



**FINANCE  
DEPARTMENT**  
TOWN *of* FRANKLIN

Policy and Procedures – Wire Transfers

**PURPOSE:**

To establish policies and procedures for the safe and secure payment to vendors utilizing bank wire services.

**BACKGROUND:**

We live in a digital age where many vendors are requesting or even requiring payments to be in the form of electronic transfers. Recognizing paper checks or drafts have some disadvantages such as they get lost in the mail, the funds are not accessed immediately causing reconciliation issues, they sometimes go stale and have to be reissued and they are sometimes forged, wire transfers eliminate some of these problems. Acknowledging wire transfers also may pose their own risks; these procedures will be followed whenever a vendor is set up to receive funds electronically.

**AUTHORITY:**

MGL Chapter 41 §35: The Treasurer receives and takes charge of all money belonging to the Town and pays all bills of all departments.

**POLICY:**

This policy has been developed under the Town of Franklin's Policy on Fraudulent Financial Activities which states in part "All levels of management are responsible for establishing and maintaining proper internal controls that provide security and accountability for the resources entrusted to them."

**ENFORCEMENT:**

Violations of this policy may result in disciplinary action, up to and including termination of employment and/or legal action.

**PROCEDURES:**

All awarded Town contracts shall now include the attached form titled "Application to Receive Payments via Wire Transfer" and also the attached form to indemnify the Town from any and all losses incurred. If the form is returned with the executed contract, the Chief Financial Officer will contact the company at the supplied phone number and verify the information provided. The Chief Financial Officer will contact the bank at the supplied phone and verify the information provided. The Chief Financial Officer will ensure that the indemnity form is properly filled out and executed. The Chief Financial Officer will then authorize the Treasurer to proceed with future wires to the vendor by providing him or her with a signed copy of the Wire Transfer Form.

Requests for wire transfers made after a contract is signed will be forwarded from the Treasurer to the Chief Financial Officer who will mail the attached form titled "Application to Receive Payments via Wire Transfer" and also the attached form to indemnify the Town from any losses incurred, to the vendor. The vendor will mail the form directly back to the Chief Financial Officer who will contact the company at the supplied phone number and verify the information provided. The Chief Financial Officer will contact the bank at the supplied phone and verify the information provided. The Chief Financial Officer will ensure that the indemnity form is properly filled out and executed. The Chief Financial Officer will then authorize the Treasurer to proceed with future wires to the vendor by providing him or her with a signed copy of the Wire Transfer Form.