



City of Spring Lake Park Verification of Vendor Bank Account Changes Policy

1. Purpose:

The purpose of this policy is to establish a robust and secure procedure for verifying requests to change vendor bank account details, aimed at preventing fraudulent activities and ensuring the accuracy of financial transactions.

2. Scope:

This policy applies to all employees involved in the accounts payable process, including those who receive, process, and approve vendor payment requests and bank account change requests.

3. Policy:

a. Receipt of Bank Account Change Request:

- Any request to change vendor bank account details must be received in writing.
- Email requests are acceptable but must be subject to further verification as outlined in this policy.

b. Initial Verification:

- Upon receipt of a request, perform initial verification by checking the request against previous correspondence and verifying the vendor's details in the accounts payable system.
- Request updated IRS Form W-9 from vendor. Verify the updated information aligns with the correct taxpayer identity.

c. Direct Contact for Confirmation:

- Before any changes are made, directly contact the vendor using previously verified contact information (telephone number or address) from the City's accounts payable system or approved contract.
- Do not use contact information provided in the recent change request for this verification step.

- d. Independent Verification:
 - An employee who is not involved in processing the change request should carry out an independent verification. This person should confirm the request's authenticity by contacting the vendor using the pre-existing, verified contact details.
 - e. Approval of Change Request:
 - After successful verification, the change request must be approved by a designated authority, typically the Accountant or Administrator, Clerk/Treasurer.
 - f. Updating Records:
 - Update the vendor's bank account details in the financial system only after completing all verification steps and obtaining the necessary approvals.
 - Ensure that the new information is accurately entered.
 - g. Notifications:
 - Notify relevant staff members of the change in vendor bank details to ensure consistency across all records.
 - h. Regular Audits:
 - Conduct regular audits of vendor files to ensure accuracy and detect any irregularities.
 - i. Reporting:
 - Employees are encouraged to report any suspicious activity or inconsistencies in vendor information to the Accountant or Administrator, Clerk/Treasurer.
4. Compliance:

Failure to adhere to this policy may result in disciplinary action, up to and including termination of employment, and could expose the City to financial loss.

Adopted by the City Council on this ____ day of _____, 2023