

Category: 200

Number: 215

Subject: **ELECTRONIC TRANSACTIONS POLICY**

1. **PURPOSE:** The purpose of this policy is to authorize and regulate electronic transactions of public funds by Saginaw County and to establish the procedures and internal controls necessary to carry out the policy.
2. **AUTHORITY:** The Saginaw County Board of Commissioners.
3. **APPLICATION:** This policy shall govern the use of electronic transactions and automated clearing house (ACH) arrangements for Saginaw County.
4. **RESPONSIBILITY:** The County Treasurer shall be responsible for the implementation and administration of this policy.
5. **DEFINITION(S):**
 - 5.1 **Electronic Transaction:** An electronic payment, debit, or credit transfer processed through an automated clearing house.
 - 5.2 **Automated Clearing House (ACH):** An organization that has the authority to process electronic payments, including, but not limited to, the national automated clearing house association and the federal reserve system.
 - 5.3 **ACH Arrangement:** An agreement between the originator of an electronic transaction and the receiver of an electronic transaction.
6. **POLICY:**
 - 6.1 **Authority to Enter into ACH Agreements and Electronic Transfer of Public Funds:** The treasurer may enter into ACH Agreements, as provided by PA 738 of 2002, effective December 30, 2002. The Saginaw County Board of Commissioners 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.
 - 6.2 **Responsibility for ACH Agreements:** The treasurer shall be responsible for the establishment of ACH agreements, including payment approval, accounting, reporting, and generally overseeing compliance of the ACH policy. The treasurer shall submit to the Saginaw County Board of Commissioners documentation detailing the goods or services purchased, the cost of goods or services, the date of the payments and the department levels serviced by payment. This report shall be contained in the electronic general ledger system.

6.3 Internal Accounting Controls to Monitor Use of ACH Transactions: The treasurer shall be responsible for the establishment of ACH agreements. The treasurer shall notify the responsible parties of those accounts to be paid by ACH or electronic transfers. Upon receipt of an invoice for payment for accounts paid by ACH, the responsible parties shall approve payment and notify the treasurer of the date of debit to the county 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 Saginaw County Board of Commissioners. All other invoices approved by the responsible parties and payable by ACH may be paid in that manner if deemed in the best interest of Saginaw County, e.g. to avoid a late fee. 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 EFTPS and state program. 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 responsible parties for accounting records. All invoices shall be held by the responsible parties along with copies of the payment advices.

7. ADMINISTRATIVE PROCEDURES: The Treasurer is designated as Saginaw County's electronic transfer officer (ETO) and is responsible for administering and assuring compliance with this policy.

8. CONTROLLER/CAO LEGAL COUNSEL REVIEW: The Controller/CAO has determined that this policy as submitted to the Board of Commissioners contains the necessary substance in order to carry out the purpose of the policy. County Civil Counsel has determined that this policy as submitted contains content that appears to be a legal activity of the Saginaw County Board of Commissioners.

Approved as to Substance:
Saginaw County Controller/CAO

Approved as to Legal Content:
Saginaw County Civil Counsel

ADOPTED: September 16, 2003