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6/10/2019*

## **Online Banking and Electronic Funds Transfer Policy**

### **Online Banking**

The Treasurer and the Board President each have separate internet access to see the daily transaction activity of all of the Library's bank and investment accounts.

Access to these accounts is password protected and all online banking must comply with the Library's Computer Use and Security Policy.

### **Electronic Funds Transfer (EFT) Policy and Procedures**

Electronic Funds Transfer (EFT) is the electronic exchange or transfer of money from one bank account to another either within the same bank or between different banks.

For the purposed of this policy, EFT will refer to electronic transfer of funds via ACH (Automatic Clearing House) or via wire transfer.

### **General Policy**

Although the Berkshire Free Library's primary, preferred method of disbursement is by check, electronic funds transfer (EFT) may be used when a payment meets one or more of the following conditions:

- Legal or contractual requirements
- Expedited payment required
- Standard industry practice
- Guaranteed payment delivery required
- Most cost-effective payment method

The Treasurer is responsible for the general oversight of EFT activity and in determining when an EFT is the most cost effective and appropriate payment method.

EFT's will be treated like a hard copy check with respect to disclosure to the Board in the monthly financial statements and an accurate and transparent record of all transfers between accounts will be maintained as part of the permanent financial records of the Library. Such transfers may be subject to dollar limits and/or require additional approval at the discretion of the Board and in keeping with best practices for good internal control purposes.

### **EFT for Payroll Expenses**

Berkshire Free Library does not at the present time use an outside payroll service, but in connection with normal payroll activities, amounts withheld from employee paychecks such as (but not limited to) Federal and State withholding taxes, voluntary contributions or court ordered payments are or may be paid via electronic funds transfer. These payments will be included in the monthly treasurer's report along with any other payments sent via EFT.