

# CITY OF MARQUETTE, MICHIGAN

## CITY COMMISSION POLICY

Policy Number: <b>2003-02</b>	Revision Date:
Date Adopted: September 29, 2003	
Department: Administrative	

**SUBJECT: ACH AND ELECTRONIC TRANSACTIONS POLICY**

**PURPOSE:** Public Act 738 of 2002 authorizes and regulates electronic transactions of public funds involving local government.

**POLICY:** The following policy shall govern the use of electronic transactions:

- 1) Authority to enter into ACH Agreements and Electronic Transfer of Public Funds.  
The Treasurer and Finance Director may enter into an ACH agreement as provided by Public Act 738 of 2002, effective December 30, 2002. The City Commission adopted a resolution on September 29, 2003 to authorize electronic transactions and have received a copy of the policy. Applicable definitions in the act shall apply.
- 2) 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 by the city.
- 3) Responsibility for ACH Agreements  
The Treasurer and Finance Director shall be responsible for all ACH agreements, including payment approval, accounting, reporting, and generally overseeing compliance with the ACH policy. The Treasurer or Finance Director shall submit to the City Commission documentation detailing the goods or services purchased, the cost of goods or services, and the date of the payment. This report can be contained in the electronic general ledger software system or in a separate report to the City Commission.
- 4) Internal Accounting controls to monitor use of ACH Transactions
  - a. The Treasurer and Finance Director shall be responsible for the establishment of ACH agreements. The Treasurer or Finance Director shall notify the person responsible for approval and payment of those accounts to be paid by ACH or electronic transfers.

b. Upon receipt of an invoice for payment for accounts paid by ACH, the person responsible for approval and payment shall approve payment and notify the Treasurer or Finance Director of the date of debit to the City accounts. Accounts payable by this method may include utility, health insurance, and payroll deduction payments. All other invoices approved by the person responsible for approval and payment and payable by ACH may be paid in that manner if deemed in the best interest of the city.

c. For payment of State and Federal payroll taxes, the Treasurer or Finance Director shall direct the Payroll Clerk to initiate payment to the proper authority upon completion of the bi-weekly payroll process using the established EFTPS and state program.

d. For deposits from state, county, and/or federal authorities, and from third-party payment processors, e.g. (Banks, vendors), the Treasurer or Finance Director shall obtain the amount of the deposit and send an advice to the person responsible for the accounting records.

e. All invoices shall be held by the person charged with the keeping of the applicable records along with copies of payment advices.