

## **Village of Poplar Grove**

### **Electronic Funds Transfer (EFT) / Automated Clearing House (ACH) Policy**

#### **Purpose**

The purpose of this policy is to establish standardized procedures for the use of Electronic Funds Transfer (EFT) and Automated Clearing House (ACH) payments in order to improve efficiency, reduce costs, enhance security, and ensure timely payment of the Village's financial obligations.

#### **Scope**

This policy applies to all Village departments and staff authorized to process or approve payments on behalf of the Village of Poplar Grove. It specifically governs the issuance of payments made through EFT/ACH in lieu of paper checks.

#### **Authorized Use**

EFT/ACH may be used for:

- Regular recurring payments to vendors, utilities, and service providers.
- Credit card and financial service accounts.
- Contracted services where EFT/ACH is requested or required by the vendor.
- Payments approved by the Village Clerk and Village Treasurer, with review by the Village President.

#### **Approved Vendors for EFT/ACH (as of adoption)**

- ADT (Everon)
- Amazon
- Home Depot Credit Card
- General Credit Card
- ComEd
- Comcast
- Frontier
- Nicor
- USA Blue Book
- GoTo

- Marathon/Wex Credit Card
- Main Street Checks
- Solutions Bank

Additional vendors may be added upon review and approval by the Village Clerk and Village Treasurer, with review by the Village President.

### **One-Time EFT/ACH Payments for Miscellaneous Vendors**

If a department identifies a vendor that requires EFT/ACH for a **one-time payment**, the following approvals are required:

- Approval by the requesting **Department Head**; and
- Authorization from **two of the following three officers**:
  - Village Clerk
  - Village Treasurer
  - Village President

### **Internal Controls**

#### **1. Authorization:**

- All EFT/ACH payments must be documented and authorized in accordance with this policy.
- The Village Clerk and Treasurer shall jointly administer EFT/ACH accounts, with oversight by the Village President.

#### **2. Documentation:**

- Supporting invoices and authorization forms must be maintained for each EFT/ACH transaction.
- Records must be retained in accordance with the Local Records Act.

#### **3. Security:**

- Bank account access shall be restricted to designated personnel authorized under this policy.
- All transactions shall require dual review by the Clerk's Office and Treasurer's Office.

#### **4. Reporting:**

- EFT/ACH payments shall be itemized and reported to the Village Board with the monthly warrant list.
- Any discrepancies or unauthorized activity shall be reported immediately to the Village President and Village Attorney.

**Fiscal Impact**

The use of EFT/ACH reduces postage, supply, and administrative costs, and minimizes the risk of late fees associated with mailed checks. There are no anticipated additional fees from the Village's banking institution.

**Policy Review**

This policy may be amended by resolution of the Village Board as necessary to reflect changes in banking practices, vendor requirements, or municipal needs.

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**Adopted by the Village Board of Trustees**

Village of Poplar Grove, Illinois

Date: \_\_\_\_\_

**Attest:**

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Karri Miller, Village Clerk

**Approved:**

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Kristi Richardson, Village President