Policy

UNIVERSITY POLICY **FIN-01.02-06/14**

Policy Title: Electronic Funds Transfer Policy

Originator: Dr. Susan Stephenson, Vice President and CFO

Responsible Office: Business, Finance, and Facilities

Reason for Policy/Purpose:

Electronic Funds Transfer ("EFT") is defined as the transmission of an electronic message to a financial institution instructing it to make an electronic entry reflecting the transfer of ownership of funds from one depositor to another. This policy is adopted pursuant to the requirements of Section 1010.11, Florida Statutes, and sets forth the University's written policies prescribing the accounting and control procedures under which any funds under its control are allowed to be moved by electronic transaction for any purpose, including direct deposit, wire transfer, withdrawal, or investment.

Policy Statement:

The University of West Florida Board of Trustees (the "Board") delegated to the President of the University the authority to operate and administer the University in accordance with applicable law, and with the resolutions, regulations and policies of the Board and of the Board of Governors of the State University System. The execution of policies concerning the handling of University funds is delegated to administrative agents who act under the President's supervision.

The University's Financial Services Office is responsible for the daily management of University bank balances and the general oversight of EFT activity. The University Controller is specifically designated to assist the Board in matters concerning funds handling. Periodically, the University Controller designates staff authorized to initiate and approve EFTs on behalf of the University.

Electronic Funds Transfer can be accomplished via the Automated Clearing House ("ACH") or wire transfer. ACH is the University's preferred mechanism, but wire transfer is acceptable when conditions do not support the use of ACH. Except in rare circumstances, both ACH and wire transfers are processed through on-line banking software provided by the University 's banking partner.

Procedures:

To promote the safety of University funds in the electronic funds transfer environment, the following procedures will be adhered to:

1. The procedure to initiate an EFT is subject to the same financial policies, procedures, and controls that govern disbursement by any other means.

2. EFT transactions will not be made without proper authorization of affected parties in accordance with federal and state statute and accepted business practices.

3. The University will provide to the disbursing bank a list of the names and titles of persons authorized by the University to initiate Electronic Funds Transfer Requests (authorized representatives), as well as associated transfer limits. The disbursing bank will be notified in a timely fashion of any changes to this list.

4. All EFTs should be initiated by computer-based systems. Phone transfers should be used only as back-up in an emergency. Phone transfers, except for transfers between university accounts, will require approval by an authorized representative other than the initiator.

5. The mechanism by which EFT requests are communicated to the disbursing bank will have adequate controls to prevent unauthorized access to both the system and to its various functionalities. These controls should include password protected user accounts, Personal Identification Numbers (PINs), and a designated security administrator role.

The security administrator shall ensure that adequate separation of duties exists in accordance with accepted internal control standards and will protect the integrity of system user profiles. This includes assigning system IDs to users, changing user IDs as necessary, and assisting users with technical problems related to the EFT system. In addition, the Security Administrator will assign access to functions to users and is authorized to lock out personnel as directed by the Controller.

6. Requests for the electronic transfer of funds, other than transfers among the University's various bank accounts within the same financial institution, require approval by an authorized representative other than the initiator. In no case will an individual have the capability to initiate, approve, and record an EFT to the General Ledger.

7. Because EFTs between University bank accounts have reduced risk, the Financial Services Office may use EFT on a routine basis to concentrate funds for payment and investment purposes. Although risks are minimal for transfers between University accounts, reasonable controls should exist with regard to authorization, reconciliation, and review of these transactions.

8. Where EFT's are recurring, the security administrator will initiate the establishment of a template with receiving and disbursing bank information that may not be altered by those assigned to its use. The set-up of and modifications to these templates will require the signature of two authorized University signatories.

9. Bank balances will be monitored daily for unusual or unexpected transactions.

10. Reconciliation of banking activity to the General Ledger will be accomplished in a timely manner with investigation and resolution of reconciling items.

Change Justification:

This policy is being updated to show that the responsible Office is the Division of Business, Finance, and Facilities. No substantive changes are made.

Authority and Related Documents: Section 1010.11, Florida Statutes.

APPROVED: Dr. Judith A. Bense, President Date: 6/20/14

History: Revised June 2014; adopted May 2010.

Amendment approved by the University of West Florida Board of Trustees on September 9, 2014.