




PORT OF GUAM
ATURIDAT I PUETTON GUAHAN
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Lourdes A. Leon Guerrero
Governor of Guam
Joshua F. Tenorio
Lieutenant Governor

BOARD POLICY MEMORANDUM NO. 2021-01

To: Finance Division	Subject: Automated Clearing House (ACH) Transfer Policy
Effective Date: May 27, 2021	Revision Date:
Approved by:  FRANCISCO G. SANTOS, Chairman, Board of Directors	

I. PURPOSE

- A. To establish procedures for the disbursement of funds through a safe, secure, efficient, and economical method, other than paper check payments and collections.
- B. To allow for accurate and timely cash disbursements (payments) that ensure funds are disbursed for only valid business purposes after approvals by authorized persons and in compliance with applicable Port Authority of Guam (PAG), government, federal, and regulatory requirements.

II. GENERAL INFORMATION

- A. Disbursements must conform to the policies and restrictions of PAG and, in many instances, those of the government, federal, and regulatory requirements.
- B. Electronic funds transfer (EFT) refers to the disbursement from a bank account by means of wire, direct deposit, Automated Clearing House (ACH), or other electronic means.
- C. An ACH transfer refers to an electronic payment in which funds are electronically deposited in financial institutions and payments are made online, through the use of the ACH network (a network of banks and other financial institutions that uses batch processing to transfer funds from bank to bank). ACH payments can be sent to the vendor's account in less than three business days and allow for better monitoring by PAG's Finance Division, because funds are drawn down as soon as the ACH payment is credited to the vendor's account.

- D. A wire transfer is an electronic payment that sends money from one bank account to a different bank, with the bank acting as the middleman for the payment.
- E. The ACH Payment Vendor Enrollment Form authorizes PAG to have all future payments paid directly to the vendor's bank account, as detailed within the form. Refer to Appendix 1 for the prescribed form.

III. CONTROL

- A. ACH payments must not be made to unauthorized vendors. An unauthorized vendor is one that does not exist in PAG's financial management information system (FMIS).
- B. ACH payments are authorized based on the following required approved documentation:
 - 1. Purchase Order
 - 2. Invoice
 - 3. Accounts Payable (AP) Voucher
 - 4. ACH Payment Vendor Enrollment Form on file with PAG's Finance Division
- C. Payments due to Government of Guam agencies are allowed to be processed via direct payment.
- D. Direct payments (disbursements without a purchase order or contract) due on non-governmental invoices must include the following attachments to the invoice:
 - 1. Justification and supporting documents; and
 - 2. Approvals of the respective business unit, the Financial Affairs Controller, and the General Manager.
- E. ACH payments will be made based on the approval signatures of the following authorized positions:
 - 1. Financial Affairs Controller; **and**
 - 2. General Manager.

The Deputy General Manager of Administration & Finance (DGMA) or the Deputy General Manager of Operations (DGMO) will sign in the absence of either the Financial Affairs Controller or the General Manager.

- F. The vendor's ACH transfer payment records are kept in PAG's FMIS and any request for change must be made by way of authorization through PAG's Finance Division. The vendor's official record with PAG must include a manual signature on the ACH Payment Vendor Enrollment Form and a physical voided check to match.

IV. RESPONSIBILITIES

A. Vendor

- 1. Ensures that the identification information completed on the ACH Payment Vendor Enrollment Form matches the vendor's official record in PAG's FMIS. The vendor's ACH transfer payments will not start if the identification information does not match.
- 2. Assumes responsibility for ensuring the routing and account numbers written on the ACH Payment Vendor Enrollment Form are correct.
- 3. Assumes responsibility for communicating with its financial institution that the ACH transfer is reflected in its account.
- 4. Assumes responsibility for any loss that may arise by reason of error, mistake, or fraud on information provided on the ACH Payment Vendor Enrollment Form.

B. Expense General Accounting Supervisor

- 1. Reviews ACH Payment Vendor Enrollment Form submissions.
- 2. Enters information from the ACH Payment Vendor Enrollment Form into PAG's FMIS upon receipt of the Financial Affairs Controller's approval.
- 3. Generates a report of AP vouchers ready for payment, then transmits the report for the Financial Affairs Controller's certification of available funds.
- 4. Prepares one memorandum with an attached list of vendors to be paid via ACH, then transmits the memorandum for the approvals of the Financial Affairs Controller and the General Manager.
- 5. Prepares ACH transactions with PAG's financial institution upon receipt of the approved memorandum.

6. Monitors the completion of ACH transfer payments and reviews bank reconciliations.

C. Financial Affairs Controller

1. Approves the information from the ACH Payment Vendor Enrollment Form to be entered into PAG's FMIS.
2. Periodically reviews changes to PAG's vendor master files.
3. Certifies the availability of funds to pay the AP vouchers ready for payment.
4. Approves the memorandum with the attached list of vendors to be paid via ACH.
5. Makes the final approval of ACH transactions with PAG's financial institution based on the approved memorandum.
6. Periodically reviews and analyzes PAG's ACH transfer payment transactions.
7. Takes appropriate actions to correct any discrepancies or exceptions in ACH transfers.

V. ENTIRE POLICY

All prior policies or memorandum in conflict with this policy are hereby rescinded.

Appendix 1: ACH Payment Vendor Enrollment Form

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ACH PAYMENT VENDOR ENROLLMENT FORM**PAYEE (VENDOR) INFORMATION:**

Vendor Legal Name: _____

SSN, EIN, or GRT Account Number: _____

Mailing Address: _____

E-Mail Address: _____

Telephone No.: _____

Action Requested:
(Initial Only One)

- (1) _____ Start
(2) _____ Change
(3) _____ Stop
(4) _____ Name Change Only

FINANCIAL INSTITUTION DATA:

Account Holder Name: _____

Financial Institution/Bank: _____

Account Type:

(Initial Only One)

- (1) _____ Checking
(2) _____ Savings

Routing No.: _____

Account Number: _____

Please attach a VOIDED check on company letterhead with this form.

By signing below, I hereby authorize the following:

- I am the authorized signor for the bank account detailed above; and
- All future payments due from the Port Authority of Guam be paid direct to the bank account detailed above.

Print Name: _____

Signature: _____

Official Title: _____

Date: _____

For PAG use Only

Reviewed By: _____

Date: _____

Approved by: _____

Date: _____

Financial Affairs Controller, PAG

Port Authority of Guam considers the information provided private and confidential and shall maintain the information in a safe and secure area. Should you have any questions, please contact our Finance Division at (671) 477-5931/35 ext. 390.