**RESOLUTION NO. 2025-5.\_**

**OF THE GOVERNING BODY OF**

**THE BOROUGH OF BLOOMINGDALE**

**RESOLUTION ESTABLISHING A POLICY AND PROCEDURE FOR ACH (AUTOMATED CLEARING HOUSE) AND WIRE TRANSFER PAYMENTS**

**WHEREAS**, legislative amendments to N.J.A.C. 5:30-9A & N.J.A.C. 5:31-4 have implemented N.J.S.A. 40:5-16.5 to permit all local units to utilize standard electronic funds transfer (EFT) technologies for payment of claims electronically, and

**WHEREAS**, those technologies include automated clearing house (ACH) transactions and wire transfers among others, and

**WHEREAS**, the Borough of Bloomingdale wishes to utilize EFT technologies, specifically ACH & wire transfers, and

**WHEREAS**, the Borough policy and procedures as it relates to ACH & wire transfers is attached to this resolution.

**AND NOW THEREFORE BE IT RESOLVED** that the governing Body of the Borough of Bloomingdale does hereby approve the policies and procedures set forth in the resolution attachment for the use of Electronic Funds Transfer (EFT) technologies as it relates to ACH and wire transfers.

**POLICY AND PROCEDURE FOR ACH (AUTOMATED CLEARING HOUSE) AND WIRE TRANSFER PAYMENTS**

**Automated Clearing House (ACH)** - The requisition and purchase order system will be utilized for all purchases. ACH applies to the methodology by which a vendor will get paid. All ACH transactions will follow the existing policy and procedure that is utilized for the issuance of paper checks, which is all paperwork requesting payment to a vendor will be submitted to the Finance Department for review. The Finance Department will process the payment as if it was being processed by check. They will generate a bills list to be approved by the Governing Body. Once approved, the CFO, Treasurer or other designated bank signator will transmit to the Bank two files of payments. One file representing paper checks to be issued. The paper check file is sent to the bank for security purposes under the bank's Positive Pay Program whereby the bank has a list of every check to be issued before it gets released. The second file represents ACH payments to be made. Finance Department personnel will upload a file from our accounting software into the bank’s software. They will then generate an ACH file on the bank's portal to transmit funds from the Borough’s bank account to the vendor's bank account. The file that is generated will be reviewed and approved for release on the bank's website by the Governing Body. Once approved, the vendors will be paid via ACH. Under no circumstances shall an ACH file be approved by the same person that created it and uploaded it to the bank's website.

**Wire Transfer** – Wire Transfers will be utilized for the following purposes

1. Health Insurance
2. Debt Service
3. Payroll Transactions (gross pay and deductions)
4. Private Industry Council Funding
5. Utilities, (only where nonpayment would result in the Borough’s inability to operate)
6. State & County obligations

Wire Transfers will be initiated in the Borough's bank portal by the CFO, Treasurer, or other designee. The wire will be approved by the Governing Body or the Borough Administrator but under no circumstances shall a wire be approved by the same person that initiated the wire. All wires are initiated and approved in the banking system software. The Treasurer will be responsible for the timely posting of the wire to the Borough's accounting software. All supporting documentation for wire transfers will be maintained in a file in the Department of Finance.