


POLICY

	Policy:	Electronic Funds Transfer		
	Department:	Corporate Services		
	Division:	Financial Services Division	By-Law No.:	N/A
	Administered By:	Treasurer	Approval Date:	Dec 11, 2023
	Replaces:	Electronic Funds Transfer (February 1, 2016)		
	Attachment(s):	N/A		

1. POLICY STATEMENT

The Corporation of the Town of Amherstburg is committed to establishing controls and procedures for paying of the Town's accounts through the use of electronic funds transfer.

2. PURPOSE

- 2.1. This policy ensures that the principles laid out in this policy are followed when disbursing funds using Electronic Funds Transfer.
- 2.2. The policy ensures that the following control objectives are met and addressed:
 - 2.2.1. Cash is disbursed only for authorized purchases.
 - 2.2.2. Remit disbursements are conducted in a timely and accurate manner.
 - 2.2.3. Record cash disbursements are carried out completely and accurately.
 - 2.2.4. Cash and the related account records are safeguarded.

3. SCOPE

- 3.1. This policy applies to the Financial Services Division and to the approved bank signing authorities of the Town of Amherstburg.
- 3.2. This policy shall be reviewed every five (5) years from the date it becomes effective, and/or sooner at the discretion of the CAO or designate.

4. DEFINITIONS

- 4.1. **Accountability** means the obligation to answer to the general public, Council, and vendors for procurement results and for the manner in which purchasing responsibilities are discharged.
- 4.2. **Authentication Token** refers to a physical device used by an authorized user to prove identity electronically. They store cryptographic information and may use biometric identification or other means to prove the user's identity by generating a number that is rekeyed by the user or entered directly through a direct connection to a computer.
- 4.3. **Electronic Funds Transfer (EFT)** refers to the following financial transactions:
 - 4.3.1. Remitting funds to a supplier rather than through a cheque.

- 4.3.2. 'Wiring' funds to make a payment to a foreign supplier (usually in a foreign currency).
- 4.3.3. Direct deposit of employees' payroll payments either directly or through a payroll service.
- 4.4. **Payee** refers to the person or company to which the EFT payments are made.
- 4.5. **Transit** refers to the branch number of the financial institution.

Common definitions, acronyms, and terms are available in the Glossary located on the Town's Policies webpage.

5. **INTERPRETATIONS**

Any reference in this policy to any statute or any section of a statute shall, unless expressly stated, be deemed to be reference to the statute as amended, restated or re-enacted from time to time. Any references to a by-law or Town policy shall be deemed to be a reference to the most recent passed policy or by-law and any replacements thereto.

6. **GENERAL CONDITIONS**

6.1. **Initiating the EFT Process**

- 6.1.1. EFT payments must be made through the Town's bank's web-based system.
- 6.1.2. EFT payments will be set up with the bank to require either the Supervisor of Accounting or Supervisor of Revenue to initiate the transaction, and one additional signing authority to separately approve it, being either Treasurer or Deputy Treasurer
- 6.1.3. Access to the web-based EFT will be controlled by the use of a user id and password, and the authentication token provided to each user by the financial institution.

6.2. **Payment Authorization**

- 6.2.1. All EFT payments shall be authorized by the same procedures as required for cheques: a complete voucher package or EFT Requisition and Authorization Form.
 - 6.2.1.1. The complete voucher package shall consist of an invoice and a purchase order or other procurement document.
 - a. Evidence of approval in accordance with the Bank Signing Authority By-law must appear on the front of the voucher package.
 - 6.2.1.2. The EFT Requisition and Authorization Form must be fully completed, including the name and address of the payee, and full payment

instructions including bank number, transit number and bank account number.

- a. The completed EFT Requisition and Authorization Form must be approved as required by the Bank Signing Authority By-law.

6.3. **EFT Authorizations**

- 6.3.1. The Supervisor of Accounting or the Supervisor of Revenue will initiate the EFT process online and sign the EFT Requisition and Authorization form.
- 6.3.2. One additional bank signing authority must separately approve the EFT payment online, being either the Treasurer or Deputy Treasurer
- 6.3.3. Each bank signing authority, before authorizing the payment online, must review supporting documentation and satisfy him/herself that it is reasonable, complete and that the payment has been properly authorized, and then sign the EFT Requisition and Authorization Form to document that the EFT has been authorized online.

6.4. **Confirming Receipt and Reconciliation Process**

- 6.4.1. After the transmission of the EFT payment, a receipt must be downloaded from the bank and all of the information checked against the EFT Requisition and Authorization Form.
 - 6.4.1.1. Any discrepancies must be followed up immediately.
- 6.4.2. The bank account will be reviewed daily to ensure that all EFT payments have been made accurately.

7. **RESPONSIBILITIES**

- 7.1. **Council** has the authority and responsibility to:
 - 7.1.1. Approve the Electronic Funds Transfer policy.
- 7.2. The **CAO** has the authority and responsibility to:
 - 7.2.1. Ensure compliance with the Electronic Funds Transfer policy.
- 7.3. The **Treasurer or Deputy Treasurer** has the authority and responsibility to:
 - 7.3.1. Ensure appropriate departmental oversight to administer and comply with the policy
- 7.4. The **Financial Services Supervisors** has the authority and responsibility to:
 - 7.4.1. Comply with the internal controls processes identified in the Electronic Funds Transfer policy.
- 7.5. **Bank Signing Authorities** have the authority and responsibility to:
 - 7.5.1. Ensure that payments are only made for items that are properly authorized.
- 7.6. **Staff** have the responsibility to:
 - 7.6.1. Abide by the Electronic Funds Transfer Policy.