

ELECTRONIC BANKING

General Municipal Law Section 5-a authorizes the use of electronic or wire transfers. The Board of Education, in order to provide oversight and security with regard to sound fiscal management of electronic banking activity, will authorize the use of electronic or wire transfers dependent upon the following procedures.

1. A written wire transfer security agreement, between the bank authorized to maintain the District's account and the District, shall be signed and on file prior to the initiation of any electronic transaction with the bank. The bank shall have written instructions on file from the District that wire transfers out of the United States are forbidden. Additionally, the bank shall have in place a security procedure such as authorized pass codes, authorized fax or other such controls as to ensure the validity of the transaction. The security procedure shall be in compliance with Uniform Commercial Code Section 4-A-201, which defines "security procedure" as a procedure established by agreement between the customer (local government) and the receiving bank for the purpose of verifying that a payment order is that of the local government, and for detecting errors in the transmission or the content of the payment order.
2. Online payment transactions are authorized for the following purposes:
 - a. investment of funds;
 - b. to make debt service payments and payroll fringe benefit payments to outside banks (within the United States); and
 - c. transfers within District bank accounts (within any board-approved District bank accounts).
3. The Board of Education shall also authorize receipt of revenue, via online transactions, for food service payments, state and federal aid and grants, tax receipts and other such revenue sources as applicable for the efficient operation of the school district.
4. The District Treasurer is authorized to initiate and execute electronic transactions after receiving the approval of the Assistant Superintendent for Management Services & Strategic Planning.
5. The bank shall verify, either by telephone or in paper/e-mail format, the outgoing wire transfer by contacting one of the designated employees who is independent of the wire transfer process. The designated employee providing the verification shall provide signed proof of verification which shall be filed with the District Treasurer's back-up paperwork.
6. The District Treasurer shall record all electronic banking transactions in conformance with New York State accounting regulations and Generally Accepted Accounting Practices (GAAP).

7. An audit report of all internal transfers shall be reviewed by the District employee who reconciles the bank statements. Documentation of all electronic wire transfers shall be given to the District employee who reconciles the bank statements for review. Said report and documentation shall be attached to the Treasurer's report.

Adopted: December 7, 2010