POLICY: Accounts Payable ACH Policy

ESTABLISHED: June 12, 2023
RESOLUTION NO.: Not Applicable; **DATE**: Not Applicable

I.   **Accounts Payable ACH Policy**

   A.   **Purpose**

   To establish proper ACH procedures to ensure accuracy and safety to avoid fraudulent activity.

   B.   **Policy**

   The Finance Department, Accounts Payable Division, is responsible for ensuring that ACH account change request, ACH set up request are verified and signed off by Manager/Supervisor before requesting purchasing to make changes.

   C.   **Procedure**

   1.   **Accounts Payable**

      a)   Verifying vendor request

         (1)   Accounts Payable will ensure each request to update vendor information regarding ACH are legitimate by ensuring the email received is from proper vendor email address. This can be obtained by checking to see if the email address matches the email address in Munis or by verifying email address from older invoices for the vendor.

         (2)   Once the initial review is done, AP will provide vendor with Direct deposit form to change or set up ACH payment method.

         (3)   Vendor must mail the ACH form to Accounts Payable along with a voided check or voided deposit ticket. If those are not available a letter from their bank on their letterhead, which must include the name on the account, ABA routing number and account number as well as the bank representative contact information and signature.

         (4)   The final step would be to hand over all the proper backup documents to the Accounting Manager/Supervisor and have them verify the change request. They will conduct a secondary check by calling the vendor with contact information in Munis to verify that the change was requested. After that information is verified by the Manager/Supervisor they will sign off and initial before handing over to Accounts Payable.

(5) Once forms are received back and signed from Manager/Supervisor, AP will provide the ACH forms to purchasing to make the required changes. Purchasing will make sure that all changes are signed off by the Manager/Supervisor before making any changes.