

**ELECTRONIC TRANSACTIONS and
ACH (Automated Clearing House) POLICY
Adopted 10/14/03**

1. PURPOSE

The following policy shall govern the use of electronic transactions and ACH arrangements for the Tuscola County Board of Commissioners:

1.1 Authority to Enter into ACH Agreements and Electronic Transfer of Public Funds

The Treasurer may enter into an ACH agreement as provided by Public Act 738 of 2002, effective December 30, 2002. The Tuscola County Board of Commissioners shall have adopted a resolution to authorize electronic transactions and have received a copy of the policy. Applicable definitions in the act shall apply.

An ACH arrangement under PA 738 of 2002 is not subject to the Revised Municipal Finance Act, 2001 PA 34, MCL 141.2101 to 141.2821, or to provisions of law or charter concerning the issuance of debt by the township.

2. POLICY

2.1 Responsibility for ACH Agreements

The Treasurer shall be responsible for all ACH agreements, including payment approval, accounting, reporting, and generally overseeing compliance with the ACH policy. The Treasurer shall submit to the Tuscola County Board of Commissioners documentation detailing the goods or services purchased, the cost of goods or services, the date of the payment, and the department levels service by payment. This report can be contained in the electronic general ledger software system or in a separate report to the governing body.

2.2 Internal Accounting Controls to Monitor Use of ACH Transactions

2.2.1 The Treasurer shall be responsible for the establishment of ACH agreements. The Treasurer shall notify the Board of Commissioners of those accounts to be paid by ACH or electronic transfers.

2.2.2 Upon receipt of an invoice for payment for accounts paid by ACH, the Treasurer shall approve payment and notify the Accounting Department of the date of debit to the township accounts. Utility and recurring lease payments may be included in this method. These payments shall be included on the report of payments to the Tuscola County Board of Commissioners. All other invoices approved by the Tuscola County Board of Commissioners and payable by ACH may be paid in that matter if deemed in the best interest of the county, e.g. to avoid a late fee.

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- 2.2.3 For payment of State and Federal payroll taxes, the Treasurer shall initiate payment to the proper authority upon receipt of the information from the payroll department using established EFTPS and state program.
- 2.2.4 Deposits from state, county, and/or federal authorities, and from third-party payment processors, e.g. (banks, vendors), the Treasurer shall obtain the amount of the deposit and send an advise to the Accounting Department.
- 2.2.5 All invoices shall be held by the County Treasurer along with copies of payment advices.