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Required

Local

Notice

ELECTRONIC BANKING

General Municipal Law Section 5-a authorizes the use of electronic or wire transfers. The Board of Education, in order to provide oversight and security with regard to sound fiscal management of electronic banking activity, will authorize the use of electronic or wire transfers dependent upon the following procedures:

A written wire transfer security agreement, between the bank authorized to maintain the District's account and the District, shall be signed and on file prior to the initiation of any electronic transaction with the bank. The bank shall have written instructions on file from the District that wire transfers out of the United States are forbidden. Additionally, the bank shall have in place a security procedure such as authorized pass codes, authorized fax or other such controls as to insure the validity of the transaction. The security procedure shall be in compliance with Uniform Commercial Code Section 4-A-201, which defines "security procedure" as a procedure established by agreement between the customer (local government) and the receiving bank for the purpose of verifying that a payment order is that of the local government, and for detecting errors in the transmission or the content of the payment order.

Online payment transactions are authorized for the following purposes: investment of funds, to make debt service payments and payroll and fringe benefit payments to outside banks (within the U.S.) and transfers within district bank accounts (within any board-approved District bank accounts).

The Board of Education shall also authorize receipt of revenue, via on-line transactions, for food service payments, state and federal grants, tax receipts and other such revenue sources as applicable for the efficient operation of the school district.

The District Treasurer is authorized to initiate and execute electronic transactions after receiving the approval of the Director of Business and Support Services.

The bank shall verify, either by telephone or in paper/e-mail format, the outgoing wire transfer by contacting one of the designated employees who is independent of the wire transfer process. The designated employee providing the verification shall provide signed proof of verification which shall be filed with the District Treasurer's back-up paperwork.

The District Treasurer shall record all electronic banking transactions in conformance with NYS accounting regulations and GAAP (Generally Accepted Accounting Practices).

An audit report of all internal transfers shall be prepared by the District Treasurer and reviewed by the Claims Auditor or other District employee that reviews the bank statements. Documentation of all electronic wire transfers shall be maintained by the District Treasurer and reviewed by the Claims Auditor or other District employee who reviews the bank statements. Said report and documentation shall be attached to the Treasurer's Report.

Ref: Education Law §2116-a
General Municipal Law Article 2 § 5-a

Adoption date: November 15, 2018

ELECTRONIC BANKING REGULATION

The Director of Business and Support Services, with the assistance of the District Treasurer, shall be responsible for establishing and monitoring electronic banking transactions for school district banking and investment accounts. The daily transaction limits for wire transfers, ACH, and other on-line transactions shall be in accordance with the following guidelines:

Authorization Limits

Under no circumstances shall one individual have the system rights to create and authorize an electronic transfer of funds. One or more individuals shall be assigned creation rights for electronic fund transfers, as appropriate. A second individual, or individuals, shall be assigned the rights to authorize a wire transfer, ACH or other electronic transfer of funds.

Secondary authorization shall be required for electronic fund transfers in excess of \$1,000,000.

Domestic Transactions Only

Only domestic wire, ACH and other electronic transactions shall be permitted. NO international transactions may be executed.

Safeguards

Bank accounts will be established with Electronic Payment Authorization (EPA) service; to prevent withdrawal of funds which have not received prior authorization.

The bank shall verify, either by telephone or in paper/e-mail format, the outgoing wire transfer by contacting one of the designated employees who is independent of the wire transfer or ACH process. The designated employee providing the verification shall provide signed proof of verification which shall be filed with the District Treasurer's back-up paperwork.

Appropriate measures shall be taken to ensure that employees with electronic access to bank accounts who leave district employment are properly removed from the accounts, effective with termination of employment.

All electronic fund transfers shall be reviewed by the Claims Auditor, or other appropriate individual who reviews the bank statements.