

**Village of Roscommon
ACH and Electronic Transactions Policy
July 28, 2003**

The following policy shall govern the use of electronic transactions and ACH arrangements for the Village of Roscommon:

1. Authority to Enter into ACH Agreements and Electronic Transfer of Public Funds

The Treasurer may enter into an ACH agreement as provided by Public Act 738 of 2002, effective December 30, 2002. The Village shall have adopted a resolution to authorize electronic transactions and have received a copy of the policy. Applicable definitions in the act shall apply.

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 Village.

2. Responsibility for ACH Agreements.

The Treasurer shall be responsible for all ACH agreements, including payment approval, accounting, reporting, and generally overseeing compliance with the ACH policy. The Treasurer shall submit to the Village documentation detailing the goods or services purchased, the cost of goods or services, the date of the payment, and the department levels serviced by payment. This report can be contained in the electronic general ledger software system or in a separate report to the governing body.

3. Internal Accounting Controls to Monitor Use of ACH Transactions

- a. The Treasurer shall be responsible for the establishment of ACH agreements. The Treasurer shall notify the Village Clerk 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 Clerk shall approve payment and notify the Treasurer of the date of debit to the Village accounts. Accounts payable by this method may include utility and recurring lease payments. These payments shall be included on the report of payments to the Village. All other invoices approved by the Village Council and payable by ACH may be paid in that matter if deemed in the best interest of the Village, e.g. to avoid a late fee.
- c. For payment of State and Federal payroll taxes, the Treasurer shall initiate payment to the proper authority upon receipt of the information from the payroll department 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 shall obtain the amount of the deposit and send an advice to the person responsible for accounting records.
- e. All invoices shall be held by the Clerk along with copies of payment advices.

**Village of Roscommon
Resolution for ACH and Electronic Transactions**

At a regular meeting of the Village Council of the Village of Roscommon held in the Village Hall on July 28, 2003 at 7pm

Present: Seaman, Cook, Butler, Morris, Murphy, Carlson and Miller

The following resolution was offered by Murphy and seconded by Butler:

WHEREAS, on December 30, 2002, the Governor of the State of Michigan approved Act No. 738 of the Public Acts of 2002 authorizing the use of electronic transactions by designated officers of the local government; and

WHEREAS, the Village Council deems that it is in the best interest of the Village to make certain financial transactions by using electronic transactions as described in the Act;

NOW, THEREFORE, BE IT RESOLVED, that the following policy shall govern the use of electronic transactions:

- (a) The Treasurer shall be responsible for establishing all ACH arrangements for the local unit;
- (b) The Treasurer shall draft a written policy to be followed in accordance with the act and presented to the governing body;
- (c) The Treasurer shall be responsible for payment approval, accounting, reporting, and generally overseeing compliance or shall appoint an employee to perform such duties;
- (d) The Treasurer shall submit documentation to the governing body, or person responsible for approving payments by resolution or charter requirements, detailing goods and services purchased, the cost of goods or services, the date of payment, and the department levels serviced;
- (e) All ACH transactions shall be approved by the Treasurer **BEFORE** payment is made.

Ayes: 7 Nays: 0

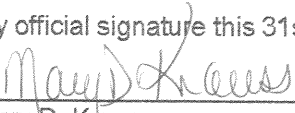
STATE OF MICHIGAN)

ss)

COUNTY OF ROSCOMMON)

I, the undersigned, the duly qualified and elected Clerk of the Village of Roscommon, Roscommon County, Michigan, do hereby certify that the foregoing is a true and complete copy of the resolution enacted by the Village Council at a regular meeting held on the 28th day of July, 2003, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 31st day of July, 2003.



Mary D. Krauss
Village Clerk