

ELECTRONIC FUND TRANSFERS

Electronic Fund Transfers (EFTs) are made during the normal course of business to pay employees, transfer payroll taxes withheld from employee wages to the Internal Revenue Service, to cover dental and medical claims, and other similar functions.

While there are various types of EFTs, the basic steps are the same:

- 1) Person requests a transfer be made by the Revenue Department (Senior Financial Analyst)
- 2) Revenue Department makes the transfer and retains the confirmation documentation
- 3) Bank notification of transfer is sent to third person (not the requester or the person making the transfer)

The procedures for requesting and documenting each type of transfer are slightly different. Each of the common types are discussed below:

- 1) Payroll – a spreadsheet is e-mailed from Payroll (Director or one other authorized person) to Revenue prior to each payroll which contains the amounts, banks, and account numbers for the different wires that need to be made. Revenue makes the transfers and prints confirmation pages for each transfer. For the direct deposit wires, a data mining report is run to determine the fund break down for the amount wired and then a journal entry is posted to record the wire transfer into the general ledger. The other wires are recorded when the payroll invoices are updated in Skyward by the Accounting Supervisor.
- 2) EBTF – for the various wires needed for the employee benefit trust fund, journal entry forms are submitted by one of two authorized payroll personnel to Revenue giving the amount, purpose for the transfer, and bank information. Revenue makes the transfer, prints a confirmation page, and records the wire with a journal entry in the general ledger. A copy of the confirmation page is then e-mailed to the requester.
- 3) Workers Compensation – requested by e-mail (by the Financial Analyst who processes the WC payments) with a spreadsheet attached to document the amount needed to be transferred. Once the transfer is made, a copy of the confirmation is returned to the requester. The requester then posts the journal entry to record the wire in the general ledger.
- 4) Food Service Accounting – requested by journal entry form. Revenue makes the wire transfer and notifies the requester who then posts the journal entry to record the wire.
- 5) Debt Service - requested by a journal entry form. Revenue makes the wire transfer and notifies the requester who then posts the journal entry to record the wire.
- 6) Cash Management/Investments – requested by e-mail by the Assistant Superintendent of Finance and Business Services. Revenue makes the wire transfer and posts the journal entry to the general ledger.

The day after a transfer is made (regardless of the type), the bank sends an e-mail notification of the wire transfer to the Director of Accounting Operations and the Senior Financial Analyst in Revenue. Therefore, someone other than the person who makes the wire transfer receives notification of the transfer.