

RESOLUTION 2026-A

A RESOLUTION OF THE TOWN OF EATONVILLE, WASHINGTON, ADOPTING AN ELECTRONIC FUNDS TRANSFER POLICY AND PROCEDURES FOR THE TOWN OF EATONVILLE

WHEREAS, the Town of Eatonville does not currently have a policy for electronic fund transfers (“EFT’s”); and

WHEREAS, the Town deems it necessary to establish a policy to provide guidance on the authority and oversight of EFT’s; and

WHEREAS, this policy will provide the procedures on the authorization and approval of EFT’s; and

WHEREAS, the Finance Committee recommends approval of the attached policy; now, therefore,

THE TOWN COUNCIL OF THE TOWN OF EATONVILLE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

THAT: The Town of Eatonville Electronic Funds Transfer Policy and Procedures Policy are approved in the form attached hereto as Exhibit A.

PASSED by the Town Council of Town of Eatonville and attested by the Town Clerk in authentication of such passage this 12th day of January 2026.

Emily McFadden, Mayor

ATTEST:

Miranda Doll, Town Clerk



Electronic Funds Transfer (EFT) Policy and Procedures

Purpose

The Town of Eatonville generally conducts payments by check and does not encourage routine use of Electronic Funds Transfers (EFTs) for vendor payments. However, certain agencies, grantors, and financial institutions require payments to be made electronically. In these limited situations, the Town will use EFTs in accordance with RCW 39.58.750 and the requirements of the Washington State Auditor's Office. This policy establishes controls to ensure all EFT transactions are secure, authorized, and properly documented.

Policy Statement

EFTs will be used only when required or necessary, including but not limited to:

- Payments mandated by another governmental entity or grantor agency
- Payroll-related withholdings and tax deposits
- Bond payments, credit card settlement, or banking fees
- Other transactions where electronic payment is the only acceptable or most secure method

All EFTs must follow the same approval, documentation, and purchasing requirements that apply to check disbursements.

Definitions

- Electronic Funds Transfer (EFT): A computer-based transfer of money between bank accounts, including Automated Clearing House (ACH) and wire transfers.
- ACH: An electronic payment method using the Automated Clearing House network.
- Wire Transfer: A bank-initiated, same-day funds transfer, used only when required or when immediate payment is necessary.
- Banking Information: Any data required to transmit funds, such as account name, account number, and routing number.

Authority and Oversight

The Finance Department is the only department authorized to initiate EFTs. The Mayor or designee must approve:

1. Any new EFT arrangement
2. Any change to existing banking information
3. Each EFT transaction prior to release

The Town will maintain separation of duties and restrict access to online banking to authorized personnel.

Procedures

1. Verification of Banking Information

For every new or modified EFT instruction, staff must:

- Validate the legitimacy of the request
- Independently contact the vendor or agency using verified contact information
- Confirm banking details (account name, number, routing number)
- Document the verification steps and retain them with the payment record

2. Processing EFTs

- EFTs must be entered and reviewed by authorized Finance staff.
- EFT totals submitted to the bank must match reports from the financial system.
- Wire transfers require two users: one to initiate and one to approve.
- Transactions must be promptly recorded in the Town's accounting system.

3. Monitoring and Reconciliation

- Bank balances will be reviewed daily for unusual or unexpected activity.
- Bank accounts will be reconciled timely, with discrepancies investigated and resolved.

4. ACH Vendor Payments

The Town will pay vendors by check unless an agency requires ACH. When ACH is required, vendors must submit a Direct Deposit Authorization Form, and all banking information must be verified and securely stored. Any change requires a new form and phone confirmation with the vendor.

Audit Access

All EFT records, documentation, and supporting information will be made available to the Washington State Auditor and any other authorized reviewers.

Review and Updates

This policy will be reviewed annually for accuracy and compliance. The Mayor may make minor administrative updates that do not change the intent of the policy or conflict with state or federal requirements.