

7.20 – ELECTRONIC FUND TRANSFERS

District funds shall only be disbursed by the District Treasurer upon the receipt of checks or warrants signed by the District Board of Director’s Disbursing Officer and the Superintendent or through the electronic transfer of funds. Any electronic transfer of funds must be initiated by the District and authorized in writing by both the Disbursing Officer of the school district Board of Directors and the Superintendent.

For the purposes of this policy, “initiated by the District” means the District controls both the timing and the amount of the funds transfer.

The District Treasurer shall maintain evidence of authority for the disbursement in the form of invoices, payrolls that conform with written contracts on file in his/her office, or other appropriate documentation indicating an authority to disburse District funds.

“Other appropriate documentation” includes one-time, signed authorization for recurring transactions. The Board of Directors Disbursing Officer must pre-authorize the electronic transfer of funds for non-recurring transactions which can be accomplished by a signed authorization or an email authorizing such a disbursement of funds.

Notes: ¹ Commissioner's Memo Com-12-036 suggests the use of email as a way to obtain pre-authorization for non-recurring transactions. You may add to or change this language to reflect district practice provided adequate internal control is maintained for such transactions.

The Commissioner's Memo strongly discourages use of district debit cards. While we did not include any language to that effect in this policy, we agree with both the DESE and Legislative Audit that districts would be wise to avoid their use. The occasional use of District credit cards is unavoidable, but Legislative Audit urges stringent internal controls to help ensure such use is not abused.

Cross Reference: 1.16 —DUTIES OF BOARD DISBURSING OFFICER

Legal References: A.C.A. § 6-13-701(e)
 Commissioner’s Memo COM-12-036

Date Adopted: May 10, 2012

Last Revised: June 24, 2019