

June 19, 2014

Executive Summary

Policy 3113 (New), Electronic Funds Transfers

Summary of Explanation and Background

The Auditor General of the State of Florida conducted its' Financial, Operational, and Single Audit for the Fiscal Year Ended June 30, 2012. In March 2013, they issued Report Number 2013-160 providing an overview of their audit and findings. In the report, they confirmed that the District Financial Statements were presented fairly and adhered to financial reporting standards. They found no deficiencies or "material weakness" in internal controls over financial reporting. Their tests disclosed no instances of noncompliance required to be reported under Government Auditing Standards. However, the Auditor General did list certain Findings under "Additional Matters". These Findings or "Additional Matters" are items that require improvement, change of practice, and/or further review of policy or procedure.

Specifically, Finding Number 2 listed on page 85 of the Auditor General's report, titled Electronic Funds Transfer addresses two concerns:

A. Banking Agreement containing the signatures of employees authorized to initiate Electronic Funds Transfers (EFTs)

The banking agreement that was reviewed by the Auditor General listed only the titles of the employees authorized to initiate EFTs.

Note: On October 15, 2013, Bank of America's Treasury Services Delegation of Authority Form was revised to include signatures of the employees authorized to initiate EFTs, in addition to their titles which brings us into compliance for item "A".

B. Board Adopt Written Policies and Procedures related to Electronic Funds Transfers (EFTs)

As stated in the finding, the District currently has processes and procedures in place and is following proper internal controls for EFTs as described in the Internal Controls and Operational Procedures Manual for Investments. However, as the finding indicates, the District does not currently have a formal policy in place.

Note: In order to fully comply with the Auditor General's recommendation for item "B", this proposed Electronic Funds Transfers Policy is being submitted to the Board for approval.

The draft of this proposed Electronic Funds Transfers (EFTs) policy has been reviewed by:

- The Financial Advisory Committee
- Public Financial Management, Inc. (PFM), our Financial Advisors
- The Office of the General Counsel
- The Office of the Chief Auditor

This policy was discussed at the May 27, 2014 School Board workshop and at a June 17, 2014 public rule development meeting. This is scheduled to be presented for final adoption at the Regular School Board Meeting on July 22, 2014.