



Policy 5.18 Electronic Funds Transfer

Adopted by Library Board of Trustees:

1/25/2024

Purpose

The North Olympic Library System uses Electronic Funds Transfer (EFT) for the transmittal of payroll direct deposits, payroll services, tax payments, and other employer-paid benefit payments such as retirement, health, and disability insurance programs. EFT transactions will not be made without proper authorization of affected parties in accordance with federal and state statutes and accepted business practices.

Protocols

To promote the safety of Library funds in the EFT environment, the following procedures will be adhered to:

1. The procedure to initiate, approve, and record an EFT payment is subject to the same financial policies, procedures, and controls that govern disbursements made by any other means;
 - Review of the transfer will be done by the Finance Manager or their designee who will not be entering or initiating the transfer.
 - There are always two approval signatures from authorized check signers.
 - The EFT Voucher Number will be assigned from the EFT Voucher Number Log per standard procedure.
 - Reconciliation of bank activity to the General Ledger will be performed in a timely manner with all exceptions resolved.
2. EFT transactions will not be made without proper authorization of affected parties in accordance with federal and state statutes and accepted business practices.
3. All EFT payments should be initiated by secure computer-based systems;
 - Known vendor portals include ADP, Washington State Department of Retirement Systems, Empower and Washington State Department of Revenue.
4. The Finance Manager shall serve as primary administrator to manage and control access to the systems used to process EFT transactions. The administrator shall ensure that adequate separation of duties exists in accordance with accepted internal control standards. In addition, the administrator shall ensure approval and

maintenance of user system IDs, user permissions, including authorized representatives and their associated transfer limits. The HR & Business Manager has authority serve as the backup administrator.

5. EFT payments are limited to transfers for payroll, payroll benefits, sales and use tax payments, and safety deposit box fees. No other vendor payments may be made via an electronic funds transfer without written authorization of both the Executive Director and Finance Manager.
6. Employee-requested changes to direct deposit information must be completed by the employee through their ADP account, or the employee must submit a hard copy request form to the Finance Manager or HR and Business Manager. Under no circumstances will account changes be authorized by telephone or email alone.
7. Changes to vendor EFT account information must be processed using the EFT Authorization Form. The vendor/requestor must be contacted directly by phone, using contact information in the master vendor file, to confirm any payment instruction changes. Under no circumstances will account changes be authorized by email or written request only.