

CHAPTER 7.00 - BUSINESS SERVICES

ELECTRONIC RECORDS, ELECTRONIC SIGNATURES AND ELECTRONIC FUNDS

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I. Electronic Records, Electronic Signatures and Electronic Funds

- A. An electronic signature may be used if the law requires a signature, unless there is a specific statute, regulation, or policy. Unless a provision of law enacted after July 1, 2000, that specifically prohibits the use of an electronic record and requires the record(s) to be signed in non-electronic form, for the specified purpose, the School Board hereby authorizes the acceptance and distribution of electronic records and electronic signatures to and from District staff and other persons, as well as between District staff members. Additionally, the Board further authorizes District staff to create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures. The Superintendent shall put in place measures to protect the integrity, security, and accessibility of electronic signatures and electronic records and shall comply with the mandates of State and Federal agencies or programs, including Medicaid.
- ~~B. The Superintendent shall consult with the State of Florida's Agency for State Technology (Agency) regarding the District's authorized acceptance and distribution of electronic records and electronic signatures.~~
- B. The issuance or acceptance of an electronic signature by the Board may be permitted in accordance with the provisions of this policy and all applicable State and Federal laws. If permitted, the electronic signatures shall have the full force and effect of a manual signature provided the electronic signature satisfies all of the following requirements:
1. The electronic signature is unique to the individual and identifies the individual signing the document by his/her name and title.
 2. The identity of the individual signing with an electronic signature is capable of being verified and authenticated.
 3. The integrity of the electronic signature can be assured.

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4. The electronic signature and the document to which it is affixed cannot be altered once the electronic signature has been affixed.
5. The electronic signature complies with the School Board procedures for ensuring the security, integrity, and auditability of each signature.
6. The electronic signature conforms to all other provisions of this policy.
7. The Superintendent may allow electronic signatures on internal documents considered to be of a low risk to be exempt from this policy.

- C. The District shall maintain electronically signed records in a manner that is consistent with state law and the District's document retention policies that allows the District to produce accurate and complete reproduction of the electronic records and signatures in their original form.

II. Electronic Fund Transfers

- A. The Board authorizes the movement of District funds into, out of, and between any District account by electronic means, including Fedwire, electronic fund transfers (EFTs) for any purpose including direct deposit, wire transfer, automatic clearinghouse (ACH), or any other method as may be developed and put into practice by financial institutions for the purposes of transferring money between accounts or between financial institutions. Movement of District funds by electronic means shall comply with withdrawal, investment, or payment, provided such EFTs are consistent with the provision of Chapter 668, Florida Statutes. Upon the recommendation of the Superintendent, the Board shall approve: Board funds shall be electronically transferred for the following purposes:
1. receipt of revenue from local, State, and Federal sources;

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2. settlement on investment transactions (e.g. purchases, sales, or principal and interest distributions);
 3. transfers between Board accounts as needed for legitimate funds management activities;
 4. payment of obligations, based upon legal or contractual requirements incurred in the course of Board business, including payables; and
 5. payroll and other payroll related direct deposit payments.
- B. The Chief Financial Officer, Finance Director or his/her backup, will execute the electronic transfer of funds through qualified financial institutions. All necessary documentation shall be maintained so the transactions can be properly recorded within the Board's financial system.
- ~~1. The financial institutions that are authorized to receive monetary transactions through electronic or other medium.~~
 - ~~2. Written agreements with financial institutions with whom EFTs will be made.~~
- C. Types of Electronic Funds Transfers
1. Fedwires
 - a. Fedwires between Board accounts can be initiated and approved by the Chief Financial Officer or his/her designee.
 - b. Templates of Fedwire instructions to non-Board accounts shall be established by a Finance Department employee using software provided by the Board's financial institutions and approved by the Chief Financial Officer. Wires to non-Board accounts require two-factor authentication to initiate the wire and a second approval to complete.
 2. ACH Transactions

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- a. Vendors may be paid via ACH Credit transactions when advantageous to the Board. An ACH Credit transaction is where money is sent from a Board account to the vendors' appropriate bank account.
 - b. ACH Debit transactions are prohibited unless the counterparty to the transaction is another governmental entity or required by a Board approved contract. An ACH Debit transaction is where money is retrieved from a Board account by the counterparty's financial institution.
 - c. Authorized vendors to be paid via ACH will be set up to receive such payments in the Board's financial system by finance department personnel, upon approval by the Chief Financial Officer. Such payments will be initiated by the accounts payable fiscal assistant in compliance with procedures established by the Finance department.
 - d. Payment of employees' wages via direct deposit or paycard will be initiated by the payroll department in compliance with procedures established by the payroll department.
 - e. ACH transactions require two-factor authentication to initiate the ACH transaction and a second approval to complete.
3. Other Electronic Funds Transfers. Transactions, through either an established method or any method that may be developed in the future, are permitted, so long as such transactions are structured so that Board funds may not be transferred to non-Board accounts at the sole discretion of the Chief Financial Officer or other Board employee. Instructions to transfer funds electronically, to non-Board accounts, shall always be established under dual control, one District employee inputting the payment instructions and a second District employee approving the instructions. Said instructions can then be used by the Chief Financial Officer or his/her designee to execute an electronic transfer of funds.

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D. The Board shall approve agreements with the Board's financial institution(s). Such agreements shall set forth internal controls required by State law and State Board Rule that will provide adequate integrity, security, confidentiality, and auditability of business transactions conducted by electronic commerce, including, but not limited to, the following:

1. The official title of the bank account(s) subject to the agreement and each type of transaction approved, such as deposits, disbursements or transfers, shall be specified;
2. the manual signatures of the Board Chairman, Superintendent, as the authorized check signers for Board issued checks; ~~and the employees authorized to initiate EFTs shall be contained therein;~~
- ~~3. a requirement that the District maintain documentation signed by the initiator and authorizer of the EFTs to confirm the authenticity of the EFTs;~~
3. a requirement that, when funds are properly delivered to the receiving institution, that institution agrees to become responsible for prompt and diligent processing of the funds;
4. a requirement that written or printed documentation from the financial institution acknowledging such transactions, including but not limited to deposit slips, debit and credit memos, trust receipts, transfer acknowledgements, or canceled warrants, shall be provided so that it may be kept in the official files of the School District, which shall be maintained in a manner which facilitates easy review and validation of transactions.

III. Internal Controls and Delegation of Authority

- A. The oversight of the EFTs resides with the Chief Financial Officer and the Director of Finance. A system of internal controls and operational procedures has been established to manage the funds transfer process

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and the reconciliation of bank accounts. Staff will utilize effective internal controls including the separation of duties when performing funds transfers and cash management functions. The internal controls are designed to prevent losses of monies, which might arise from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees. ~~Independent auditors, as part of the District's financial audits, will review the system of internal controls and compliance with the operational procedures and with this policy.~~

IV. ~~Scope~~

A. ~~Board funds shall be electronically transferred for the following purposes:~~

- ~~1. receipt of revenue from local, State, and Federal sources;~~
- ~~2. settlement on investment transactions (e.g. purchases, sales, or principal and interest distributions);~~
- ~~3. transfers between Board accounts as needed for legitimate funds management activities;~~
- ~~4. payment of obligations, based upon legal or contractual requirements incurred in the course of Board business, including e-payables; and~~
- ~~5. payroll and other payroll related direct deposit payments.~~

V. ~~Outgoing Electronic Funds Transfers~~

A. ~~Wire transfers are established by the accounting personnel, with the District's financial institution, using secure banking software which is password protected. These wire transfers, with the District's financial institutions, require the transfers to be initiated by one staff member and released by another staff member.~~

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- ~~B. Wire transfers from investment accounts can only be transferred to the District Control Bank Account. All transfers will be reviewed by the Director of Finance or designee when made. Wire transfers will be traced from the bank statement to the respective authorizations on a monthly basis as part of the bank reconciliation process.~~
- ~~C. ACH transactions are allowed for the following transaction types:~~
- ~~1. ACH debit transactions require funds to be paid from a Board bank account by the counterparty's financial institution and are prohibited unless the counterparty to the transaction is another governmental entity or the transaction is required by a Board approved contract, including credit card processing fees.~~
 - ~~2. ACH credit transactions require funds to be deposited directly to the Board bank account. ACH credit transactions are acceptable when required based on contractual obligations or when this method of depositing/receipting is advantageous to the Board as determined by the Executive Director of Finance and Budgeting or equivalent position.~~
 - ~~3. Direct deposit payments of employees' wages or other direct payments will be initiated by payroll/accounting personnel in compliance with established accounting procedures and in accordance with F.A.C. 6A-1.0012(2).~~
 - ~~4. Individuals performing ACH and wire transfers cannot both initiate and approve one of these transactions.~~
 - ~~5. Other methods of electronic funds transfers as established by the District's financial institution may be permitted, as long as transfers follow similar procedures as outlined above.~~

STATUTORY AUTHORITY:

668.01 et seq., 668.50, 1010.11, 282.0041, F.S.

F.A.C. 6A-1.0012

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HISTORY:

ADOPTED: _____
REVISION DATE(S): _____
FORMERLY: