

ORDINANCE NO. 2023-2

AN ORDINANCE ESTABLISHING AN ELECTRONIC FUNDS PAYMENT SYSTEM AS PROVIDED FOR IN A.C.A. §14-59-105(e)(1), DECLARING AN EMERGENCY AND FOR OTHER PURPOSES.

WHEREAS, A.C.A. §14-59-105 provides for municipal payments by electronic funds transfer provided that a procedure with accounting controls and proper documentation is adopted by ordinance;

WHEREAS, the City of Hardy has determined that it is in the best interests of the City to adopt an electronic funds payment procedure for the City to facilitate repetitious approved payments;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF HARDY, ARKANSAS:

Section 1. Pursuant to the authority of §14-59-105(e)(1) disbursements of municipal funds may be made by electronic funds transfer provided that:

- (A) The governing body of the municipality shall establish by ordinance an electronic funds payment system directly into payees' accounts in financial institutions in payment of any account allowed against the municipality;
- (B) For purposes of this subsection, municipalities opting for an electronic payment system shall establish written policies and procedures to ensure that the electronic funds payment system provides for internal controls and documentation for audit and accounting purposes; and
- (C) Each electronic funds payment system established under this subsection shall comply with the information systems best practices approved by the Legislative Joint Auditing Committee before implementation by the municipality.

Section 2. Policy and Procedures for Electronic Payments are hereby adopted. See Exhibit "A."

Section 3. Any ordinance in conflict herewith is hereby replaced.

Section 4. Emergency Clause: It is found and declared by the City Council of the City of Hardy, Arkansas, that this Ordinance is necessary for the preservation of the

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public peace, health, safety and welfare of the citizens of the City of Hardy, and an emergency is hereby declared to exist and this Ordinance shall be in full force and effect from and after its passage, approval and publication.

Passed and approved this 13th day of February, 2023.

APPROVED:



ETHAN J. BARNES, MAYOR

ATTEST:



DARLENE WILSON, RECORDER-TREASURER



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EXHIBIT "A"

City of Hardy – Policy and Procedures for Electronic Payments

1. The City of Hardy System Security Plan was previously established and Cyber Security measures for the City have been in place and are currently monitored by a third-party Cyber Security company who ensures current antivirus, anti-spyware and malware detection are in place on all City computers. Firewalls are monitored and checked for unauthorized intrusion. In addition, updates to Windows and CSA accounting programs are updated as received. Each employee has a unique login ID and passwords, which are updated when prompted by the software and individual workstation computers.
2. This Policy and Procedures for Electronic Payments will allow payments to be processed electronically from the following bank accounts only:
General Fund, Water ROM, Payroll Fund.
3. Bills to be paid by electronic payment will be processed the same as any other approved bill payment by being authorized by the appropriate department head, approved by the Mayor, and reviewed by the Recorder-Treasurer to note the correct fund to pay from, the correct amount to be paid, and ensuring appropriate approvals are noted on the bill.
4. Personnel who are authorized to create an electronic payment or set up a draft are: the Recorder-Treasurer and Deputy Clerk.
5. Draft payments and electronic payments will be noted on the approved bill and payment confirmations will be printed, with the hard copy attached to the original paid bill and a scanned copy attached to the transaction in Centerpoint accounting software.
6. Monthly bank reconciliations will confirm draft and electronic payments are made correctly. Originals of monthly bank statements are received by mail and stamped received by a Deputy Clerk of the Recorder-Treasurer's office. The Recorder-Treasurer reconciles all bank statements on a monthly basis and files originals in the R-T official records.
7. Paper checks can still be used for bill payments as needed.

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