705 Electronic Fund Transfer

I. PURPOSE

The purpose of this policy is to establish guidelines for the electronic fund transfers of school district funds.

II. GENERAL STATEMENT OF POLICY

It is the policy of this school district to comply with all state laws relating to electronic fund transfers and to guarantee that investments meet certain primary criteria.

III. SCOPE

This policy applies to all electronic funds of the school district.

IV. AUTHORITY; OBJECTIVES

A. The funds of the school district shall be transferred in accordance with this policy, Minn. Stat. Ch. 471.381 and any other applicable law or written administrative procedures.

B. The primary criteria for electronic fund transfers of the school district are as follows

1. The school board shall annually delegate the authority to make electronic funds transfers to a designated business administrator.

2. The disbursing bank shall keep on file a certified copy of the delegation of authority.

3. The initiator of the electronic transfer shall be identified.

4. The initiator shall document the request and obtain an approval from the designated business administrator before initiating the transfer.

5. A written confirmation of the transaction shall be made no later than one business day after the transaction and shall be used in lieu of a check, order check or warrant required to support the transaction.

6. A list of all transactions made by electronic funds transfer shall be submitted to the school board at its next regular meeting after the transaction.

V. DELEGATION OF AUTHORITY

A. The Superintendent of the school district is designated as the business administrator of the school district and is responsible for electronic fund transfers and activities under the direction of the school board. The Superintendent may delegate certain duties to a designee or designees, but shall remain responsible for the operation of the program.

Legal References: Minn. Stat. § 118A.01 (Public Funds; Depositories and Investments)
Minn. Stat. § 118A.02 (Authorization for Deposit and Investment)
Minn. Stat. § 118A.03 (Depositories and Collateral)
Minn. Stat. § 118A.04 (Investments)
Minn. Stat. § 118A.05 (Contracts and Agreements)
Minn. Stat. § 118A.06 (Delivery and Safekeeping)

Cross References: MSBA/MASA Model Policy 703 (Annual Audit)
MSBA Service Manual, Chapter 7, Education Funding
Minnesota Legal Compliance Audit Guide Prepared by the Office of the State Auditor