

District Board of Trustees Policy (BOT)



Policy Title: Electronic Transfer of Funds

Policy Number: 6Hx6:4.14

Specific Authority:

Florida Statute 1010.11 and 1001.64
Florida Administrative Code

Policy Approved: 07/23/2013

Policy:

It is the College's responsibility to promote the safety of College funds within the environment of electronic fund transfers. This policy supports that responsibility.

This policy is adopted pursuant to the requirements of Section 1010.11, Florida Statutes. This statute provides that the College shall adopt written policies prescribing the accounting and control procedures by which any funds under the College's control are allowed to be moved by electronic transaction for any purpose, including direct deposit, wire transfer, withdrawal, or investment.

APPLICABILITY AND/OR ACCOUNTABILITY

The execution of policies concerning the handling of College funds is the responsibility of the Vice President of Operations/CFO, who designates to staff the authorization to initiate and approve electronic funds transfers ("EFT(s)") on behalf of the College. The College Vice President of Operations/CFO is responsible for the daily management of College bank balances and the general oversight of EFT activity.

This policy is applicable to EFTs, which can be accomplished via the Automated Clearing House ("ACH") or wire transfer. ACH is the College's preferred mechanism, but a wire transfer is acceptable when conditions do not support the use of ACH. Except in rare circumstances, both ACH and wire transfers are processed through on-line banking software provided by the College's banking partner.

DEFINITION OF TERMS

Authorized Representative- A College employee authorized to initiate an electronic funds request within associated transfer limits.

Electronic Funds Transfer (EFT) - The transmission of an electronic message to a financial institution instructing it to make an electronic entry reflecting the transfer of ownership of funds from one depositor to another.

Security Administrator - The Vice President of Operations/CFO or designee.

PROCEDURES (If applicable)

1. The procedure to initiate an EFT is subject to the same financial policies, procedures, and controls that govern disbursement by any other means.
2. EFT transactions will not be made without proper authorization of affected parties in accordance with federal and state statute and accepted business practices.
3. The College will provide to the disbursing bank the names and titles of the Authorized Representative as well as the associated transfer limits. The disbursing bank will be notified in a timely fashion of any changes to the designated Authorized Representative or in the transfer limits. Such notification may be accomplished by appropriate updates or changes through an online banking service provided by the disbursing bank.
4. All EFTs should be initiated by computer-based systems. Phone transfers should be used only as back-up in an emergency. Phone transfers, except for transfers between College accounts, will require approval by an authorized representative other than the authorized College employee initiating the phone transfer.
5. The mechanism by which EFT requests are communicated to the disbursing bank will have adequate controls to prevent unauthorized access to both the system and to its various functionalities. These controls should include bank issued digital security certificates which are computer-specific, password protected user accounts, a bank issued EFT token exclusively assigned to user and computer station, and a designated security administrator. The security administrator shall ensure that adequate separation of duties exists in accordance with accepted internal control standards and will protect the integrity of assigning system IDs to users, changing user IDs as necessary and assisting users with technical problems related to the EFT system.
6. Requests for the electronic transfer of funds require approval by an Authorized Representative other than the person making the initial request. In no case will one individual have the capability to initiate, approve, and record an EFT to the General Ledger.
7. Because EFTs between College bank accounts has reduced risk, the Office of Financial Services may use EFTs on a routine basis to concentrate funds for payment and investment purposes. Although risks are minimal for transfers between College accounts, reasonable controls should exist with regard to authorization, reconciliation, and review of these transactions.
8. When EFTs are recurring, the security administrator will approve the establishment or modification of a wire template with the receiving and the disbursing bank's information.

This recurring EFTs may not be altered by those approved to process EFTs. This provides for a “check and balance” system.

9. Bank balances will be monitored daily for unusual or unexpected transactions.
10. Reconciliation of banking activity to the General Ledger will be accomplished in a timely manner with investigation and resolution of reconciling items.