

CITY OF CARO

ACH and Electronic Transactions Policy

The following policy shall govern the use of electronic transactions and ACH arrangements for the City of Caro:

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 City of Caro 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 city.

2. 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 Caro City Council documentation detailing the goods or services purchased, the cost of goods or services, the date of the payment, and the department levels serviced by payment. This report can be contained in the electronic general ledger software system or in a separate report to the governing body.

3. Internal Accounting Controls to Monitor Use of ACH Transactions

- a. The Treasurer shall be responsible for the establishment of ACH agreements. The Treasurer shall notify the City Manager of those accounts to be paid by ACH or electronic transfers.
- b. Upon receipt of an invoice for payment for accounts paid by ACH, the City Manager shall approve payment and notify the Treasurer of the date of debit to the city accounts. Accounts payable by this method may include utility and recurring lease payments. These payments shall be included on the report of payments to the Caro City Council. All other invoices approved by the City Manager and payable by ACH may be paid in that matter if deemed in the best interest of the City of Caro, e.g., to avoid a late fee.
- c. 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 the established EFTPS and state program.
- d. For 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 advice to the person responsible for accounting records.
- e. All invoices shall be held by the Clerk along with copies of payment advice.