

## **Procedure: Electronic Funds Transfer**

The ESD will follow the following procedures to ensure electronic funds transfers (EFTs) are initiated, executed and approved in a secure manner.

- The procedure to initiate, approve, and record an EFT transaction is subject to the same policies, procedures, and controls that govern disbursements made by any other payment mechanism. Refer to Policy 6215.
- EFT transactions will not be made without proper authorization of affected parties in accordance with federal and state statutes and accepted business practices. To enroll in EFT for invoice payments, or to change any account information, vendors will submit a completed ACH Information Form and attach either a voided check or other confirmation of the account information.

Validation of new EFT requests, or changes to existing EFT records, require the following steps to be taken.

1. Validation of all new EFT requests received.
  - a. ESD will confirm all change requests by directly contacting the requester by using known, genuine information.
  - b. When confirming change requests, the district will confirm the existing practice.
  - c. Information on the form with the known contact.
2. Once the request has been confirmed, ESD will set the vendor up for EFT payments in the accounting system.
3. Documentation of all new or revised EFT records shall be maintained for review by the ESD accounting staff and the auditors and kept in accordance with records retention rules.

ESD will complete a pre-notification action prior to making any payments to vendors. This action shall be used as the final verification of bank account information.

Transmission of the EFT file to the bank will occur through secure single user account login by authorized business office staff, verifying the number of EFT's submitted to the bank and that the total matches the report in the financial accounting system.

Staff members who are responsible for entering electronic payments will not be the same staff members who release the wire transfer.

Adoption Date: 9-23-24