3.   ACCOUNTING

3.8   **Expenditures**
3.8.11   **Electronic Funds Transfer - Disbursement**

3.8.11.10   **Electronic funds transfer** (EFT) refers to the disbursement from a bank account by means of wire, direct deposit, ACH or other electronic means. In accordance with RCW 39.58.750 we prescribe the following accounting procedures for such transactions.

3.8.11.20   Disbursing money by the EFT:

    a. Prepare a record which shows:

       Chronological number of the EFT payment.

- Time and date of disbursement.
- Payee - name, address and account number.
- Amount of disbursement.
- Purpose of disbursement.
- BARS or other accounting system expenditure/expense account number.
- Name and number of fund(s).
- Disbursing bank's unique transaction identification number, if available.
- Receiving bank or financial institution's identification number.

    b. A file must be maintained of authorizations signed by payees who have thereby agreed to have moneys added to their accounts electronically.

    c. The treasurer should notify the disbursing bank that access to files, records and documentation of all EFT transactions involving the treasurer should be provided to the State Auditor when required for the conduct of the statutory post audit.

3.8.11.30   Policies should be adopted to establish effective internal control to protect EFT transactions from internal and external threats. These policies should include:

- Implementation of bank offered security measures to prevent unauthorized individuals from initiating or modifying a transfer. Each user initiating or approving bank transactions must have a separate banking user id.

- Define the process for creating, securing, sending and authenticating direct deposit transmittal files to prevent unauthorized modification or submission.

- Adoption and implementation of computer standards, policies and procedures to protect the computers and computing processes used for EFTs from computer malware.

Refer to the Local Government Performance Center, Cyber-Security Advice for additional guidance.