

POLICY FOR AUTOMATED CLEARING HOUSE (ACH) ARRANGEMENTS AND ELECTRONIC TRANSACTIONS OF FUNDS

Date Issued: Adopted August 27, 2019

Effective Date: August 27, 2019

Purpose:

The following policy shall govern the use of electronic transactions and ACH arrangements for Alpena County.

Definitions:

“Automated clearing house” or “ACH” means a national and governmental organization that has authority to process electronic payments, including, but not limited to, the national automated clearing house association and the Federal Reserve System.

An “ACH arrangement” means the agreement between the originator of the ACH transaction and the receiver of an ACH transaction.

An “ACH transaction” means an electronic payment, debit, or credit transfer processed through an automated clearinghouse.

An “ACH policy” means the procedures and internal controls as determined under this written policy developed and adopted by the County Treasurer.

Authority to Enter into ACH Arrangements and Electronic Transfers of Public Funds:

The County Treasurer may enter into an ACH arrangement as provided by Public Act 738 of 2002, effective December 31, 2002.

Alpena County shall not be a party to an ACH arrangement unless the Alpena County Board of Commissioners has adopted a resolution to authorize electronic transactions and the Alpena County Treasurer has present a written ACH policy to the County Board.

An ACH arrangement under PA 738 of 2002 is not subject to the Revised Municipal Finance Act, Public Act of 2001 (MCL 141.2101, et seq.), or a provision of law or charter concerning the issuance of debt by a local unit.

Responsibility for ACH Agreements:

The Alpena County Treasurer or the assigned Deputy Treasurer's and the Alpena County Clerk or the assigned Deputy Clerk's are responsible for Alpena County's ACH arrangements, including payment approval, accounting, reporting, and generally for overseeing compliance with the ACH policy.

Internal Accounting Controls to Monitor Use of ACH Transactions Made by County:

The following system of Internal accounting controls will be used to monitor the use of ACH transactions made by Alpena County.

A list of vendors authorized to be paid by ACH transaction will be maintained within the County accounting software.

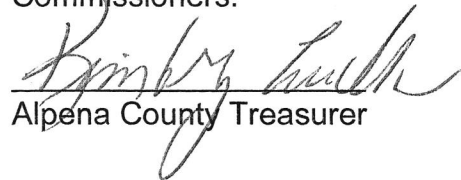
Invoices to be paid by ACH will follow the current invoice payment policy.

The Treasurer shall retain all ACH transaction documents for audit purposes.

The Clerk shall retain all invoices for audit purposes.

CERTIFICATION

I, Kimberly Ludlow, Treasurer of Alpena County, certify that I developed and adopted this foregoing ACH policy and have presented it to the Alpena County Board of Commissioners.


Alpena County Treasurer

August 21, 2019 Date

2.8 *Payment of Invoices*

To ensure bills are paid in a timely fashion each invoice shall be addressed to Alpena County or the County Department (no invoices will be paid that are addressed to an individual). Invoices should contain the vendor name, date of purchase/service, item or service purchased, and cost.

Alpena County as a governmental entity is sales tax exempt. As soon as an invoice is received, the Department Head will allocate a line item, sign it, and submit it to the County Clerk's Office for payment. If sufficient funds are not available in a line item, the invoice will be placed on 'Hold' in the BS&A Accounts Payable system and you'll be notified by e-mail. The Department Head will need to request a budget adjustment in writing through the Treasurer's Office. Once the adjustment is completed and the Clerk's Office is notified the invoice will be released from the 'Hold' status.

Department Heads have the authority to request a line item transfer of funds within their budget, at any time, with the exception of wages and benefit line items. The transfer of monies related to wages and benefits is restricted to the Finance Committee and the Full Board.

All bills will be submitted to the Finance Committee for approval with the exception of the following items: utility, medical, travel reimbursements and standard maintenance agreements (i.e. telephone, copiers, postage), contracts (i.e. Synchronizations, Medical Examiner, Veterans, court appointments), lease agreements (i.e. Miller Office, Pitney Bowes)

Invoices requiring immediate payment prior to a finance meeting shall be submitted to the Commissioners' Office for the signatures of the Board Chair (Vice-Chair, if Board Chair isn't available) and the Finance Chair. In addition, the Department Head must allocate a line item and sign it.

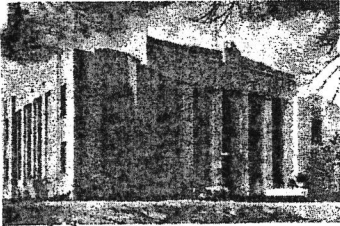
Alpena County is using B S & A accounting software, this will give you access to department expenses and revenue reports - with attachments- that can be printed. Each department is responsible for reviewing expenditures and revenue monthly for accuracy; any errors need to be brought to the attention of the Treasurer or Clerk within 60 days.

If you have a problem, need help, or wish for a certain setup for a report, please contact BS & A using the "Help" tab located at the top of the screen.

Alpena County Board of Commissioners

720 CHISHOLM STREET, SUITE 7
ALPENA, MICHIGAN 49707

TELEPHONE: (989) 354-9500
FAX: (989) 354-9648



RESOLUTION # 05-16

TO AUTHORIZE ELECTRONIC TRANSACTIONS UNDER PUBLIC ACT 738 OF 2002

WHEREAS, Electronic payments of public funds are required for some federally mandated transactions of public funds, and electronic payments have become a commonly accepted practice by banks and other financial institutions, and


WHEREAS, Public Act 738 of 2002, effective December 30, 2002 authorizes counties to make electronic transactions involving public funds by electronic payment, debit, or credit transfer processed through an automated clearing house, and

WHEREAS, PA 738 authorizes a County Treasurer to enter into an (ACH) arrangement for a national and governmental organization that has authority to process electronic payments (ACH), including, but not limited to, the national automated clearing house association and the federal reserve system, and

WHEREAS, The Alpena County Board of Commissioners deems that it is in the best interest of the County to make certain financial transactions by electronic payments as described in PA 738.

NOW, THEREFORE BE IT HEREBY RESOLVED, that the Alpena County Board of Commissioners authorizes the County to utilize electronic transactions in compliance with the written procedures and internal controls developed and adopted by the Treasurer as the County's (ACH) policy and presented to the Alpena County Board of Commissioners on July 26, 2005.

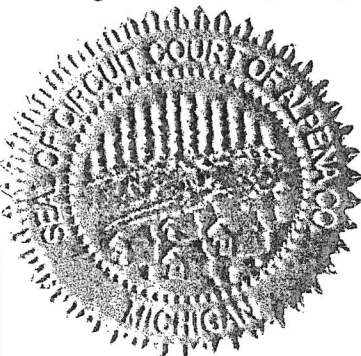
Moved by Commissioner Tom Male and supported by Commissioner Mullaney to adopt the above resolution. Roll call vote was taken: AYES: Commissioners Donakowski, Mullaney, Tom Male, Wegmeyer, Estlack and Zolnierek. NAYS: None. ABSENT: Howard Male ABSTAINING: Nunneley. Motion carried.

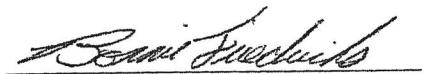

Leonard T. Zolnierek, Chairman of the Board

STATE OF MICHIGAN)
County of Alpena)

I, Bonnie Friedrichs, Clerk of the Circuit Court for the County of Alpena, the same of Court of Record and having a seal do hereby certify that I have compared the annexed copy of the Resolution adopted by the Alpena County Board of Commissioners at the July 26, 2005 session and that it is a true and correct transcript therefrom and of the whole thereof.

IN TESTIMONY THEREOF, I have hereunto set my hand and affixed the seal of said Court, at Alpena this 26th day of July 2005.




Bonnie Friedrichs, County Clerk