Teton School District No. 401

FINANCIAL MANAGEMENT

<u>**Electronic Transfer of Funds**</u>   **Policy 7226**

<u>Electronic Transfers of Funds</u>

As used in this policy, "electronic transfer" refers to any electronic transfer of District funds to vendors, suppliers, construction payments, or independent contractors. Electronic transfers may be accomplished by automated clearing house (also known as "ACH"), wire transfers, electronic funds transfer (also known as "EFT"), or through other electronic means.

This policy does not apply to transfers or payments made to employees (whether by ACH, direct deposit, or otherwise) or payments made by credit card, debit card, or check (however processed). Other policies will govern such other transactions and will also be applicable to electronic transfers, inasmuch as they do not conflict with this policy.

<u>Electronic Transfer Policies</u>

- No payment on any construction payment may be made by electronic transfer. All bond payments will be made by check, in accordance with all applicable District Policies.

- Any changes to the practices and protections of any bank used by the District as part of any electronic transfer must be approved by the Superintendent.

- The Superintendent shall regularly apprise any bank used by the District as part of any electronic transfer of this Policy and review all of the permissions, limitations, and bank policies relating to any account at the bank from which an electronic transfer could be made.

<u>Internal Controls for Electronic Transfers</u>

The Superintendent shall be responsible for developing internal controls designed to prevent and detect any fraud, financial impropriety, or fiscal irregularities pursuant to Policy 7225 Financial Fraud and Theft Protection and/or under this policy to specifically address electronic transfers.

In addition to any additional internal controls developed and implemented by the Superintendent, the following internal controls shall be a regular practice of the District, with regard to electronic transfers:

- TSD Bank will acknowledge receipt of Policy 7226.

- ACH limits to be established and not to be adjusted without the dual approval of the Superintendent and the Business Manager.
- The recipient of any electronic transfer shall, for each electronic transfer, provide to the business manager a written request for payment by electronic transfer (a "Request"), together with the necessary instructions, routing numbers, account numbers, or any other information necessary to complete the electronic transfer (the "Details").

- The business manager shall provide the Request to the Superintendent for confirmation and approval. The Superintendent shall, personally or through another staff member in the business office (other than the business manager): (1) ensure that an electronic transfer is the correct means to pay the Request; (2) use means separate and independent from the Request (e.g., personal knowledge from prior interactions, a website not accessed through any prior communication from a recipient, a phone book) to ascertain a phone number for the party that made the Request; and (3) confirm all of the Details of the Request by phone by calling the party that made the Request. Upon satisfactory completion of these three steps, the Superintendent may approve the Request in accordance with the District's policies and budget.

- Once the electronic transfer is approved by the Superintendent, the business manager shall prepare all steps necessary to complete the electronic transfer. Before initiating the electronic transfer, all of the Details of the electronic transfer prepared by the business manager shall be reviewed by another staff member in the business office, to ensure their conformity to those confirmed and approved by the Superintendent.

- Only once the Details of the approved and prepared electronic transfer are reviewed and determined to be correct by both the business manager and another staff member in the business office, the business manager may complete the electronic transfer.

<u>Policy History:</u>
Adopted on: January 13, 2020