

ACH (Automated Clearing House)

The following policy shall govern the use of electronic transactions and ACH arrangements for Cass County:

DEFINITIONS

1. "Automated Clearing House" or "ACH" means a national governmental organization that has the authority to process electronic payments, including, but not limited to, the national automated clearing house association and the federal reserve system.
2. An "ACH arrangement" means the agreement between the originator of the ACH transactions and the receiver of the ACH transaction.
3. An "ACH transaction" means an electronic payment, debit or credit transfer processed through an automated clearing house.
4. An "ACH policy" means the procedures and internal controls as determined under this written policy developed and adopted by the county treasurer.

AUTHORITY TO ENTER INTO ACH ARRANGEMENTS AND ELECTRONIC TRANSFERS OF PUBLIC FUNDS

The County Treasurer may enter into an ACH arrangement as provided by Public Act 738 of 2002.

Cass County shall not be a party to an ACH arrangement unless the Cass County Board of Commissioners has adopted a resolution to authorize electronic transactions and the Cass County Treasurer has presented a written ACH policy to the county board. Resolution R-139-05 was adopted September 1, 2005.

An ACH arrangement under Public Act 738 of 2002 is not subject to the Revised Municipal Finance Act, Public Act 34 of 2002 (MCL 141.2101, et seq.), or to provisions of law or charter concerning the issuance of debt by a local unit.

RESPONSIBILITY FOR ACH AGREEMENTS

The Cass County Treasurer is responsible for Cass County's ACH agreements, including payment approval, accounting, reporting and generally for overseeing compliance with the ACH policy.

The Accounts Payable Clerk submits a Claims docket bi-weekly to be placed in the Board of Commissioner agenda packets detailing the goods or services purchased, the cost of the goods or services, the date of the payment and the departments serviced by each payment of public funds made by electronic transfer.

INTERNAL ACCOUNTING CONTROLS TO MONITOR USE OF ACH TRANSACTIONS MADE BY THE COUNTY

The following system of internal accounting controls will be used to monitor the use of ACH transactions by Cass County.

1. The Accounts Payable Clerk maintains a list of vendors authorized to be paid by ACH transaction. This list may be modified, at any time.
2. ACH vendor registration form shall be on file with the Accounts Payable Clerk for all vendors authorized to be paid by ACH transaction.
3. It shall be the policy to have the Board of Commissioners approve invoices for ACH payment. Transfer of funds between county entities such the Building Authority, Department of Human

Services, Medical Care Facility and Road Commission together with employee payroll deductions and withholding tax payments are excluded.

4. Electronic transactions can only be initiated by the Treasurer, Accounts Payable Staff or Human Resources Staff. And may only be approved for release by the Treasurer.
5. The treasurer shall retain all ACH transaction documents for audit purposes.

EFFECTIVE DATE

This policy does not affect the validity of any ACH arrangement entered into by Cass County before the effective date of Public Act 738 of 2002 (December 30, 2002).

ADOPTED: September 1, 2005

AMENDED: June 18, 2020