

Antrim County ACH (Automated Clearing House) and Electronic Transactions Policy

October 3, 2003

1. **PURPOSE:** The purpose of this policy is to authorize and regulate electronic transactions of public funds by Antrim County and to establish the procedures and internal controls necessary to carry out the policy.
2. **AUTHORITY:** The Antrim County Board of Commissioners.
3. **APPLICATION:** This policy shall govern the use of electronic transactions and automated clearing house (ACH) arrangements for Antrim 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 Antrim 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 or employee designated by 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 and/or clerk shall submit to the Antrim County Board of Commissioners documentation detailing the goods and services purchased, the cost of goods or services, the date of payments and the department levels serviced by payment. This report can be contained in the electronic general ledger system.

6.3. Internal Accounting Controls to Monitor Use of ACH Transactions:

- 6.3.a. The treasurer shall be responsible for establishing of ACH agreements. The treasurer shall notify the responsible parties of those accounts to be paid by ACH or electronic transfers. A list shall be prepared by the County Treasurer and County Clerk and may be modified, at any time, by mutual consent.
- 6.3.b. An ACH enrollment form shall be on file with the Antrim County Treasurer, or an employee designated by the County Treasurer, for all vendors to be paid by ACH transaction.
- 6.3.c. 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 Antrim 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 Antrim County, e.g. to avoid a late fee.
- 6.3.d. For payment of State and Federal payrolls 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.
- 6.3.e. For deposits from state, county, and/or federal authorities, and from third-party payments 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.
- 6.3.f. All invoices shall be held by the responsible parties along with copies of the payment advices.

- 7. **ADMINISTRATIVE PROCEDURES:** The Treasurer is designated as Antrim County's electronic transfer officer (ETO) and is responsible for administering and assuring compliance with this policy.
- 8. **EFFECTIVE DATE:** This policy does not affect the validity of any ACH arrangements entered into by Antrim County before the effective date of Public Act 738 of 2002 (December 30, 2002).



ANTRIM COUNTY
BOARD OF COMMISSIONERS
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Chairman: JACK WHITE

November 18, 2003

At the November 13, 2003 meeting of the Antrim County Board of Commissioners, the following Resolution was offered:

RESOLUTION #30-03 by Laura Stanek, seconded by Larry Bargy

WHEREAS, Public Act 738 of 2002, requires the Antrim County Board of Commissioners to adopt a resolution to authorize electronic transactions, and

WHEREAS, Public Act 738 of 2002, effective December 20, 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, Public Act 738 of 2002 authorizes the Antrim 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 Federal Reserve System, and

WHEREAS, the Antrim County Treasurer and County Clerk have prepared a written automated clearing house (ACH) policy as required by the Act, for the purposes of maintaining effective internal control by clarifying and emphasizing the department initiating ACH transactions through systems provided by the County.

NOW, THEREFORE, BE IT RESOLVED, that the Antrim 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 Antrim County Treasurer and the Antrim County Clerk as the County's ACH policy and presented to the Antrim County Board of Commissioners on November 13, 2003.

Yes - Dawson, Bargy, White, Howelman, Crawford, Stanek, Blackmore;

No - None;

Absent - McLeod, Allen.

RESOLUTION #30-03 DECLARED ADOPTED.

ANTRIM COUNTY CLERK, BELLAIRE, MI
STATE OF MICHIGAN, COUNTY OF ANTRIM, ss
I, Laura Sexton, Clerk of the County of Antrim, do hereby
certify the above and foregoing is a true and exact copy of
the original record now remaining in this office.
IN TESTIMONY WHEREOF, I have hereunto set my hand
and official seal this 18th day of November, 2003.

Laura Sexton County Clerk