


POLICY

	Policy:	ELECTRONIC FUNDS TRANSFER		
	Department:	Corporate Services		
	Division:	Finance	By-Law No:	2016-19
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1. POLICY STATEMENT

- 1.1. 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. This 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 Department and to the approved bank signing authorities of the Town of Amherstburg.

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. **Chief Administrative Officer (CAO)** is the Chief Administrative Officer for the Corporation of the Town of Amherstburg, which includes the roles and responsibilities as laid out in Section 229 of the Municipal Act, 2001.
- 4.4. **Clerk** is the Municipal Clerk for the Corporation of the Town of Amherstburg, which includes the roles and responsibilities as laid out in Section 228 of the Municipal Act, 2001.
- 4.5. **Council** refers to the current elected Council for the Corporation of the Town of Amherstburg. This includes, as an entirety, the Mayor, Deputy Mayor and Councillors.
- 4.6. **Director** is the person responsible for direction and operational control of a division as defined on the Town's organizational structure.
- 4.7. **Electronic Funds Transfer (EFT)** refers to the following financial transactions:
 - 4.7.1. Remitting funds to a supplier rather than through a cheque.
 - 4.7.2. "Wiring" funds to make a payment to a foreign supplier (usually in a foreign currency).
 - 4.7.3. Direct deposit of employees' payroll payments either directly or through a payroll service.
- 4.8. **Manager** reports directly to a Director (or the CAO in some instances) and who is responsible for a department within a division of the Corporation, as defined on the Town's organizational structure.
- 4.9. **Payee** refers to the person or company to which the EFT payments are made.
- 4.10. **Senior Management Team (SMT)** is comprised of the Chief Administrative Officer and the Directors. If a Director is unavailable, a delegate may be assigned.
- 4.11. **Town** is the Corporation of the Town of Amherstburg.

4.12. **Transit** refers to the branch number of the financial institution.

4.13. **Treasurer** is the Treasurer for the Corporation of the Town of Amherstburg, which includes the roles and responsibilities as laid out in Section 286 of the Municipal Act, 2001.

5. **INTERPRETATIONS**

5.1. Any reference to 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 the Supervisor of Account and the Supervisor of Revenue to initiate the transaction, and one additional signing authority to separately approve it, being either the Director of Financial Services or the Manager of Financial Services.

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 Director of Financial Services or the Manager of Financial Services.
- 6.3.3. Each bank signing authority, before authorizing the payment online, must review supporting documentation and satisfy him/herself that 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. **ROLES AND RESPONSIBILITIES**

- 7.1. **Financial Services** has the authority and responsibility to:
 - 7.1.1. Create, maintain and ensure that controls are in place for EFT payments.
- 7.2. **Bank Signing Authorities** have the authority and responsibility to:
 - 7.2.1. Ensure that payments are only made for items that are properly authorized.

8. **REFERENCES AND RELATED DOCUMENTS**

- 8.1. By-law 2014-128 Appointment of Bank Signing Authorities
- 8.2. Cheque Issuance Policy
- 8.3. Procurement Policy

EFT Requisition and Authorization Form

Date: _____

Payee:

Name: _____

Address: _____

Amount: _____

Banking Instructions:

Bank Name: _____ Bank Number: _____

Branch Address: _____ Transit: _____

Bank Account Number: _____

Other information (payments outside of Canada): _____

Description: _____

Department/Account to be charged: _____

Approval: _____ Date: _____

EFT payment initiated on-line (signature) _____ Date _____

EFT payment authorized on-line (signature) _____ Date _____

EFT Payment Record

EFT Payment Record

Transaction set up by (signature) _____ Date _____

Authorized by (signature) _____ Date _____