

**SOUTHURON VALLEY UTILITY AUTHORITY  
POLICY FOR AUTOMATED CLEARING HOUSE (ACH)  
ARRANGEMENTS AND ELECTRONIC  
TRANSACTIONS OF FUNDS**

The following policy shall govern the use of electronic transactions and ACH arrangements for the South Huron Valley Utility Authority (SHVUA):

**1. Definitions**

"Automated clearing house" or "ACH" means a national and governmental organization that has authority to process electronic payments, including, but not limited to, the national automated clearing house association and the federal reserve system.

An "ACH arrangement" means the agreement between the originator of the ACH transaction and the receiver of an ACH transaction.

An "ACH transaction" means an electronic payment, debit or credit transfer processed through an automated clearinghouse.

An "ACH policy" means the procedures and internal controls as determined under *this* written policy developed and adopted by the South Huron Valley Utility Authority Board Members.

**2. Authority to Enter Into ACH Arrangements and Electronic Transfers of Public Funds**

The South Huron Valley Utility Authority Treasurer may enter into an ACH arrangement as provided by Public ACT 738 of 2002, effective December 30, 2002.

An ACH arrangement under PA 738 of 2002 is not subject to the Revised Municipal Finance Act, Public Act 34 of 2001 (MCL 141.2101, et seq.), or to provisions of law or charter concerning the issuance of debt by a local unit.

**3. Responsibility for ACH Agreements**

The South Huron Valley Utility Authority Treasurer is responsible for the Authority's ACH agreements, including payment approval, accounting, reporting, and generally for overseeing compliance with the ACH policy.

The Treasurer submits to the Authority Board documentation detailing the goods or services purchased, the cost of the goods or services, the date of the payment, which may include electronic transfers.

**4. Internal Accounting Controls to Monitor Use of ACH Transactions  
Made by the South Huron Valley Utility Authority**

The following system of internal accounting controls will be used to monitor the use of ACH transactions made by the South Huron Valley Utility Authority:

- 1) The Authority Treasurer shall prepare a list of vendors authorized to be paid by ACH transaction and provide that list to the Authority Board.
- 2) The Authority Accountant initiates the transaction upon receipt of an invoice included on the authorized ACH list approved by the Authority Board and presents to the Treasurer for approval
- 3) The Authority Treasurer presents the voucher, a list of bills for payment, which may include electronic payments for Authority Board approval
- 4) Following the aforementioned approvals, the Authority Accountant may process the actual transfer of funds.
- 5) Some examples of potential ACH transactions are:
  - A Bond and interest payments
  - B. Loan payments
  - C. Accounts payable payments
- 6) The Authority Treasurer shall retain all ACH transaction documents for audit purposes.
- 7) The Authority Treasurer shall retain all invoices for audit purposes.
- 8) In the event that the Accountant position ceases to exist and all such activity becomes the responsibility of the Treasurer, a monthly review of all ACH and wire transactions should be completed by the System Manager or a third party as determined by the Authority Board.

**SOUTHURON VALLEY UTILITY AUTHORITY**

**AUTHORIZED ACH PAYMENT VENDOR LIST**

**(As of 08/16/2017)**

The following is a list of the vendors, banking institutions and governmental agencies authorized to be paid by ACH transactions by the South Huron Valley Utility Authority:

1. Fifth Third Bank  
300 W. North Street – MD J51061  
Brighton, MI 48116

*ACH Transaction (s):*

*Meter Loan Payments  
Internal Bank Account Transfers*

2. State of Michigan  
Department of Treasury  
Michigan Municipal Bond Authority  
P.O. Box 15128  
Lansing, MI 48901

*ACH Transaction (s):*

*Outstanding bond issue debt payments*