I. SCOPE

This Electronic Fund Transfer Policy ("Policy") applies to all staff who are approved to utilize electronic funds transfers, such as Automated Clearing Houses ("ACH") and wire transfers for payments made on behalf of Arcadia University (the "University"). Please see Section IV below for the definitions of terms contained in this Policy.

II. POLICY STATEMENT

Electronic Funds Transfer ("EFT") offers an efficient way to move funds but possesses inherent risks. This Policy is intended to establish effective controls surrounding EFT processing requirements. The purpose of this Policy is to ensure that EFTs are initiated, executed, and approved in a secure manner through effective controls in order to mitigate risk.

There are two types of EFTs:

- Payments to vendors or suppliers, and
- Transfers of investment monies.

III. POLICY

This Policy requires that appropriate internal procedures are utilized in the processing of EFTs in order to ensure that adequate banking controls are maintained and to prevent any fraudulent or unauthorized payments. An EFT will be used only when a situation requires immediate funding, or when a paper check is not an acceptable form of payment.

The College of Global Studies ("TCGS") makes international payments and works with foreign banks. The majority of payments are already processed as EFTs. EFTs for TCGS are aligned with comprehensive controls set up within internet banking tools to offer cash management solutions for international operations. In addition, all internet banking solutions are managed with security and proper controls.
To support the safety of University funds in the EFT environment, the procedures to initiate and process EFTs are subject to the same financial policies, procedures, and controls that govern disbursements of University funds by any other means (i.e. check disbursements).

For all EFTs, the Initiator will initiate the wire and send written notification with supporting documents to trigger an action that a wire is ready for approval. Only authorized signatories as per the University Bank Account Policy, or their designees, may approve an EFT. The University has established the authority to initiate EFTs with associated financial limits and confirmations of executed transfers. There must be assurance that adequate separation of duties exists. There must be controls in place in regard to authorization, reconciliation, and review of these transactions.

For **ALL** EFT requests, the source must be verified and the request approved. Verification procedures include:

1. Creating a written verification process (listed on Exhibit A) for all wire transfer requests,
2. A confirming follow-up using another mode of communication should be completed (i.e. if it is an email request, call the requestor back to speak with them in person),
3. Including a multi-person approval process, and
4. Training all staff who may receive these requests to ensure that everyone understands the process.

ACH payments (also known as standing orders) are utilized on a limited basis and are automatically withdrawn from the University’s ACH bank account. Payments that are withdrawn from that account typically include, but are not limited to: payroll, payroll taxes, credit card payments, benefits, and certain utility payments. ACH payments require approval from the University’s Finance and Administration Office or TCGS Finance Office for ACHs pertaining to TCGS operations.

Security Administrators are assigned to set up, monitor, and protect user profiles, rights, and access. All persons using the EFT system must be assigned individual users by Security Administrators.

Reconciliation of banking activity with regard to EFTs and ACHs to the University’s general ledgers will be completed in a timely manner with proper investigation and resolution of reconciling items.

**IV. DEFINITIONS**

**Approver/Authorized Signatory:** The staff member responsible for completing and verifying the funds transfer. The Approver is an authorized signatory officer for the University or their designee.

**Automated Clearing House (ACH):** An electronic network for financial transactions in the United States. ACH processes large volumes of credit and debit transactions in batches. ACH credit transfers include direct deposit, payroll, and vendor payments. ACH direct debit transfers include consumer payments on insurance premiums, mortgage loans, and other kinds of bills. Debit
transfers also include new applications such as the point-of-purchase check conversion pilot program sponsored by the National Automated Clearing House Association. Both the government and the commercial sectors use ACH payments. Businesses increasingly use ACH online to have customers pay, rather than via credit or debit cards.

**Electronic Funds Transfer (EFT):** The electronic transfer of money from one bank account to another, either within a single financial institution or across multiple institutions, via computer-based systems, without the direct intervention of bank staff.

**Initiator:** The staff member responsible for processing EFTs for the University. The Initiator is most often in an Accounts Payable or disbursement capacity role.

**Security Administrators:** Senior individual within the business operations with the authority to create users and assign security profiles to individuals for the preparation of EFTs.

**Vendor:** Any person or organization being paid from the University’s Accounts Payable Department.

**Wire transfer:** A method of electronic funds transfer from one person or entity to another. A wire transfer can be made from one bank account to another bank account or through a transfer of cash at a cash office. Transactions made by wire transfers can typically be transferred within a day. As opposed to ACH payments, wire transfers are often used for individual transactions.

**University:** Arcadia University, its colleges, schools, affiliates, divisions, and subsidiaries.

V. **EFFECTIVE DATE**

This Policy is effective the date that it is signed by the President.

VI. **SIGNATURE, TITLE AND DATE OF APPROVAL**

By:

![Signature]

Ajay Nair, President

Date: 5/16/19
Exhibit A

WIRE TRANSFER REQUEST / VERIFICATION FORM

All Electronic Fund Transfer requests must be verified using an alternate communication method than how the request was initiated. All requests must be recorded using this form.

Date of Request ____________________________

Amount of Request ____________________________

Currency ___________________________________

Purpose of Request __________________________

Name of Payee _______________________________

Address ____________________________________

Account Number ______________________________

Name of Bank Receiving Transfer _______________________

Bank Address __________________________________

ABA (Routing # or SWIFT Code) ________________________

IBAN Number ____________________________________

Arcadia Charge Account Number ______________________

Requester _____________________________________

Title __________________________________________

Signature ______________________________________

First Approver _________________________________
(Person authorized to manage the budget for the Requester's department)

Second Approver _______________________________
(Must be an Authorized Signatory as per the University Bank Account Policy or their designee)