Creek Township ("Town"), to ensure proper management, accountability, security, and compliance with Minnesota law, including Minnesota Statutes, sections 471.38 and 471.381.

As authorized by Minnesota Statute, sections 471.38 and 471.381, the Town Board permits use of ACH transactions and other electronic payment methods for authorized Town expenditures and receipts.

ACH transactions shall only be used for approved Town business purposes and shall be subject to the same internal controls and approval requirements as other Town expenditures.

2. Background

Effective internal control policies and procedures need to be adopted to protect Town funds from fraudulently being disbursed.

Fraudsters are using techniques like social engineering tactics, such as impersonation and manipulation, to deceive employees with legitimate-looking correspondence or phone calls to obtain personal information such as bank accounts or address changes that will re-direct payments intended for an employee or vendor. Often a fraudster will follow Town news to learn of newly contracted vendors, and use the information and proper timing to contact the Town as the vendor impostor and request the first down payment. Towns should avoid listing dollar/percentage down payment details in Town Board public meeting information. Commonly used software allows fraudsters to copy or create legitimate looking vendor invoices that include slight changes to the name and address.

3. Authorized User and Use Requirements

The Town delegates authority to the make ACH transactions to the Town Treasurer.

Authorized users must sign the acknowledgement form, attached hereto as Appendix A, and comply with this policy. Users authorized to process ACH transactions shall maintain the confidentiality of banking information, account credentials, passwords, and access codes.

On an annual basis, the Town Board must confirm individuals with the authority to make ACH transactions.

Written confirmation of transactions must be made within one business day after the transaction. A list of all transactions made by electronic funds transfer must be submitted to the Town Board at its next regular meeting.

4. Processes to Prevent Fraud

Authorized user should utilize multiple authentication when available. The following are processes to prevent the fraudulent disbursement of public funds:

a. Require Town Board approval for all disbursements of funds.

b. Review and correct duplicate vendors in system with minor differences, i.e., LLC or Inc.

c. Annually review list of vendors and close or inactivate vendors not currently used by the Town.

d. Review for unusual activities, such as fluctuation in payment amounts, activity for closed vendors, etc.

e. Receive verbal communication using trusted information on file regarding all changes on critical information.

f. Do not provide copies of contracts within the Town Board meeting packets that are posted on the Town's website, unless payment terms are hidden.

g. Always require a signed Form W-9 from every new payee in advance of making any payments or change in a mailing address. This can be confirmed online or directly with the IRS.

The Town's bank for ACH transactions must keep on file a certified copy of the delegation of authority to individuals to make ACH transactions.

5. Authorization and Payment Approval

All ACH transactions shall be supported by documentation and approved through the Town's claims approval process. Recurring ACH payments may be established for utilities, software subscriptions, insurance premiums, and other recurring obligations approved by the Town Board.

6. Receipt and Documentation Retention

Itemized receipts, invoices, confirmations, and supporting documentation are required for all ACH transactions. Documentation shall be retained in accordance with the Town's records retention schedule.

7. Compliance with Statutes and Policies

All expenditures and electronic transactions must serve a public purpose and comply with Minnesota law, Town purchasing policies, financial controls, and Board directives.

Adopted by resolution of the Silver Creek Township Board on the 25 day of August, 2026.

Clerk/Treasurer: ____________________
Board Chair: ____________________

APPENDIX A
ACH USER ACKNOWLEDGEMENT

I acknowledge that I have received, read, and understand the Silver Creek ACH Payment Policy.

I agree to comply with all requirements contained in the policy and understand that misuse of ACH authority or electronic payment systems may result in revocation of privileges, reimbursement obligations, disciplinary action, or other remedies permitted by law.

Name: Sara Nelson

Position/Title: Clerk

Signature: Sara N

Date: 8/25/2026