

# Town of Duanesburg

## Wire Transfer and Online Banking Policy

### Developed for General Municipal Law Section 5-a

#### *Purpose*

The Town Board of Duanesburg recognizes that the processing of financial transactions electronically is increasing. Receipts and disbursements can be processed via electronic funds transfer. Following a detailed policy and procedures is important to process electronic transactions.

This policy will expedite the processing of transactions and will allow for effective monitoring of accounts, cash flow, and transactions.

#### *Definitions*

The policy provides instructions to officers and staff regarding investing, monitoring, and reporting “funds of the government.”

- 1) **Electronic Funds Transfer (EFT)** – refers to moving funds electronically to and from different bank accounts.

#### *Policy*

##### **I. Authorized Online Banking and EFT Activities**

The Town Board of Duanesburg authorizes the use of online banking for receipts and disbursements generally and electronic fund transfers only for the transmittal of tax payments. Any physical check or electronic transfer in excess of fifty thousand (\$50,000) Dollars must be approved by two Town officials.

##### **II. Authorization**

The Town Board of Duanesburg authorizes the following officers and employees to initiate, approve, transmit, record, review and reconcile electronic transactions: Town Clerk, Town Bookkeeper. The electronic transactions will be reviewed and reconciled every five (5) business days.

Authorization of electronic transactions shall be overseen by a different individual than the individual who oversees the transmitting of the electronic transactions. Additionally, the recording function will be placed with an individual who does not have either approval or transmitting duties. All wire transfers must be recorded, documented and reported to the Town Supervisor. The bank or trust company must provide the officer requesting the transfer written confirmation of the transaction no later than the business day following the day on which the funds were transmitted.

All payments made using electronic funds transfer must comply with applicable laws, regulations and internal control policies of the Town Board of Duanesburg.

### **III. Online Banking**

Online Banking services will be provided to the Town Board of Duanesburg by NBT Bank. Online banking services will allow for transfers between bank accounts and monitoring of balances and cash flow.

In order to address the security concerns connected to online banking services, all electronics used for online banking will have current antivirus, anti-spyware, and malware and adware detection software. New and updated software will continue to be added as necessary. All passwords and login names will comply with complexity requirements and will not be used on any other software.

Online bank accounts will be monitored at least weekly and any suspicious activity will immediately be reported to the supervising officer.

Users will be provided with information security awareness training to educate these individuals on safe computing practices.

All banks providing online banking services to the Town Board of Duanesburg will provide written agreements that address and control these online services, including electronic or wire transfers.