

## **531 – ELECTRONIC FUNDS TRANSFERS POLICY**

### **1.0 PURPOSE.**

The primary goal of this policy is to ensure that Electronic Funds Transfers (EFTs) are initiated, executed and approved in a secure manner. This policy establishes general guidelines for using EFTs including wire transfers for payables and receivables. The procedures outline what electronic funds transactions the Des Moines Pool Metropolitan Park District (District) may engage in and the accounting procedures to be followed in accordance with RCW 39.58.750 and Washington State Auditors' requirements.

### **2.0 POLICY**

The District recognizes the use of various electronic payment methods as a safe and efficient method to process certain disbursements. The District is committed to establishing controls and procedures for the utilization of EFTs. This policy provides a framework of procedures to ensure that proper protocols are followed, and that applicable oversight is in place for the use of EFTs.

### **3.0 DEFINITIONS**

- 3.1. Electronic Funds Transfer (EFT) -- The electronic exchange (transfer of money from one bank account to another), either within a single financial institution or across multiple institutions, through computer-based systems. Wire transfers and ACH payments are examples of EFTs. This form of disbursement is authorized by RCW 39.58.750.
- 3.2. Automated Clearing House (ACH) -- This is an electronic payment delivery system that processes electronic credit and debit transactions, including direct deposits, within the United States using the American Bankers Association (ABA) number. These should be set up in the vendor master file that denotes this payment method.
- 3.3. Banking Information -- Information from the payee or their bank regarding their account. This information includes bank name, account name, account number, routing number, bank contact information and any other information necessary to transmit funds.
- 3.4. Wire Transfer -- This is an electronic transfer of funds from one bank account to another initiated directly with the payer's bank. This type of transfer utilizes a system operated by the Federal Reserve Banks and is more costly compared to transactions involving checks or ACH.

### **4.0 GENERAL GUIDELINES**

The District utilizes EFTs for receipt of intergovernmental payments, grant payments, and other revenues where practical, and the transmittal of payroll, credit card processing fees, banking fees, and other disbursements where practical or required. All EFT transactions will utilize the same procedures.

All EFT payments will be coordinated and submitted through the District office. The District General Manager will approve all new requests and any changes to electronic funds transfer requests, ensuring that the payment is necessary, that all required documentation is provided and appropriately approved by the District General Manager and the Clerk of the Board of Commissioners, and that the request and banking account information is accurate and valid, and that a hard copy of the transaction is accurately filed in the District office. All EFTs are subject to applicable Purchasing Policies and all other policies and procedures in relation to the purchase of goods and/or services.

Except as noted above, wire transfers should only be used in payment of an obligation of the District on an emergency basis when the situation requires immediate funds to settle a transaction. If a more inexpensive mechanism can be used to effect payment of the obligation (i.e., Electronic Funds Transfer or paper check), the District shall reserve the right to effect payment with the more inexpensive mechanism. Exceptions to this must be pre-approved by the District General Manager. This policy will be reviewed on an annual basis for accuracy and process verification. The District General Manager and the Board of Commissioners are authorized to make minor administrative changes to this policy, provided such changes are consistent with state and federal requirements.

## **5.0 PROCEDURES**

The District General Manager, the District Administrative Clerk, and the Clerk of the Board of Commissioners or Board designee are the only individuals authorized to initiate EFTs. The District General Manager shall be responsible for the review of EFT requests in order to ensure compliance, completeness, and proper recording. This method of payment will be used only when authorized by the District General Manager and the Clerk of the Board of Commissioners or Board designee. To promote the safety of District funds in the EFT environment, the following procedures will be used by the District employee(s) involved in processing payments via EFTs:

- 5.1.** The procedure to initiate an EFT is subject to the same financial policies, procedures and controls that govern disbursement by any other payment method. All invoices for labor or materials will be reviewed and initialed by the employee or contractor responsible for overseeing the specific job/project.
- 5.2.** EFT transactions will not be made without proper authorization of affected parties in accordance with Federal and State statutes and accepted business practices.
- 5.3.** The District Administrative Clerk or the District General Manager will submit an Electronic Payment Request Form (EPRF) (See Attachment A) along with a verified invoice for approval and signature through DocuSign to the Clerk of the Board of Commissioners or Board designee.
- 5.4.** Authentication of new EFT requests and changes to existing EFTs are required prior to the transactions being input in the computer-based finance system and includes the following steps:
  - **Validate:** All new electronic payment instruction requests received, even if the request is internal.
  - **Contact:** The supplier or requestor must be contacted directly by phone to confirm any requests for payment method or payment instruction changes. Contact information known to be genuine must be used, such as the contact information in the master file or information collected from the original contact. The contact must confirm existing payment instructions on file prior to making changes to those instructions (i.e., current bank account name, number, and routing information)
  - **Verify:** The new information provided on the payment instructions must be verified with the known contact (i.e., contact bank to confirm the correct account name, number, and routing information).
  - **Document:** The verification process that was followed must be documented to validate payment instructions. The person responsible for entering/updating instructions and the person approving the new/updated wire instructions must approve the record of verification.
- 5.5** All invoices will be approved by the District General Manager and the Clerk of the Board of Commissioners or Board designee and entered into the financial accounting software by the District Administrative Clerk

- 5.6** Bank balances and King County Cash Management reports will be monitored daily for unusual or unexpected transactions.
- 5.7** Reconciliation of banking activity through daily and monthly reporting by King County Cash Management will be accomplished in a timely manner with investigation and resolution of reconciling items.

The District will ensure the State Auditor has access to files, records and documentation of all EFT transactions involving the District when required for the conduct of the statutory audit. Such information will also be supplied if the District changes banks.

## **6.0 WIRE TRANSFERS**

- 6.1.** The District General Manager is the only individual authorized to initiate wire transfers. The District General Manager and the Clerk of the Board of Commissioners or Board designee shall be responsible for the review of wire requests in order to assure compliance, completeness, and proper recording. This method of payment will be used only when authorized by the District General Manager.
- 6.2.** The District will utilize security measures offered by US Bank to prevent unauthorized individuals from initiating or modifying a wire transfer. Online banking systems should only be used by employees with proper system credentials and separate banking user IDs. Only the District General Manager and the District Administrative Clerk will have access to create or approve wire transfers and their authorized wire amounts. In addition, US Bank controls require two separate users to complete a wire. The District General Manager or the District Administrative Clerk will initiate the wire transfer process and the Clerk of the Board of Directors or other authorized signor will approve the wire transfer.
- 6.3.** All wire transfer requests, including back-up wire information, invoice or other supporting documents will be forwarded through DocuSign for authorization by the District General Manager and the Clerk of the Board of Commissioners or Board designee in order to initiate wires. The wire transfer request must include the name and address of the payee, and full payment instructions including banking information. The bank and invoice information must be verified and if there is an inconsistency with the information provided, the wire initiator will contact the proper party to obtain additional or corrected information. If all information agrees with the documentation, the wire will be requested with the District's financial institution by the authorized District employee.
- 6.4.** The pending wire information is reviewed online against the back-up documentation. If there is an error, the wire will be rejected online, and the wire initiator will make any necessary corrections to the data. If all information is correct, the wire will be approved. The payment approval confirmation should be attached to the documentation for future reference. Upon completion of the wire transfer, the entry will be recorded in the financial accounting system by the District Administrative Clerk. A hard copy of the transaction will be filed in the District office.

## **7.0 ACH PAYMENTS TO VENDORS**

- 7.1.** The procedure to initiate an ACH payment is subject to the same procedures and controls that govern disbursement by any other payment mechanism including a check payment. ACH transactions will not be made without proper authorization of affected parties. This same process will be followed should the District pay vendors in the future through an ACH process. Currently, with limited exceptions, vendors are paid through a check process.
- 7.2.** Prior to a vendor receiving ACH payments for submitted invoices, a completed King County ACH Form (See Attachment B) must be approved by the District General Manager. The District General Manager will review the ABA number, bank account number, and name as shown on the supporting documentation. If all information on the form and the supporting documentation is correct the data is then recorded in the Vendor Record in the financial accounting system. The supporting documentation is then filed and stored in a secure District office location. Any subsequent requests to change vendor banking information require a new King County ACH Form and will be confirmed directly via phone with the vendor by the District.
- 7.3.** The ACH form and all supporting documents will be approved and signed by the District General Manager and the Clerk of the Board of Commissioners. The ACH transmission form along with any supporting documents required will then be sent to the King County Accounts Payable Fiscal Specialist for processing.
- 7.4.** The District General Manager or District Administrative Clerk who initiate and complete EFT transactions are responsible for ensuring the financial internal controls are maintained, the activity is posted timely, and operational procedures are in place to reduce the risk of loss of District funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by District employees. The District will monitor bank balances daily for unusual or unexpected transactions, reconcile bank activity to the general ledger in a timely manner, and investigate and resolve reconciling items.

## **8.0 PAYROLL DIRECT DEPOSIT**

For the processing of disbursements for payroll through Heartland Payroll Systems, each employee is required to complete a Direct Deposit Authorization Form. This form must contain bank information documentation in order to assure proper setup. Account documentation may include a voided check or a bank notification stating the bank's transit and routing number in addition to the employee's account number. The form is signed by the employee and provided to the District Administrative Clerk who will file it in a secure place within the employee's file at District offices.

Account documentation is reviewed to ensure the information does not appear altered or manipulated in any way. If evidence of such is present, the employee will be contacted to verify the information. In addition, if a void check which does not contain the employee's name is submitted, the employee will be contacted to verify the information. The outcome of these communications will be documented on the direct deposit form.

Suspicious or fraudulent situations should be routed to the District General Manager. After the form has been reviewed for accuracy, the form will be given to the District Administrative Clerk. Information is entered from the form into the employee record within the payroll system. If an employee wishes to change direct deposit information, a new form must be completed and signed. This information is limited to the District General Manager, the District Administrative Clerk, and the Aquatic Manager.


**9.0 INTERNAL CONTROLS**

The following internal controls have been adopted to validate that all available safety precautions are utilized

- 9.1.** Implementation of bank offered security measures to prevent unauthorized individuals from initiating or modifying a transfer.
- 9.2.** Each user initiating or approving wire transfers must have a separate banking user id.
- 9.3.** Only setting up wire transfers for debt service payments, and other transactions as required, and only with approval of the District General Manager and the Clerk of the Board of Commissioners.
- 9.4.** Utilization of computer standards, policies and procedures to protect the computers and computing processes used for EFTs from computer malware.
- 9.5.** Ensuring a secure process for creating, securing, sending and authenticating direct deposit transmittal files to prevent unauthorized modification or submission.
- 9.6.** If banking fraud is discovered in the EFT process, the fraud must be reported to the District General Manager and the Clerk of the Board of Commissioners immediately. In the absence of District General Manager, the Clerk of the Board of Directors or President of the Board must be notified. Steps will be taken with US Bank and King County Cash Management to mitigate the fraud and the appropriate entities will be notified as necessary.

## Attachment A Electronic Payment Request Form (EPRF)

### ELECTRONIC PAYMENT REQUEST FORM



**King County**

Department of Executive Services  
Treasury Operations Section  
KSC-ES-0710  
201 S Jackson St., Ste 710  
Seattle, WA 98104-3854  
[cash.management@kingcounty.gov](mailto:cash.management@kingcounty.gov)

Payment Date  CLEAR ALL FIELDS

**PAYMENT INFORMATION**

ACH Credit - Pay Code (BENXX, GENXX, PAYXX) 
 ACH Debit - Pay Code (COLXX) 
 Automatic Withdrawal

Book Transfer (Last 4 digits of the account) From  To 
 Wire - Repetitive Wire Code

**DISTRIBUTION INFORMATION**

#	Explanation / Description	Fund (9 digits)	Project (7 digits)	Cost Center (6 digits)	Account (5 digits)	BARS (7 digits)	Future (5 digits)	Amount
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

**BANK INFORMATION FOR WIRE PAYMENTS (for non-repetitive wires only)**

Total

Payee  Address  City  State  Zip

Bank Name  Routing Number  Account Number

Reference

**CONTACT & AUTHORIZATION (Certification of Payment - RCW 42.24.080)**

Agency/Special Purpose District

Contact Name  Title  Phone Number  Email

Signer Name  Title  Phone Number  Email


Signature  Date

I, the undersigned, do hereby certify under penalty of perjury, that the payment is due and payable, that the payment is just, due, and unpaid obligation, and that I am authorized to authenticate and certify to said payment.

02102023



## Attachment B King County ACH Form



**King County**  
Department of Executive Services  
Finance & Business Operations Division  
(206) 263-0400

### Automated Clearing House (ACH) Authorization Agreement

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**Instructions for Suppliers**

**All fields are mandatory.**

Scheduling this form authorizes King County to deposit electronic payments directly into your bank account.

Suppliers must sign and complete sections 1-3 and return the form to their King County agency contact.

Forms are typically processed in 10 business days after receipt by King County FSD.

Incorrect / incomplete forms will be destroyed, unprocessed, in a secure manner. The submitting King County agency will be notified.

**Please print clearly.** Illegible forms will not be processed.

**Return this form** to your designated King County agency contact.

**1 Supplier Remit To Information**

payee name (must match King County Supplier Record)		federal tax ID number (SSN or EIN)	
other organization or DBA (if applicable)			
street address (PO)		suite / apartment (if applicable)	
city	state	zip	
email (for remittance advice / payment notifications)			

**2 Depository Institution Information**

account owner name		
depository institution		
routing number	bank account number	account type

**3 Supplier Authorization Acknowledgement**

I, the undersigned Supplier, hereby authorize King County (hereinafter referred to as the County) to make payment for goods and services covered by an agreement by using, at the County's option, Automated Clearing House (ACH). I agree to provide the County with written notification of any change in my depository institution, payment instructions, or remittance data instructions by submitting this form with revisions at least ten (10) business days (2 calendar weeks) in advance of changes. In the event of duplicate or fraudulent payment, overpayment or any payment made in error, I agree to return payment to the County upon discovery or after the County provides sufficient information to support its claim. I accept that payment made to an incorrect account as listed above are timely and complete for any invoiced goods and services.

name and title	
signature	date

**4 FOR KING COUNTY USE ONLY**

I, the undersigned King County employee, do attest that I have completed ACH verification testing prior to providing the form to the supplier and personally called the supplier to verify the supplier's banking information and tax ID at a phone number known to be valid independent of the ACH form submission path.

signature of King County employee	date verified
King County employee (printed name)	agency
name of supplier representative I spoke with	phone number used

DRAFT: 4/22/2025  
Revised:

531-7