

#### Purpose

Online banking is provided by most full-service banks and is free for account holders. ACH usually has a fee associated with it. The preference would be to use the Online banking Bill Pay with ACH being used in limited circumstances.

#### Glossary:

ACH – This is a specific type of EFT transaction that occurs between two banks and moves through the Automated Clearing House Network.

EFT – Electronic Fund Transfer is any digital payment.

- A. College of Arms must receive Society Exchequer approval to begin using the EFT/ACH procedures. To be considered for the use of the EFT/ACH procedures College of Arms must:
  - a. Be current on all reporting. This includes quarterly reports. NMR reports do not apply.
  - b. Have had a Book Review with no outstanding action items in the last year.
  - c. Have an Exchequer who has received training since their appointment to their office.
- B. College of Arms has been authorized to use EFT/ACH:
  - a. The Branch Financial Policy must be updated to include the EFT/ACH policy.
  - b. The Branch must maintain their reporting status. The following actions will revoke the Branch's right to follow this procedure.
    - i. Missing a quarterly report or having two late quarterly reports,
    - ii. Failure to file the monthly EFT report to the Branch Exchequer's superior.
- C. Once this addendum is approved, the College of Arms Exchequer is allowed to transfer money between all branch bank accounts, to ensure proper levels of funding in specific accounts are maintained. To do said transfers the following procedure will be taken:
  - a. The procedures for authorizing an electronic payment will follow the same policies for authorizing a payment by check. Laurel will maintain the two-person authorization with Chase's online option for use with bill pay that is currently done for paper checks. The College of Arms Exchequer shall submit to the Financial Committee (FC) a request showing:
    - i. The amount of money to be transferred,
    - ii. The account to withdraw the money from,
    - iii. The account to which the money will be deposited.
    - iv. and the reason(s) for the transfer (i.e. – To ensure proper cash on hand for upcoming expected expenditures. To reduce money in a non-interest-

bearing account to an interest-bearing account during a time of less expected expenditures).

- v. NO ACH transactions will be processed in a time period not exceeding 6 months or to the end of the budget year whichever is shorter.
- b. The FC will review the request and by majority vote approve or deny the request. The Exchequer shall recuse themselves on any request vote as put forth under this section.

All expenses paid for with online bill pay will have a check request or transfer form listing that the payment was done electronically and who the two authorizations were and in what order. All invoices/receipts will be attached to the check request form. These can be stored electronically.

- i. Any invoices from SCA, Inc will use the invoice form as the check request form.
- ii. If the account from which money is withdrawn is a double action account, the Branch Exchequer shall logon to the appropriate account and initialize the transfer action. A second signatory to the account will then logon to the appropriate account and approve the transfer. The second signatory shall confirm with the FC that this transfer is approved by the PFC.
- iii. In all cases the FC will be provided with a confirmation of the transfer.

D. USE OF EFT and ACH TO PAY FOR GOODS AND SERVICES

- a. The Branch Exchequer and his/her staff may take advantage of on-line EFT and/or ACH transfers to vendors to pay for services and goods required for the operation of the Branch.
  - b. If the payment is for normal and usual services and goods, already budgeted for and having specific line items in the FC approved budget for any fiscal year no special requirements apply. The payment will be treated the same as if a check were written and normal monitoring controls will be observed.
  - c. If the payment is of an unusual or emergency nature or not specifically provided for in an approved budget:
    - i. The FC will be provided with a request to pay this expense. Normal approval or denial procedures will be in place.
    - ii. If the expense is on-going, the FC may approve EFT payments for a specified time period not exceeding 6 months or to the end of the budget year whichever is shorter.
- E. A monthly report of all EFT and ACH transfers will be submitted to the Branch's Exchequer Superior no later than the 5<sup>th</sup> of the following month. The Society Exchequer

Laurel – College of Arms

EFT – ACH Addendum

Board Approval Date – 01/24/2021

will report all EFT's to the Corporate Treasurer by the 15th of the month prior to each Board Meeting.

- a. The monthly report will include:
  - i. Branch Name
  - ii. Payee
  - iii. Amount of transfer
  - iv. Reason for transfer
  - v. Date of FC approval/notification