

Augusta Charter Township

Washtenaw County, Michigan

RESOLUTION NUMBER: 24-13

RESOLUTION TO AUTHORIZE ACH AND ELECTRONIC FUNDS TRANSFER AND TO ADOPT AN ACH AND ELECTRONIC FUNDS TRANSFER POLICY

DATE PROPOSED: May 28, 2024

DATE ADOPTED: May 28, 2024

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 electronic transactions by designated officers of the local government; and

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

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

- (a) The Clerk and/or Treasurer shall be responsible for establishing all ACH and EFT arrangements for the Township;
- (b) The Clerk's attached written policy is approved by the Board and shall be followed in accordance with the Act;
- (c) The Clerk shall be responsible for payment approval, accounting, reporting, and generally overseeing compliance or shall appoint an employee to perform such duties;
- (d) The Clerk shall submit documentation to the Board detailing goods and services purchased, the cost of goods or services, the date of payment, and the department levels serviced; and
- (e) All ACH and EFT transactions shall be approved by the Clerk BEFORE payment is made.

The foregoing resolution offered by Board Member Goczy and supported by Board Member Shelby.

Roll Call: Aye; Adams, Burek, Hall, Goczy, Fuqua-Frey, Ortiz, Shelby.

Nay; None

Absent; None

The Supervisor declared the resolution adopted.

Brian Shelby
Brian Shelby, Supervisor

6/30/24
Date

CERTIFICATE

I, Kimberly Gonczy, the duly elected and acting Clerk of Augusta Charter Township, hereby certify that the foregoing resolution was adopted by the Township Board of said Township, as presented at a regular meeting of said Board held on May 28, 2024, at which meeting a quorum was present by a roll call vote of said members as hereinbefore set forth; that said resolution was ordered to take immediate effect.



Kimberly Gonczy, Clerk

6/3/2024
Date



**CHARTER TOWNSHIP OF
AUGUSTA**

**ACH AND ELECTRONIC FUND TRANSFER
POLICY**

Charter Township of Augusta - Board Resolution # 24-13

Adopted May 28, 2024



ACH and Electronic Fund Transfer Policy

Reason for Policy

Electronic payments via Automated Clearing House (ACH) or other Electronic Fund Transfer (EFT) as a payment method has become universal within the private sector, where ACH and/or EFT are now accepted at point of sale for even small transactions. Electronic transactions can also be of benefit to governmental entities by improving certainty of collection, accelerating payments and availability of funds, lowering costs, and enhancing customer service. For simplicity, the terms ACH and EFT are used interchangeably hereafter.

Applicability

This policy applies to all Township operations.

Policy Statement

The Township will accept EFT payments as deemed appropriate and authorized in writing by the Township Board. The Township shall adhere to this policy, MCL 124.301-305 (Public Act 738 of 2002), and United States Consumer Financial Protection Bureau 12 CFR Part 1005 - Electronic Fund Transfers (Regulation E).

Policy Procedure

- 1) Authority to Enter into ACH Agreements and Electronic Transfer of Public Funds
 - a) The Treasurer may enter into an ACH agreement as provided by Public Act 738 of 2002. The Township Board shall have adopted a resolution to authorize electronic transactions and have received a copy of the policy. Applicable definitions in the act shall apply.
 - b) 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 township.
- 2) Responsibility for ACH Agreements.
 - a) The Clerk shall be responsible for all ACH agreements, including payment approval, accounting, reporting, and generally overseeing compliance with the ACH policy. The



ACH and Electronic Fund Transfer Policy

Clerk shall submit to the Township Board 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 Township Board.

3) Internal Accounting Controls to Monitor Use of ACH Transactions

- a) The Clerk shall be responsible for the establishment of ACH agreements. The Clerk shall notify the Board 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 township accounts. Accounts payable by this method may include utility and recurring debt service payments. These payments shall be included in the report of payments to the Township Board. All other invoices approved by the Clerk and payable by ACH may be paid in that matter if deemed in the best interest of the Township, e.g. to avoid a late fee.
- c) For deposits from State, County, and/or Federal authorities, and from third-party payment processors, e.g. banks and vendors, the Treasurer shall obtain the amount of the deposit and attach the advice to the cash receipt.
- d) All invoices shall be attached in the Accounts Payable system by the Clerk along with copies of payment advice.

4) Utility Payments via ACH

- a) Utility customers may authorize the Township to debit their bank accounts via ACH to pay utility bills. Customers must complete, sign, and return a Township approved application form to enroll. A separate application form shall be required for each utility account.
- b) Once an ACH debit agreement has been entered into, the agreement shall remain in effect until cancelled by the customer or treasurer's office due to repeated lack of funds/returns.
- c) ACH payments that fail because of non-sufficient funds (NSF) will result in standard NSF fees.