



Office of the State Treasurer

200 Piedmont Avenue, Suite 1204, West Tower

Atlanta, Georgia 30334-5527

www.ost.ga.gov

Steve McCoy
Treasurer

(404) 656-2168
FAX (404) 656-9048

I. Statewide Electronic Payments Policy – Authority and Intent

Pursuant to the State Depository Board's (the Board) duty to prescribe cash management policies and procedures that maximize the efficient and effective utilization of the State's cash resources for the State as a whole and the requirement that the Board approve credit card payments for any State taxes or fees, the Board has adopted the following *Statewide Electronic Payments Policy*. As administrative officer of the Office of the State Treasurer (OST) the State Treasurer shall have the authority necessary or convenient to carry out the purposes and provisions of this policy, OCGA § 50-1-6 and OCGA § 50-17-51.

In order to enhance customer service, in addition to the primary goal of maximizing the efficient and effective utilization of the State's cash resources, all departments, agencies, boards, bureaus, commissions, authorities, and other units of State government shall accept as many forms of payment as practicable. Furthermore, agencies shall endeavor to accept consistent forms of payment across all services wherever practicable.

The State Depository Board initially approved this statewide policy to accept credit cards and other payment cards at its meeting April 2, 2003.

II. Acceptance of Electronic Payments

The Board has determined that it is in the best interest of the State to accept electronic payments, including, but not limited to, credit cards, charge cards, debit cards and electronic checks, where practicable.

Pursuant to OCGA § 50-1-6, the acceptance of electronic payments for any state taxes or fees by any department, agency, board, bureau, commission, authority, or other unit of State government, by whatever name called (State entity) must be approved by the Board.

III. Statewide Contract

The State Treasurer shall enter into agreement(s) with one or more financial institutions, credit card companies, or other entities for processing electronic payments and accepting credit cards, charge cards, debit cards or other forms of electronic payment.

All state entities must use the statewide agreements entered into by OST. Any State entity that desires not to use the statewide contract approved by the State Treasurer must obtain approval from the Board for an exception to this requirement.

A state entity shall not be prohibited from continuing to accept electronic payments pursuant to an agreement that was lawfully entered into prior to the April 2, 2003 adoption of this policy unless specifically directed otherwise by OTS or the State Depository Board. However, no such agreement shall be extended or renewed after the effective date of this policy.

*On July 5, 2011, the State Depository Board adopted a Resolution approving, authorizing, and directing the State Treasurer, in his capacity as administrative officer of the Board and on behalf of and at the direction of the Board, to approve state entities accepting electronic payments between meetings of the Board **in circumstances in which the Treasurer believes immediate approval is needed in furtherance of the duties of the Board** provided that any and all such approvals shall be reported to the Board at the time of its next meeting, whether called or regularly scheduled, for consideration and review or such other action as the Board in its discretion may determine.*

IV. Procedures

A state entity desiring to accept electronic payments shall submit a written request to the State Treasurer to be presented to the Board for consideration. State entities currently accepting electronic payments that have not previously received approval from the Board must also submit a written request for approval to accept electronic payments. (See **Exhibit A**)

Each request shall be in the form prescribed by the Board and include:

- The type of taxes or fees being collected;
- The projected dollar amount of collections;
- The projected volume/number of transactions by tax or fee source;
- The payment locations;
- The method of acceptance, such as card reader/swipe, Electronic Cash Register/PC, mail, telephone, IVR, the Internet, or other (specify);
- The projected dollar amount of the transaction fees on annual basis; and,
- The source of payment of such transaction fees.

The justification must include the economic, customer service and other benefits that would accrue to the State, including, but not limited to:

- The impact on state revenues and expenditures;
- Summary of improvements in labor and operational efficiencies, customer payment compliance, increase in collections, reduction in bad check losses or bad debts, staffing considerations, delays in processing payments, earlier receipts of funds, and increase in sales; or

- The effect on the public sector. Describe benefits to the public sector, such as improved customer service and convenience to individuals.

For payments collected via website or other electronic systems, the state entity must obtain the approval of the Georgia Technology Authority or indicate why such approval was not obtained.

Office of Planning and Budget must approve the application of any state entity that is requesting any card processing transaction fees that are proposed to be absorbed by the state general funds that are appropriated to that state entity.

When appropriate it is desirable for state entities to pass the cost of merchant card fees onto the consumer, either as an increase in the standard fee or in the form of a convenience fee. Any state entity that collects excess convenience fees at the end fiscal year should remit them to the state treasury.

The OST is required to notify all state entities in writing upon Board approval of their request to accept electronic payments.

V. Annual Report Requirements

State entities not participating in the statewide contract are required to submit the following information to the OST within 30 days of the end of each fiscal year (See Exhibit B):

- Name of accepting state entity and location where transactions are accepted;
- Types of fees and taxes collected;
- Total dollar receipts by transaction type;
- Number of transactions by transaction type;
- Fees paid to the service provider
- Amount of appropriated funds and/or convenience fees collected
- Other information that may be required from time to time

VI. Other Government Participation

State universities and colleges, and any units of local government in the State of Georgia may apply to OST to participate in the statewide card service agreement for the provision of credit card payment services.

- Local governments will have the option, but not the requirement, to participate in the statewide agreement
- Colleges and universities will have the option, but not the requirement to participate in the statewide agreement. Colleges and universities must submit any other proposed card service agreement and fee schedule to OST and have it approved by the State Depository Board. Each exemption must be justified to be approved

EXHIBIT A

REQUEST FOR APPROVAL TO ACCEPT CREDIT CARDS, CHARGE CARDS, DEBIT CARDS OR OTHER ELECTRONIC PAYMENTS. USE SEPARATE SHEET OF PAPER AND ATTACH OTHER DOCUMENTATION IF NECESSARY.

State Entity:	Contact Person:
Telephone Number:	Title:
Email address:	

REVENUE COLLECTIONS

Provide total projected annual collections of each revenue type, average projected payment amount, projected number of transactions and total projected annual collection by credit card, charge card, debit card or other electronic payment.

List payment locations: _____

Collection methods; i.e., Point of Sale, Cash Register, PC Based, Telephone, Automated Response Unit, Internet, Other.

Cards to be accepted, i.e.; Visa, MasterCard, Discover, American Express.

PAYMENT OF ANNUAL SERVICE FEES

Provide the projected dollar amount of annual service fees to be paid with the source of fee payments indicated;

- States funds appropriated
- Convenience fees; a convenience fee may not be imposed if prohibited by state law or credit card company regulations. Any convenience fee must be related to convenience to the consumer, such as eliminating a need to make a payment in person.
- Add into price of goods or services provided

GOALS AND EXPECTATIONS

Please provide a summary of the economic and other benefits that would accrue to the state. Include in the summary such issues as the impact on state revenues and expenditures, improvement in labor and operating efficiencies, customer payment compliance, increase in collections, reduction in bad check losses or bad debts, staffing considerations, delays in processing payments, earlier receipts of funds, increase in sales, and the effect on the public sector.

Is the Internet, or other related electronic methods used? If yes, has Georgia Technology Authority been contacted? _____

EXHIBIT B

ANNUAL REPORT TO THE OFFICE OF STATE TREASURER

State entities not participating in the statewide contract shall submit the following information to the OST annually. Within 30 days of the end of the state fiscal year, state entities not participating in the statewide credit card agreement that maintain other credit cards, charge card, debit card or other electronic payments shall file an annual report with the State Treasurer containing the following information for each type of transaction.

- Fiscal Year _____
- Accepting of Entity _____
- Location where transaction accepted _____
- Types of fees and taxes collected _____
- Total dollar receipts by transaction type _____
- Number of transactions by transaction type _____
- Name of Fees the service provider _____
- Fees paid to the service provider _____
- Amount of appropriated funds and/or convenience fees collected

Total Annual Service Fees Paid - provide total amount of fees remitted to the service provider, indicating the source of payment, such as:

- States funds appropriated
- Convenience fees
- Add into price of goods or services provided

Specify the discount rate or service fee, and the basis for calculation.

Prepared by: _____

Date: _____