

LAKE-SUMTER STATE COLLEGE

BOARD RULE

TITLE: Checks and Electronic Funds Transfers **NUMBER:** Rule 6.03

AUTHORITY: Florida Statutes 1010.11; 215.85; 668.006 **PAGE:** 1 of 2
SBE 6A-14.075

HISTORY: New - 9/1/73
Amended – 10/15/80, 3/20/91, 6/19/96, 1/20/09, 9/18/12, 7/16/13

DATE ADOPTED: 7/16/13

REFERS TO PROCEDURE NUMBER: PRO 6-01 & 6-31

Disbursement of college funds by checks and through electronic transfer shall be as follows:

1. Use of Facsimile Signatures on Checks

- a. The Board authorizes check signers per Rule 1.06, Facsimile Signatures of Board Chairman and President. Authorized check signers must use a facsimile signature in lieu of a manual signature to sign checks.
- b. The authorized check signers must file manual signatures with the Department of State and certify those signatures under oath.
- c. The actual facsimile signatures will be maintained on the college network and will be used only in conjunction with the check software to affix the facsimile signature to a check.
- d. Facsimile signatures and routing information will not be printed on ACH/direct deposit remittances in order to prevent fraudulent use.

2. Electronic Funds Transfer (EFT)

- a. EFT's initiated by the college must be authorized under a current Master Banking Services Agreement. Master banking agreements must be manually signed by the President and the Board Chair. Secondary agreements may be manually signed by the President or his designee. Every account under the Master Banking Service Agreement being debited/credited must be pre-authorized under a Deposit Agreement, Wire Transfer Agreement, an ACH Agreement or other named electronic agreement.

- b. The president is authorized to establish EFT agreements related to the provider of the college's primary bank account including, but not limited to, related zero balance accounts, the Florida PRIME account and the Special Purpose Investment Account (SPIA) account. The president is authorized to open bank accounts without EFT-initiating ability in the name of the college to act as depository accounts. EFT's between college accounts are to be executed by staff who are bonded and authorized by the president.
 - c. EFT's representing payments processed under the Accounts Payable or Payroll systems will be executed as follows:
 - 1. Payments are executed under the rules of the ACH, EDI, Purchasing-Card (credit card assigned by the college), or direct deposit agreements.
 - 2. Payments to the Internal Revenue Service, the Florida Retirement System, the State of Florida, and other authorized governmental entities not specifically noted are to be executed under the arrangements established by the government entity collecting the moneys being paid.
 - d. The President is authorized to establish procedures for appropriate internal controls related to the conduct of all EFT's; electronic payments to governmental entities; authorization and cancellation of direct deposit (ACH) instructions from vendors and employees; third party payments of expenditures, advance, or reduction of cash assets not processed within the Accounts Payable or Payroll systems; and confirmation of EFT's with the financial institutions servicing the college.
3. Procedures and internal controls shall be established and carried out under the direction of the President to minimize the College's exposure to financial loss.