

## *Appendix WPCP – Wisconsin Parental Choice Program*

---

### **ELECTRONIC FUND TRANSFER POLICY AND PROCEDURES**

Electronic fund transfers (EFTs) are electronic transactions that move funds between accounts, enabling seamless and rapid money transfers without using paper-based methods such as checks. EFTs utilize digital networks to securely transmit funds, offering speed and convenience in financial transactions.

The Automated Clearing House (ACH) is the primary system that agencies use for electronic funds transfers (EFTs). The terms ACH and EFT are not interchangeable. Other systems of online bill payment such as ACH payment processing or paying bills with a bank account are not permitted unless they are able to provide the same internal controls as outlined below.

The Diocese of La Crosse Catholic School Systems and parish schools participating in the WPCP in the Diocese of La Crosse are authorized to utilize EFTs for the following transactions:

- To receive a payment when an organization elects to have their payment electronically withdrawn from their financial institution or when an organization initiates a direct deposit.
- To initiate payroll direct deposit.
- To initiate vendor payments.
- To internally transfer school funds.

The following internal controls will be used to monitor the use of EFT transactions made by the school:

- Each invoice to be paid by EFT transaction must be approved for payment in accordance with the Cash Disbursement Policy.
- Each EFT cash disbursement must be identified either on the school's existing cash disbursement form or using a Wire Request Form.
- Each EFT transaction must be setup by one authorized personnel, another authorized personnel initiates the electronic transfer of funds and, finally, a different authorized personnel approves the transaction. Prior to each EFT transaction, the corresponding invoice must be approved for payment in accordance with the Cash Disbursement Policy and recorded as an EFT in MIP.
- It is required that the financial institution uses multi-factor authentication to complete EFT transactions and has Dual Control, the mechanism to prevent the same user from initiating and approving the same transaction.
- The school shall not setup automatic payments or withdrawals from any school account. In order to preserve the setup, initiation and approval practice, automated payments or withdrawals are not permitted. Each EFT must follow the aforementioned practice.

- The authorized personnel shall retain all EFT invoices and all EFT transaction documents for audit purposes.
- The school shall maintain a list of authorized vendors for which the school may pay or receive payment. The authorized personnel must receive approval from the President or Pastor/Dean for any new vendors. The list will be reviewed by the school President (System School) or Pastor (Parish School) annually.
- The school shall maintain a list of persons authorized to setup, initiate and approve EFTs at each financial institution. Typically, an accounting assistant would setup the EFT, the financial controller would initiate the transfer of money and the President or Dean would approve the transaction. The list will be reviewed by the school President (System School) or Pastor (Parish School), no less than annually or when personnel change at the school.
- There must be transactional limits established per user at each financial institution.
- The authorized personnel will monitor activity of all of the school's accounts. If it is necessary to transfer funds from one of the school's accounts to another account via EFT, the authorized personnel will provide a completed request form along with supporting documentation to the President or Pastor for approval. (Appendix A – Wire Request Form).

Approved for the 2024-25 school year.

\_\_\_\_\_  
President or Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Dean or Pastor

\_\_\_\_\_  
Date