

Town of Thurston Electronic Funds Transfer Policy and Procedures

1. PURPOSE: The primary goal of this policy is to ensure Electronic Funds Transfers (EFTS) are initiated, executed, and approved in a secure manner. This policy establishes requirements with respect to any payment or processes via EFT for payments or revisions thereof to vendors, employee direct deposit bank accounts, or any monetary transfer.

2. GENERAL REQUIREMENTS: All EFT payments will be coordinated and submitted through the Town Supervisor/Deputy Town Supervisor. The Town Supervisor/Deputy Town Supervisor will approve all new and changes to electronic funds transfer requests, ensuring that the payment via wire is necessary, all required documentation is provided and appropriately approved, and that the request and banking account information is accurate and valid.

a. Town Supervisor/Deputy Supervisor is responsible for ensuring that proper documentation, authorization, and accounting information are provided and accompany any EFT payment instructions.

b. Town Supervisor/Deputy Town Supervisor is responsible for initiating and releasing EFTs on behalf of the municipality. Two separate individuals are required to initiate and release EFT payments through the municipality's computer-based system as a form of secondary verification. The Town Supervisor/Deputy Town Supervisor also has the responsibility to confirm EFT instructions with specific departments and individuals if there is any question as to the validity of the EFT request.

c. Town Supervisor/Deputy Town Supervisor is responsible for obtaining and submitting proper support and approvals, including the completed and approved Wire Transfer Request form at least seven business days prior to payment being needed.

3. PROCEDURES: To safeguard Thurston's funds in the EFT environment, the following procedures will be adhered to by any municipal employee requesting payments or changes via EFT and all municipal employees requesting payments or changes, via EFT and all municipal employees involved in processing payments via EFT. Authentication of new EFT requests and changes to existing EFTS is required prior to the transaction being input into the computer-based banking system. Steps to authenticate EFT requests and changes include:

a. **Validate** all new electronic payment instruction requests received even if the request is internal.

b. **Contact** the supplier or requester directly by phone to confirm any requests for payment method or payment instruction changes. Do not use the contact information provided on the request to change payment method or payment instructions; do use contact information known to be genuine such as the contact information in your master supplier file or information collected from the original contract. Have the contact confirm existing payment instructions on the file prior to making changes to those instructions (i.e., current bank account and routing number provided in original instructions).

c. **Verify** the new information on the payment instructions with the information provided with the known contact (i.e. contact bank to confirm correct account name, number, and routing information).

d. Document the verification process that was followed to validate payment instructions. The person responsible for entering/updating wire instructions and the person approving new-updated wire instructions must approve the record of verification. A record of the verification must be maintained in accordance with the Record Retention Policy.

Motion was made by Noel Sylvester and seconded by Jennifer Hargrave that the following Resolution # 2 of 2026 be passed:

WHEREAS, the Town of Thurston utilizes Electronic Funds Transfers (EFTs) for efficient financial operations, including payroll, vendor payments, and grant disbursements; and

WHEREAS, it is the policy of the Town to ensure the security, accountability, and proper authorization for all EFTs in compliance with New York State law

BE IT FURTHER RESOLVED that the Town Clerk is directed to certify and provide copies of this resolution to the Town Supervisor, Chief Fiscal Officer, and relevant banking institutions as required.

Put to roll call vote, Jennifer Hargrave, aye; Dan Gee, aye; Noel Sylvester, aye; Holly Chase, aye; Michael Volino, aye. The policy was adopted January 7th, 2026 by a unanimous vote of the governing board of the Town of Thurston.