

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 Assistant Superintendent for Business Services or designee 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 Assistant Superintendent for Business Services or designee 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 or designee, will review and approve all incoming and outgoing payments.
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.

This documentation can be contained in the District's electronic general ledger software system or electronic document retention and workflow software.

Legal authority: MCL 124.301 et seq.

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