MEDINA, WASHINGTON

AGENDA BILL

Monday, July 27th 2026

Subject/Topic: Update to Financial Policy Expansion of ACH Payments **Dept. Origin:** Finance/HR **Category:** Consent **Prepared by:** Ryan Wagner – Finance Director **Attachments:** Attachment A – Medina Financial Policies	**Proposed Council Action/Motion:** ☐Information Only ☐Receive and File ☐Discuss ☐Provide Direction ☐Public Hearing ☒**Adopt/Approve** ☐Other:

Summary

This policy proposal went in front of the Finance Committee in June for discussion. With high costs and heavy staff time used in the check run process, an expansion of ACH payments is recommended.

1) **Financial Policy Update – Expanding on ACH Payments**
   - **a.** Currently the city processes over 1,100 checks per year, costing an estimated $5 - $25 per check in fees and staff time.
   - **b.** After the initial setup phase (staff time), ACH payments will cost the city under $1 per transaction.
   - **c.** Check runs take time as staff must scan, sort and mail each paper check.
   - **d.** Electronic payments provide enhanced security, as they are encrypted and trackable while checks can get lost, stolen, or altered.

Language Changes

Definitions Added:

A. *Automated Clearing House (ACH)* - A nationwide payment and collection system that provides for electronic distribution and settlement of funds. Although the term Electronic Fund Transfer (EFT) is technically more inclusive than the term ACH, the term EFT is often used synonymously with ACH and Wire Transfer. Wire transfers execute directly between two accounts, as opposed to a clearinghouse, so they process more quickly, but they are more expensive.

B. *Electronic funds transfer (EFT)* - refers to the disbursement from a bank account by means of wire, direct deposit, ACH or other electronic means.

EFT (Electronic Fund Transfer) Control Procedures:

A. Types of Payments Made via ACH:

- Vendor Payments: In its normal course of business, the City of Medina remits the following types of vendor payments via ACH: Supplier payments, Employee payroll and benefits, and routine payments to the WA State Treasurer.
- Wire Transfers: transfer for investment purchases, bond proceeds, interest payments and maturities are routinely processed by wire between the City and US Bank (custodial account) and between the city and the Local Government Investment Pool.
- Customer Direct Debit: Customers have the option to direct the city to directly debit their bank account to make their payments.
- Travel and expenditure reimbursement for City Staff and City Officials/Volunteers.

Council Priorities

This proposal furthers Council Priorities 1 and 3.

1. **Financial Stability and Accountability**
2. Quality Infrastructure
3. **Efficient and Effective Government**
4. Public Safety and Health
5. Neighborhood Character and Community Building

Budget/Fiscal Impact: No change/impact to current levels of appropriations.
Recommendation: To adopt Resolution No. 463 to expand the ACH payment capabilities of staff to include all eligible vendors.

City Manager Approval:

Proposed Council Motions: "I move to approve the consent agenda, to adopt Resolution No. 463 updating Medina's Financial Policies to expand ACH payments to all classes of vendors".