



# Office of the State Auditor

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[www.state.sd.us/auditor/auditor.htm](http://www.state.sd.us/auditor/auditor.htm)

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## South Dakota Finance Officers

### New ACH and Wire procedures:

Effective April 4, 2005, the State Auditor and State Treasurer have adopted new procedures for processing the outgoing ACH and Wire transactions. Currently, all ACH and Wire documentation is first sent to the State Treasurer's Office. The documentation is forwarded to the State Auditor's Office for authorization and release of the transaction from the accounting system. In some cases, the date the transaction was released didn't correlate to the date the ACH or Wire transaction took place. In an attempt to streamline this process and provide better information and security to Agency finance staff, we have made the following changes:

- ▶ The ACH and Wire documentation will be **sent directly to the State Auditor's Office**. Be sure to use a separate interoffice envelope from regular vouchers and use the designated basket in the office. Agencies will be responsible for separating the ACH and Wire documents from regular vouchers to ensure timely processing.
- ▶ All ACH and Wire documents will be audited as with any other voucher. Agencies must attach proper documentation to insure timely processing. ACH and Wire documents missing proper documentation will be returned to the agency as with any other voucher.
- ▶ All ACH recipients will be required to be a valid and current vendor of the State. If the system assigned vendor number is not on the voucher, it will be returned to the Agency. For one time ACH payments to a vendor not registered with BFM, attach the State Auditor's "One Time Only Direct Deposit Form" with the voucher and support for payment. No ACH payment will be made without vendor authorized bank account information.
- ▶ Criteria for approving ACH and Wire documents will be applied as indicated in ARSD 3:05:08.
- ▶ The accounting transaction will be released by the Auditor's Office the same day the State Treasurer initiates the ACH or Wire transaction. Agencies will know that the wire took place by verifying the release of the accounting transaction.

If you have any questions or concerns regarding these changes, please feel free to contact the Auditor's Office.

Sincerely,

Handwritten signature of Richard L. Sattgast.

Richard L. Sattgast  
State Auditor

Handwritten signature of Vernon L. Larson.

Vernon L. Larson  
State Treasurer