

# **ACH and EFT POLICY**

## **PURPOSE**

The following policy shall govern the use of Automated Clearing House (ACH) and Electronic Funds Transactions (EFT) arrangements for the Presque Isle District Library:

## **AUTHORITY**

The Director may enter into an ACH agreement as provided by Public Act 738 of 2002, effective December 30, 2002. The Presque Isle District Library shall have adopted a resolution to authorize EFT 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 district.

## **RESPONSIBILITY**

The Director shall be responsible for all ACH agreements, including payment, accounting, reporting, and generally overseeing compliance with the ACH policy. The Director shall submit to the Presque Isle District Library Board 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 by to the governing body.

## **INTERNAL ACCOUNTING CONTROLS**

The Director shall be responsible for the establishment of ACH agreements. The Director shall notify the Office Manager of those accounts to be paid by ACH or EFT.

Upon receipt of an invoice for payment for accounts paid by ACH, the Office Manager shall approve payment and notify the Director of the date of debit to the district 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 district library Board. All other invoices approved by the Office Manager and payable by ACH may be paid in that matter if deemed in the best interest of the Presque Isle District Library to avoid a late fee.

For payment of State and Federal payroll taxes, the Office Manager shall initiate payment to the proper authority upon receipt of the information from the payroll department using the established EFTPS and state program.

For deposits from state, county, and/or federal authorities, and from third-party payment processors, e.g. (Banks, vendors), the Director shall obtain the amount of the deposit and send an invoice to the person responsible for accounting records.

All invoices shall be held by the Office Manager and Director along with copies of payment invoice.

**Adopted: October 11<sup>th</sup>, 2023**