


| | | |
|---|----------------------------------|---|
|  | FGCU POLICY 3.031 | Responsible Unit: Office of the Controller |
| | Electronic Funds Transfer | |

A. POLICY STATEMENT

It is the University’s responsibility to promote the safety of University funds within the environment of Electronic Fund Transfers. This Policy supports that responsibility.

B. REASON FOR POLICY

This Policy is adopted pursuant to the requirements of section 1010.11, Florida Statutes. This statute provides that the University adopt written policies prescribing the accounting and control procedures by which any funds under the University’s control are allowed to be moved by electronic transaction for any purpose, including direct deposit, wire transfer, withdrawal, or investment.

C. APPLICABILITY AND/OR ACCOUNTABILITY

The execution of policies concerning the handling of University funds is the responsibility of the Vice President for Administrative Services and Finance, who designates to staff in the Office of the Controller the authorization to initiate and approve Electronic Funds Transfers (EFTs) on behalf of the University. The University Controller is responsible for the daily management of University bank balances and the general oversight of EFT activity.

This Policy is applicable to EFTs, which can be accomplished via automated clearing house (“ACH”) or wire transfer. ACH is the University’s preferred mechanism, but a wire transfer is acceptable when conditions do not support the use of ACH. Except in rare circumstances, both ACH and wire transfers are processed through on-line banking software provided by the University’s banking partner.

D. DEFINITION OF TERMS

1. *Authorized Representative*: A University employee authorized to initiate an electronic funds request within associated transfer limits.
2. *Electronic Funds Transfer (EFT)*: The transmission of an electronic message to a financial institution instructing it to make an electronic entry reflecting the transfer of ownership of funds from one depositor to another.
3. *Security Administrator*: The Senior Associate Controller, or designee.

E. PROCEDURES

1. The procedure to initiate an EFT is subject to the same financial policies, procedures, and controls that govern disbursement by any other means.
2. EFT transactions will not be made without proper authorization of affected parties in accordance with federal and state statute and accepted business practices.
3. The University will provide to the disbursing bank the names and titles of the Authorized Representative as well as the associated transfer limits. The disbursing bank will be notified in a timely fashion of any changes to the designated Authorized Representative or in the transfer limits.
4. All EFTs should be initiated by computer-based systems. Phone transfers should be used only as back-up in an emergency. Phone transfers, except for transfers between University accounts, will require approval by an Authorized Representative other than the authorized University employee initiating the phone transfer.
5. The mechanism by which EFT requests are communicated to the disbursing bank will have adequate controls to prevent unauthorized access to both the system and to its various functionalities. These controls should include bank-issued digital security certificates which are computer-specific, password-protected user accounts, a bank-issued EFT card exclusively assigned to a user and computer station, and a designated Security Administrator. The Security Administrator shall ensure that adequate separation of duties exists in accordance with accepted internal control standards and will protect the integrity of system user profiles. This includes assigning system IDs to users, changing user IDs, as necessary, and assisting users with technical problems related to the EFT system.
6. Requests for the electronic transfer of funds require approval by an Authorized Representative other than the person making the initial request. In no case will one (1) individual have the capability to initiate, approve, and record an EFT to the General Ledger.
7. Because EFTs between University bank accounts have reduced risk, the Controller's Office may use EFTs on a routine basis to concentrate funds for payment and investment purposes. Although risks are minimal for transfers between University accounts, reasonable controls should exist with regard to authorization, reconciliation, and review of these transactions.
8. When EFTs are recurring, the Security Administrator will approve the establishment or modification of a wire template with the receiving and the disbursing bank's information. These recurring EFTs may not be altered by those approved to process EFTs. This provides for a "checks and balances" system.
9. Bank balances will be monitored daily for unusual or unexpected transactions.

10. Reconciliation of banking activity to the General Ledger will be accomplished in a timely manner with investigation and resolution of reconciling items.

Related Information

Section 1010.11, Florida Statutes

Authority

BOG Regulation 1.001, University Board of Trustees Powers and Duties

History of Policy

New 06/24/11; Format Changed 09/10/19

APPROVED:

 */s/Wilson G. Bradshaw
Wilson G. Bradshaw, President

 June 24, 2011
Date