

**Ordinance No. 2025-17**

**AN ORDINANCE ESTABLISHING PROCEDURES AND MEASURES FOR  
ELECTRONIC FUNDS TRANSFERS (“EFT”) AND PAYMENTS AND FOR OTHER  
RELATED PURPOSES.**

WHEREAS, Arkansas Code Annotated § 14-59-105 establishes procedures for municipal payments and receivables by means of electronic funds transfer, provided certain measures with proper accounting controls, documentation, and oversight are adopted by ordinance; and

WHEREAS, the City of Bull Shoals (“City”) recognizes the use of various electronic payment methods as a safe and efficient method to process certain disbursements and is committed to establishing specific controls and procedures for the utilization of electronic funds transfers; and

WHEREAS, the procedures outlined below delineate how the City shall engage in proper accounting procedures to be followed in accordance with state statute and regulations laid out by state auditors;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BULL SHOALS, ARKANSAS:**

**Section 1.** This ordinance hereby authorizes the City to utilize EFTs for receipt of intergovernmental payments, grant payments, and other revenues where practical, and for the transmittal of payroll, withholdings, tax deposits, bond payments, credit card processing, banking fees, real estate transactions, utility payments, insurance payments, recurring payments, payments to fuel providers, and other disbursements where practical or required. EFTs are defined as transfers by electronic means of the City’s funds through banking channels directly into a payee’s account in financial institutions in payment of any account allowed against the City.

**Section 2.** The City has determined the proper procedures to initiate an EFT, which shall be subject to the same financial policies, procedures, and controls that govern disbursements by any other payment method. EFT transactions shall not be made without proper authorization of affected parties in accordance with federal and state statutes and accepted business practices. Said procedures are set forth in the policy and procedures document attached hereto as **Exhibit 1: EFT Policy**, and such procedures may be changed from time to time by resolution of the City Council.

**Section 3.** For electronic funds payments, the City of Bull Shoals hereby requires:

1. Receipt of an invoice from the payee, which, if received electronically, shall be printed for the file.
2. Entry of the invoice into the accounting system by the City Treasurer or administrative assistant.
3. Presentation of the invoice and a copy of the proof of payment to the Mayor or City Recorder for review and signature.
4. Monthly reconciliation of all bank statements, including electronic funds transfers, by the City Treasurer and approval of such reconciliation by the Mayor.

**Section 4.** Bank balances shall be monitored regularly for unusual or unexpected transactions, and reconciliation of banking activity shall be accomplished in a timely manner with investigation and resolution of reconciling items. Additionally, the City shall ensure the state auditor has access to files, records, and documentation of all EFT transactions involving the City, when required for the conduct of the statutory audit.

**Section 5. Severability.** In the event any portion of this Ordinance is declared inoperative or invalid as a result of statute or judicial decision, only that portion expressly declared inoperative or invalid shall be affected thereby, and all other provisions shall remain in full force and effect.

**Section 6. Emergency Clause.**

The City Council of the City of Bull Shoals, Arkansas, hereby determines that this ordinance is necessary for the immediate protection of the welfare of the citizens of Bull Shoals because it minimizes the expense and inefficiency of paying bills via paper check while preserving the necessary accounting oversight procedures. Therefore, an emergency is declared, and this ordinance shall take effect and be in full force immediately after its passage, approval, and publication.

PASSED, APPROVED, AND IN EFFECT this 18<sup>th</sup> day of DECEMBER, 2025.

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MAYOR

  
BILL STAHLMAN

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ATTEST



**ORDINANCE 2025-17 EXHIBIT 1**  
**ACH / ELECTRONIC FUNDS TRANSFER (EFT) POLICY**

## **OBJECTIVE**

The purpose of this policy is to prescribe the accounting procedures under which City of Bull Shoals funds may be moved by ACH/Electronic Funds Transfer (EFT).

### **Bank Control Requirements**

1. The City shall utilize ACH Fraud Blocker, through the bank which monitors ACH debit activity on the City's account(s) and verifies that debits presented for payment have been authorized by the City of Bull Shoals. Unauthorized transactions are flagged for review.
2. Each user initiating bank transactions shall have an individual bank user ID. Login to bank accounts requires two-factor authentication.
3. Bank balances shall be monitored regularly for unusual activity.
4. Reconciliation of bank statements shall be completed by the City Treasurer and approved by the Office Manager or Mayor in a timely manner.

### **Procedures**

The Mayor or City Treasurer is authorized to initiate vendor payments through EFT. The City Treasurer and one other signee on the account shall review all EFT request to ensure compliance, completeness, and proper recording. This method of payment will be used only when authorized by the Mayor or Treasurer.

To promote the safety of City funds, the following procedures shall be used when procuring EFT payments:

1. **EFT payment initiation, approval, and recording** shall follow the same financial policies, procedures, and controls that govern all other disbursement methods.
2. **An invoice must be obtained** for each payment when a vendor is approved for EFT.
3. **The invoice must be approved** by the appropriate department head.
4. **The invoice amount shall be entered into CenterPoint** by the City Treasurer, and proof of payment shall be printed and attached to the invoice.
5. **All documentation shall be date-stamped and initialed by the Mayor.**