



Document: **Electronic Funds Transfer Policy**
Adopted: **December 11, 2024**

Electronic Funds Transfers

The Whatcom Council of Governments (WCOG) recognizes various electronic payment methods as safe and efficient ways to process certain disbursements. The WCOG is committed to establishing controls and procedures for making electronic funds transfers (EFTs). Accordingly, WCOG has developed this policy to ensure that proper protocols are followed, and that applicable oversight is in place for the use of EFTs.

The primary goal of this policy is to ensure EFTs are initiated, executed, and approved in a secure manner. This policy establishes general guidelines for using EFTs for payables and receivables. The procedures outline which electronic funds transactions WCOG may engage in and the accounting procedures to be followed in accordance with Washington State Auditor's Office requirements and RCW 39.58.750. The Executive Director shall implement and administer the following procedures and processes related to the use of EFTs.

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 transfers by a Council Board Officer and the Executive Director.
 - Review and approval of the transfers by the Council Board retroactively.
 - Reconciliations of bank activity to the General Ledger performed in a timely manner with all exceptions resolved.
2. A list of payees that may be paid via electronic transfers and payors that may pay WCOG via EFTs will be maintained by the Executive Director.
3. EFT transactions will not be made without proper authorization of affected parties in accordance with federal and state statutes and accepted business practices.
4. All EFT payments should be initiated on secure computer-based systems that use duo security authentication.
5. The Executive Director 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 Deputy Director shall serve as backup administrator.

6. Because EFTs between WCOG bank accounts have reduced risk, the Executive Director may use EFTs on a routine basis to concentrate funds for payment and investment purposes. Although the risks are minimal for transfers between WCOG accounts, reasonable controls should exist with regard to authorization, reconciliation, and review of these transactions.
7. EFT payments are limited to employee expense reimbursement, payroll, payroll benefits, and vendor claims, transfers between WCOG bank accounts, and receipt of incoming payments.
8. Employees must submit a hard copy of the completed Direct Deposit Authorization Form to the Executive Director. No electronic signatures will be accepted. Any change to banking information will require a newly completed form. If an employee submits a change request without enough time for authorization and entry prior to payroll, payment will be made by check until such time as the information can be verified and entered into the payroll system.
9. Vendors wanting to be paid by direct deposit transfer must submit a completed Vendor Direct Deposit Form or equivalent authorization to the Executive Director.