

# TOWN OF ALLENSTOWN

## On-Line Banking Policy

### 1. Purpose

The purpose of this policy is to establish guidelines for the use of on-line banking features on Town-owned accounts.

### 2. Terms

- a. "ACH," or "automated clearing house," means a credit or debit transaction conducted electronically.
- b. "Authorized user" means a person identified in this policy who is permitted by the Board of Selectmen to access Town-owned accounts. Individuals who are not identified as authorized users have no permission, expressed or implied, to access Town-owned accounts electronically.
- c. "Balance inquiry" means the ability to view the funds available for disbursement from a Town owned account.
- d. "Current Account" means the general operating account of the Town.
- e. "Deposit" means the act of transmitting currency, checks, credit card vouchers, money orders and other fungible means of payment into a Town owned account.
- f. Escrow Account means an interest bearing account into which money held by the Town in trust as a bond or other surety is deposited.
- g. "Electronic payment or e-pay" means to move money from a Town owned account to a third party payee in satisfaction of a Town obligation.
- h. "Fund transfer" means to move money from one Town owned account to another.
- i. "Investment Account" means the account in which funds are held for purpose of earning interest or dividends.
- j. "One-check procedure" is the process by which a motor vehicle owner is permitted to write one check to the Town in payment of both the municipal and the State portion of the registration fee. The Town is obligated to transmit the State portion of the fee to the State. For purposes of this policy, fund

transfers pursuant to the one-check procedure are from the Town to the State only.

- k. "On-line banking" means the process of accessing Town-owned accounts via the Internet.
  - l. "Payroll Account" means the account in which funds are held for the purpose of paying Town employees and associated wage-driven costs.
  - m. "Report" means any summary of transactions or a transaction history. A bank statement available electronically shall be a "report" for the purpose of this policy.
  - n. "Stop payment" means an order to the financial institution to refuse payment on an issued check or to cancel, modify and amend any ACH or electronic payment.
  - o. "To check images" means the ability to view a facsimile image of a check or other draft that has been processed for payment, or "cleared" for the purpose of ascertaining the identity of the payor or payee, the date of the draft, the routing information of the banks involved in the processing for payment, the endorsement(s), or any other data reasonably calculated to provide information about whether an item has actually been paid.
  - p. "To create an ACH transaction" means to establish and meet all criteria necessary to initiate and/or process a fund transfer or an e-pay short of authorizing the actual transfer.
3. No fund transfer, e-pay or other order with respect to any Town-owned account shall be made electronically by an authorized user unless first approved by the Board of Selectmen. The following transactions are exempt from the rule in this subsection: (1) fund transfers from the Town to the Allentown School District and/or the applicable School Administrative Unit pursuant to statute may be made electronically without prior authorization ("school transfers"); (2) e-pays from the Town to the State under the one check procedure ("one-check transfers"); (3) fund transfers between the Current Account and any investment account made for the purpose of maximizing interest or earnings on Town funds ("investment transfers").
- a. Notwithstanding the foregoing, the Town Clerk may authorize electronic payments from the Town to the State pursuant to the one-check procedure without specific direction from the Board of Selectmen.
  - b. The Treasurer may authorize without further direction from the Board of Selectmen electronic payments from the Town to the Allentown School


District and/or the applicable school administrative unit pursuant to any schedule adopted by the Board of Selectmen.

- c. The Treasurer may authorize fund transfers between the Town's operating account and any investment account made for the purpose of maximizing interest or earnings on the Town's funds pursuant to the investment policy adopted by the Board of Selectmen pursuant to RSA 41:9, VII.
4. The Treasurer shall execute fund transfers, e-pays and other electronic disbursements as directed by either the Board of Selectmen or the Town Clerk in the case of a one-check procedure
    - a. The Town Administrator or the Administrator's designee shall access the Town-owned accounts on Thursday of each week for the purpose of making a return to the Board of Selectmen for each authorized disbursement.
    - b. The return may consist of any confirmation notice issued or provided by the financial institution; but, in any event, shall contain at least the following information:
      - i. The amount of the transaction;
      - ii. Any identifying number given to the transaction by the financial institution and/or the third party vendor; and
      - iii. The date of the transaction;
    - c. The return of each authorized disbursement shall be attached to the Selectmen's Manifest that authorized the transaction and cross referenced to the particular transaction. Returns for school, one-check and investment transfers shall be attached to the manifest, but need not contain any cross-reference notation.
  5. In addition to those functions specified in paragraph 4, the Treasurer is authorized to perform the following functions:
    - a. To create and manage reports;
    - b. To view bank statements;
    - c. To create any ACH transaction;
    - d. To view any ACH transaction initiated by another authorized user;
    - e. To issue any stop payment order relative to any transaction the Treasurer believes, in the Treasurer's discretion, should be amended or canceled;
    - f. To make any balance inquiry for any proper purpose;
    - g. To check images;
    - h. To do any other act necessary to carry into effect the intent of this policy, to protect the Town's funds, or to comply with the Treasurer's statutory obligations.

6. In addition to those functions specified in paragraph 4, the Town Administrator is authorized to perform the following functions:
  - a. To create and manage reports;
  - b. To view bank statements;
  - c. To create an ACH transaction;
  - d. To view any ACH transaction initiated by another authorized user;
  - e. To make any balance inquiry for any proper purpose;
  - f. To check images;
  - g. To do any other act necessary to carry into effect the intent of this policy, or to protect the Town's funds.
7. In addition to those functions specified in paragraph 4, the Town Clerk and the Tax Collector is authorized to perform the following functions:
  - a. To create and manage reports;
  - b. To view bank statements;
  - c. To create an ACH transaction for one-check transfers;
  - d. To make any balance inquiry for any proper purpose;
  - e. To check images;
  - f. To do any other act necessary to carry into effect the intent of this policy, or to protect the Town's funds.
8. Any authorized user under this policy shall execute a bond to guarantee the user's performance under this policy. The Town shall pay the premium for said bond. The amount of the bond is as follows:
  - a. For the Treasurer, in an amount not less than \$1,000,000 or any amount required by statute;
  - b. For the Town Administrator, in an amount less than \$1,000,000.00
  - c. For the Town Clerk and Tax Collector, in an amount not less than \$1,000,000 or any amount required by statute.

Adopted by the Board of Selectmen on this \_\_\_\_ day of July in the Year 2010.

  
\_\_\_\_\_  
JASON TARDIFF, Chair

  
\_\_\_\_\_  
ROGER LA FLEUR, Selectman

  
\_\_\_\_\_  
JEFFREY GRYVAL, Selectman

ATTEST: \_\_\_\_\_  
DIANE DEMERS, Town Clerk