

Subject: Safe Electronic Transfers and Payments Policy

Meeting Date: June 12, 2023	
Submitted/Presented by/Department: Char Stark/Finance	
Action Type	
<input checked="" type="checkbox"/> Consent Item	<input type="checkbox"/> Discussion/Direction
<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Informational Only
<input type="checkbox"/> Action/Motion	<input type="checkbox"/> Report
<input type="checkbox"/> Resolution	<input type="checkbox"/> Other:
Action	
Request Council to approve the Safe Electronic Transfer and Payments Policy	
Background	
<p>Cities are becoming more transparent with information on the internet and electronic banking is becoming widely accepted. Effective internal control policies and procedures need to be adopted to protect city funds from fraudulently being disbursed.</p> <p>Fraudsters are using techniques like social engineering tactics, such as impersonation and manipulation, to deceive employees with legitimate-looking correspondence or phone calls to obtain personal information such as bank accounts or address changes that will re-direct payments intended for an employee or vendor. Often a fraudster will follow city news to learn of newly contracted vendors and use the information and proper timing to contact the city as the vendor impostor and request the first down payment. Cities should avoid listing dollar/percentage down payment details in city council public meeting information. Commonly used software allows fraudsters to copy or create legitimate looking vendor invoices that include slight changes to the name and address.</p> <p>The City's Finance department is moving towards paying vendors with an ACH deposit and wants to provide directions to the department when changes are requested.</p>	
Attachments	
Safe Electronic Transfer and Payment Policy	
Previous Relevant Actions	
Alternatives	
Financial	
Budgeted: <input type="checkbox"/> Yes	<input type="checkbox"/> No Financial Impact

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Policy**

Fund:	
Department:	
Account:	
Amount:	