

ORDINANCE NO. 104

AN ORDINANCE TO REGARDING BANKING PROCEDURES INCLUDING THE DESIGNATION OF AUTHORIZED SIGNATORIES ON SAFETY DEPOSIT BOXES AND BANK ACCOUNTS, TO ESTABLISH AN ELECTRONIC FUNDS TRANSFER SYSTEM AND TO DECLARE AN EMERGENCY AND FOR OTHER PURPOSES

WHEREAS, the City Council of the City of Goshen has previously passed banking resolutions to establish banking procedures, but that such resolutions do not address electronic fund transfers in the manner required by state law; and

WHEREAS, pursuant to Ark. Code Ann. § 14-59-105(e)(1), which, for electronic transfer of funds directly into payees' accounts in financial institutions in payment of any account allowed against the municipality, requires the governing body of the municipality to establish by ordinance an electronic funds payment system that provides for internal accounting controls and documentation for audit and accounting purposes; and

WHEREAS, the City Council of the City of Goshen deems it advisable to repeal its previously approved resolution regarding banking procedures and enact an ordinance to incorporate banking procedures including the designation of authorized signatories on safety deposit boxes and bank accounts, and to establish an electronic funds transfer system within the City of Goshen.

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

SECTION 1: PURPOSE.

(a) To establish procedures on the subject of signatories on safety deposit boxes or bank accounts and to designate certain officials as authorized signatories on safety deposit boxes and bank accounts currently held by the City of Goshen, Arkansas or which may be established in the future;

(b) To establish an electronic funds payment system that provides for internal accounting controls and documentation for audit and accounting purposes; and

(c) To repeal earlier banking resolution(s) and to revoke any authority previously granted not consistent herewith.

SECTION 2: BANK ACCOUNTS AND SAFETY DEPOSIT BOXES.

(a) The Mayor and Recorder/Treasurer are authorized to establish bank accounts, including certificates of deposit; and to open safety deposit box or boxes as they deem appropriate or necessary; and the Mayor and Recorder/Treasurer are the authorized signatories on all bank accounts and safety deposit boxes currently held by the City of Goshen, Arkansas or which may be established in the future.

(b) Pursuant to Ark. Code Ann. § 14-59-105(b)(5), which requires the signatures of two authorized disbursing officers of the city, both the Mayor and Recorder/Treasurer shall be required to sign checks on any of the City's checking accounts.

(c) As an internal control, both Mayor and Recorder/Treasurer shall initial and date the invoice which triggered the issuance of each check prior to signing the check. If another signatory is appointed by the Mayor as provided herein, approval of an invoice prior to the signing of the check to pay such invoice may be accomplished by a written communication, such as fax, email or text, which shall be printed and attached to the invoice.

(d) The Mayor is authorized to appoint others, in addition to the Mayor and Recorder/Treasurer, as authorized signatories on all bank accounts and safety deposit boxes currently held by the City of Goshen, Arkansas or which may be established in the future and designate such persons in writing, which designations shall be reported to the City Council at its next regular meeting and thereby recorded in the minutes.

(e) The Mayor or Recorder/Treasurer is authorized to certify to any bank with whom the City has an account the current holders of the offices of Mayor and Recorder/Treasurer at any given time or any other person appointed by the Mayor to be an authorized signatory and further directs that either the Mayor or Recorder/Treasurer shall report to any bank with whom the City has an account any change in the holder of either of the offices in order that the signature card(s) shall be current at all times.

SECTION 3: ELECTRONIC FUND TRANSFERS.

(a) For purposes of this ordinance, an electronic fund transfer is defined to be a transfer by electronic means of the City's funds through banking channels directly into payee's account in financial institutions in payment of any account allowed against the City of Goshen.

(b) Electronic fund transfers are specifically authorized for such accounts of third parties as the Mayor may designate in writing, so long as the requirements of electronic funds payment system as established herein are followed.

(c) For its electronic funds payment system, the City of Goshen hereby requires: (i) the receipt of an invoice from the payee, which if received electronically shall be printed for the file; (ii) both the Mayor and Recorder/Treasurer, as the two authorized disbursing officers of the City, to initial and date the invoice to authorize the issuance of the electronic transfer of funds to that payee prior to the date of the funds transfer; (iii) approval of an invoice prior to the issuance of the electronic transfer of funds to that payee to pay such invoice may be accomplished by a written communication, such as fax, email or text, which shall be printed and attached to the invoice; (iv) all electronic fund transfers shall be posted to the appropriate check register and reconciled with the bank statement monthly by the Recorder/Treasurer; and (v) the bank statement and reconciliation report shall be given to the Mayor and City Council.

SECTION 4. REPEALER.

All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict. All previous banking resolutions are expressly repealed and any authority previously granted not consistent herewith is hereby revoked.

SECTION 5. SEVERABILITY.

If any section, paragraph, subdivision, clause, phrase or provision of this ordinance shall be adjudged invalid or unconstitutional, the same shall not affect the validity of this ordinance as a whole, or any part or provision, other than the part so decided to be invalid or unconstitutional.

SECTION 6. EMERGENCY CLAUSE.

Because of the necessity to comply with Ark. Code Ann. § 14-59-105, it is viewed that an immediate solution is necessary thereby creating an emergency. It is hereby declared that based on the conditions set forth herein, an emergency exists and this Ordinance, being necessary for the immediate protection of the health, safety, and welfare of the citizens of Goshen, Arkansas, shall be in effect immediately upon its passage, approval, and publication.

PASSED AND APPROVED this 10th day of December, 2013.

CITY OF GOSHEN




Joe Benson, Mayor

ATTEST:



Sharon Baggett, City Recorder

APPROVED AS TO FORM:



Charles Harwell, City Attorney

ROLL CALL VOTE ADOPTING THE ORDINANCE

Names Of Those Voting YEA

Names Of Those Voting NAY

Andy Bethell
Lanny Samuels
Dick Seddon
Paula Anderson

Absent

Brian Buell
Max Poye

ROLL CALL VOTE ADOPTING THE EMERGENCY CLAUSE

Names Of Those Voting YEA

Andy Bethell
Lanny Samuels
Dick Seddon
Paula Anderson

Absent

Brian Buell
Max Poye

Names Of Those Voting NAY