

# CITY OF HIGH POINT

## AGENDA ITEM

**Title: Resolution Authorizing the Use of Electronic Payment Methods**

**From:** Jeffrey A. Moore, Financial Services Director      **Meeting Date:** April 2, 2018

**Public Hearing:** n/a

**Advertising Date** n/a

**Advertised By:** n/a

**Attachments:** Resolution Authorizing the City of High Point to Engage in Electronic Payments

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**PURPOSE:**

The adoption of the resolution will authorize the use of electronic payment methods and approves the requirement for written procedures and policy that will help the City of High Point address some of the business challenges that local governments face in operating in an increasingly electronic environment. These challenges include some best business practices that are occasionally not specifically prescribed by the General Statutes but have been accepted as essential and efficient for the conduct of business.

**BACKGROUND:**

The 2015 legislature modified G.S. 159-28 (d2) to allow the Local Government Commission (LGC) to adopt rules to address the execution of the pre-audit and disbursement process related to electronic transactions for local government. The new pre-audit and disbursement rules were effective as of November 1, 2017, and exist as part of the North Carolina Administrative Code (20 NCAC 03.0409 and 20 NCAC 03.0410).

These changes will permit use of the City's existing policy and procedures for the electronic transactions used by the City of High Point: fleet fuel cards, procurement cards, and electronic funds transfers (including ACH payments to employees). This will also apply to the proposed use of electronic funds transfers (including payment debit cards and ACH payments) to vendors and suppliers.

**BUDGET IMPACT:**

There is no additional cost to the City, and improved use of electronic payment methods will increase Financial Services Department efficiencies and may provide payment discount opportunities to reduce operating and supplier costs through quicker payment.

**RECOMMENDATION / ACTION REQUESTED:**

The Financial Services Department recommends that the City Council approve the Resolution Authorizing the City of High Point to Engage in Electronic Payments.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGH POINT  
NORTH CAROLINA AUTHORIZING THE CITY OF HIGH POINT TO ENGAGE IN  
ELECTRONIC PAYMENTS**

WHEREAS, the North Carolina General Assembly enacted an amendment to G.S. 159-28 (Budgetary Accounting for Appropriations) which provides, in part, a local government may satisfy the City's obligations by electronic means and methods provided that the governing board has adopted a resolution authorizing the use of electronic payments; and

WHEREAS, the Financial Services Department recommends use of electronic payment methods as essential to the efficiency of government; and

WHEREAS, it is the desire of the City Council that the City of High Point is explicitly authorized to engage in electronic payments as defined by G.S. 159-28; and

WHEREAS, it is the responsibility of the Financial Services Director, who is appointed by the City Manager, who is appointed by and serves at the pleasure of the City Council, to adopt written policies outlining procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03.0409; and

WHEREAS, it is the responsibility of the Financial Services Director, who is appointed by the City Manager, who is appointed by and serves at the pleasure of the City Council, to adopt written policies outlining procedures for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03.0410;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of High Point, North Carolina does hereby:

Section 1. Authorize the City of High Point to engage in electronic payments as defined by G.S. 159-28;

Section 2. Authorize the Financial Services Director to adopt written policy outlining procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03.0409;

Section 3. Authorize the Financial Services Director to adopt written policy outlining procedures for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03.0410; and

Section 4. Establish this resolution shall take effect immediately upon its passage and apply retroactively to all electronic payment transactions as so authorized.

Adopted this 2<sup>nd</sup> day of April 2018.

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Jay W. Wagner  
Mayor, City of High Point

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Lisa B. Vierling, City Clerk