

**TOWNSHIP OF SOLON**  
**COUNTY OF KENT, MICHIGAN**

At a regular meeting of the Township Board of the Township of Solon, held at the Solon Township Hall, 15185 Algoma Ave., NE, Cedar Springs, Michigan, on the 14<sup>th</sup> day of May, 2019, at 7:30 p.m.

PRESENT: Members: Robert Ellick, Fred Gunnell, Mark Hoskins, Art Gerhardt,  
Mary Lou Poulsen

ABSENT: Members: none

The following preamble and resolution were offered by Member Hoskins and seconded by Member Poulsen:

**RESOLUTION NO. 19-10**

**RESOLUTION AUTHORIZING ELECTRONIC TRANSACTIONS –  
TAX ACCOUNT**

WHEREAS, Electronic payments of public funds are required for some federally mandated transactions of public funds, and electronic payments have become a commonly accepted practice by banks and other financial institutions, and

WHEREAS, Public Act 738 of 2002, effective December 30, 2002, authorizes townships to make electronic transactions involving public funds by electronic payment, debit, or credit transfer processed through an automated clearing house, and

WHEREAS, PA 738 authorizes a township treasurer to enter into an ACH arrangement for a national and governmental organization that has authority to process electronic payments (ACH), including, but not limited to, the national automated clearing house association and the federal reserve system, and

WHEREAS, The Solon Township Board deems that it is in the best interest of the township to make certain township financial transactions by electronic payments as described in PA 738.

NOW, THEREFORE BE IT HEREBY RESOLVED that the Solon Township Board authorizes the Township to utilize electronic transactions in compliance

with the written procedures and internal controls developed and adopted by the Treasurer as the Township's ACH policy and presented to the Township Board on May 14, 2019.

AYES:        Members: Hoskins, Poulsen, Ellick, Gunnell, Gerhardt

NAYS:        Members: none

RESOLUTION DECLARED ADOPTED.

\_\_\_\_\_  
Mary Lou Poulsen, Township Clerk

I hereby certify the foregoing is a true and complete copy of a resolution adopted by the Township Board of the Township of Solon at a meeting held on the date stated above. I further certify that public notice of such meeting was given as provided by law.

\_\_\_\_\_  
Mary Lou Poulsen, Township Clerk

Solon Township Policy for Automated Clearing House (ACH)  
Arrangements and Electronic Transactions of Funds

The following policy shall govern the use of electronic transactions and ACH arrangements for Solon Township:

1. Definitions.

"Automated clearing house" or "ACH" means a national and governmental organization that has authority to process electronic payments, including, but not limited to, the national automated clearing house association and the Federal Reserve System.

An "ACH arrangement" means the agreement between the originator of the ACH transaction and the receiver of an ACH transaction.

An "ACH transaction" means an electronic payment, debit, or credit transfer processed through an automated clearinghouse.

An "ACH policy" means the procedures and internal controls as determined under this written policy developed and adopted by the township treasurer.

2. Authority to Enter into ACH Arrangements and Electronic Transfers of Public Funds. The township treasurer may enter into an ACH arrangement as provided by Public Act 738 of 2002, effective December 30, 2002.

Solon Township shall not be a party to an ACH arrangement unless the Solon Township Board has adopted a resolution to authorize electronic transactions and the Solon Township Treasurer has presented a written ACH policy to the township board.

An ACH arrangement under PA 738 of 2002 is not subject to the Revised Municipal Finance Act, Public Act 34 of 2001 (MCL 141.2101, et seq.), or to provisions of law or charter concerning the issuance of debt by a local unit.

3. Responsibility for ACH Agreements. The Solon Township Treasurer is responsible for Solon Township's ACH agreements, including payment approval, accounting, reporting, and generally for overseeing compliance with the ACH policy.

4. Internal Accounting Controls to Monitor Use of ACH Transactions Made by Township. The following procedures will be used to monitor the use of the ACH disbursement transactions made by Solon Township from the Property Tax Account:

- 1) The Treasurer shall prepare a list of the Taxing Units to receive property tax payments and submit to the Township Board for their approval.

- 2) Using the approved listing, the Treasurer shall set up an ACH Batch transaction in the township Property Tax Bank Account.
- 3) On a bi-monthly basis as required by law, the Treasurer shall prepare the ACH disbursement batch transaction paying the appropriate amounts to the taxing units.
- 4) A packet which includes a printed copy of the prepared ACH batch transaction and the appropriate related details is given to the Deputy Treasurer.
- 5) The Deputy Treasurer reviews the ACH batch transaction for accuracy, signs and dates the packet and then it is retained with the appropriate daily tax receipts.
- 6) Following the Deputy Treasurer's approval, the Treasurer signs the ACH batch transaction, initiates the electronic transaction and makes the actual transfer of funds.
- 7) The treasurer shall retain all ACH transaction documents for audit purposes.

Certification I, Arthur Gerhardt, Treasurer of Solon Township, certify that I developed and adopted the foregoing ACH policy and have presented it to the Solon Township Board.

\_\_\_\_\_, Treasurer

\_\_\_\_\_, Date

### LIST OF TAXING UNITS

Cedar Springs Public Schools  
 Kent City Community Schools  
 Tri-County Area Schools  
 Kent County  
 Grand Rapids Community College  
 Kent Intermediate School District  
 Solon Township