

Town of Canandaigua
Wire Transfers and Online Banking Policy
Adopted: November 20, 2017

PURPOSE

The Town Board of the Town of Canandaigua recognizes the use of various electronic banking transactions including wire transfers and online banking activity as a faster, easier, and more efficient substitute for paper transactions. The purpose of this policy is to provide a framework of procedures, authorized by the Town Board, in order to ensure the proper protocols are followed for all online banking activity. This policy will outline what online banking activities and electronic funds transactions the Town of Canandaigua may engage in, and the responsibilities of certain individuals in order to establish a segregation of duties.

POLICY

Electronic banking uses computer and electronic technology to streamline the processing and recording of receipts and disbursements, while reducing the cost of processing these transactions. Receipts, disbursements and transfers in proper circumstances can be processed via electronic funds transfer (EFT) services, whether transferring funds from a savings to a checking account at the same bank, or making a payment to a vendor's bank across the country. Internal controls, such as written policies and procedures, authorizations, segregation of duties and monitoring.

The Town Board hereby authorizes the Town Supervisor or Bookkeeper or Town Clerk, to engage in electronic banking in accordance with all applicable laws and regulations including General Municipal Law Section 5-a authorizing the use of electronic or wire transfers and in conformity with the guidelines established by this policy. The Bookkeeper is hereby authorized to initiate wire transfers when appropriate based on approved expenditures by the Town Board. The Town Manager is hereby directed to receive notice and review such wire transfers for confirmation of authorization by the Town Board.

The Town Board also recognizes that most banking institutions no longer provide cancelled paper checks to their customers, but instead offer an electronic image obtained online. As such, the Town Board authorizes the acceptance of these electronic images in lieu of cancelled checks in accordance with General Municipal Law Section 99-b(2).

SCOPE

Electronic banking activities will be used for, but not limited, to the following:

1. Online banking services (reviewing account balances, retrieving bank statements, downloading copies of cancelled checks, making stop payment orders, etc.)
2. Electronic depositing of checks received
3. Pre-authorized debit payments
4. ACH vendor payments
5. EFT or wire transfers
6. Electronic Federal Tax Payment System (EFTPS)
7. Electronic State Tax Payment System (Prompt Tax)

SAFEGUARDS

All electronic fund transfers shall be reviewed by the Town Bookkeeper who reviews the bank statements. The Bookkeeper and/or the Town Clerk shall be responsible for initiating transfers, only after receiving approval from the Town Board. The Town of Canandaigua's auditing firm shall provide monthly reconciliation and review in order to provide safeguards relating to separation of duties. All banking transactions for the Town will be conducted on a secure computer.

The Town Manager shall be responsible to ensure that employees with electronic access to bank accounts who leave Town employment are properly removed from the accounts, effective with the termination of employment. In the case of the Town Supervisor not being able to perform his or her duties the Deputy Town Supervisor shall be responsible. If the Town Supervisor leaves employment by the Town of Canandaigua or is unable to perform the required access limitations, then the Town Board may choose to direct the Town Manager to restrict access for the person who is no longer employed by the Town.

MONITORING

The Town Board is responsible for implementing adequate internal controls for each of the electronic banking methods utilized. An effective internal control system includes, but is not limited to, segregation of duties, proper authorization, and adequate documentation for all electronic transactions. As such, the Town Board of the Town of Canandaigua authorizes the Town Manager to serve as a sub-user for the Town's Online Banking Activity for all accounts for the purpose of receipt of alerts of all wire transfers, and in order to view all online banking activity. The Town Manager is directed to cause to be received by the Town Manager, an automatic alert for all wire transfers associated with Town accounts. The Town Manager should present any findings of concern or questions directly to the Town Board.