

<b>FINANCE</b>  <b>PROCEDURE</b>  <b>MANUAL</b>	<b>TITLE:</b> Electronic Funds Transfers - Debits	
	<b>NUMBER:</b> FIN-CON-008	<b>VERSION:</b> 03
	<b>ISSUED DATE:</b> 9/8/2009	<b>REVISION DATE:</b> 5/3/2016

➤ **Purpose:**

Outline of process to send Electronic Funds Transfers.

➤ **Definitions:**

**Automated Clearing House (ACH):** A nationwide electronic funds transfer (EFT) system that provides for the inter-bank clearing of credit and debit transactions and for the exchange of information among participating financial institutions. Direct paycheck deposits are an example of electronic fund transfers that go through this network.

**Direct Deposit:** The electronic transfer of a payment directly from the account of the payer to the recipient's account.

**Electronic Funds Transfer (EFT):** An alternative means of transmitting payments from Palm Beach State College (and others) instead of sending a paper check.

**Security Token:** A physical device that an authorized user of computer services is given to ease authentication. Security tokens are used to prove one's identity electronically (e.g., a customer trying to access their bank account). The token is used in addition to or in place of a password to prove that the customer is who they claim to be. The token acts like an electronic key to access something.

**Wire Transfer:** An electronic payment service for transferring funds by wire (e.g., through the Federal Reserve Wire Network).

➤ **Responsibility:**

**Vice President of Administration and Business Services:** Designates personnel with access to online banking system and reviews/approves wire account directions within the banking system.

**Controller:** Responsible for implementing policies and procedures related to EFTs.

**Assistant Controller/Controller's designee:** Approves and submits wire info within online banking system.

**Controller's Office Staff:** Receives notification that funds need to be wired, logs into online banking system, and initiates wire transfer.

**Finance Staff:** Create journal entry for wire transfer.

**Treasury Accountant:** Reconciles cash on daily basis. Bank reconciliation is done on a monthly basis.

➤ **Procedure Details:**

1. The College will ensure that all electronic fund transfers are recorded in the College accounts and properly supported by bank documents, statements, or other electronic documentation as appropriate for the transaction. This may include documentation provided by the recipient payees if appropriate to correctly direct funds.
2. Direct Deposit: The College may make electronic payments to students, customers, employees, and vendors at the payees' direction. The College will employ standard controls for payments as with any other non-electronic payment. The College also maintains a list of accounts that payees have requested via their own manual signature or an electronic self-certifying directive online. The College may use its own internal web-based system or coordinate with appropriate third party providers' systems. The College will reconcile the accounts at least monthly similar to any non-electronic account.
3. Wire Transfers: Wire transfers may be recurring or one time payments directly from the College's contracted bank. The College is now, and may continue in the future, to be mandated to wire monies to selected entities for payments including but not limited to the State of Florida, retirement account vendors, and the Internal Revenue Service. In addition to the contracted banking online controls, additional controls include encryption, tokens, passwords, and certificate protections. The College's payments will:
  - a. Be sent to pre-approved payees only by designated personnel with access to online banking system, and
  - b. Be approved by a second designated person.

- c. Payees are to be added as necessary and input by personnel designated by the Vice President of Administration & Business Services, and
  - d. Payee Records must have a second designated approver prior to entry into the system.
- 4. Withdrawal: The College does not maintain the ability to withdraw funds electronically, but may from time to time transfer between its own accounts within or among its own bank or state investment accounts. See Investments.
- 5. Investments: The College may routinely transfer funds between its own accounts at its treasury bank or its investment accounts, per predetermined payee records. These transfers shall assist in maintaining cash flow, and to help enhance earnings returns where appropriate. The Vice President of Administration and Business Services may appoint one or more personnel to initiate these transactions using customary encrypted, web-based systems that are provided by the contracted bank. These accounts are to be reconciled monthly.
- 6. Payments: Efficient use of payment systems are to be employed whenever practical. Usual and customary controls are to be in place similar to non-electronic payment transactions including approvals, and accounts allocations, and reconciliations.
  - a. The College will use the same self-directed payment information as noted in the direct deposit section of this policy.
  - b. The accounts will be reconciled monthly.

➤ **References:**

Accounting Manual for Florida's College System:

[http://www.palmbeachstate.edu/finance/Documents/State\\_of\\_FL\\_Acctg\\_Manual.pdf](http://www.palmbeachstate.edu/finance/Documents/State_of_FL_Acctg_Manual.pdf)

College Board Policy: 6Hx-18-4.031

<http://www.palmbeachstate.edu/boardoftrustees/documents/BoardPolicies/Section4/4.031.pdf>

Florida Statutes: Chapter 1010.11

<http://flsenate.gov/Laws/Statutes/2011/1010.11>