



# *Office of the State Treasurer*

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## **I. Statewide Merchant Card Services (MCS) 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 Merchant Card Services (MCS) Policy*, formerly the Statewide Electronic Payments Policy. As administrative officer of the Board, 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 MCS Payments**

The Board has determined that it is in the best interest of the State to accept MCS 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 merchant cards 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 Entities) 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 merchant card service 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 a statewide contract approved by the State Treasurer must obtain approval from the Board for an exception to this requirement.**

*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 or continue accepting MCS payments shall submit a written request to the State Treasurer. OST will obtain necessary approvals from Office of Planning and Budget (OPB) and Georgia Technology Authority (GTA) and present to the Board for its approval or review. **(See Exhibit A, Part 1)**

When appropriate it is desirable for state entities to pass the cost of MCS 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 shall remit them to the state treasury at the end of the fiscal year.

OST will notify each state entity in writing upon approval of its request **(Exhibit A)** and include such in a MCS Registry maintained by OST.

#### **V. Annual Report Requirements**

**State entities 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;
- 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**

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 MCS. **(See Exhibit A, Part 2)**

- Local governments will have the option, but not the requirement, to participate in the statewide agreement.

**EXHIBIT A**

**REQUEST FOR APPROVAL TO ACCEPT MERCHANT CARD SERVICE (“MCS”) PAYMENTS**

**Part 1** — To be completed only by State Entities and USG institutions. Attach a separate page if necessary.

Entity Name:	Contact Person:
Telephone Number:	Title:
Email address:	Date:
Recommended MCS Provider:	

*Please provide the following information. Use a separate page and attach other documentation if necessary.*

1. List the types of taxes or fees being collected

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2. Provide the projected annual gross dollar amount of collections

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3. Provide the projected annual volume/number of transactions by tax or fee source

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4. List the payment locations

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5. List the methods of acceptance, such as card reader/swipe, Electronic Cash Register/PC, mail, telephone, IVR, the internet, or other (specify)

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6. Provide the projected annual dollar amount of all MCS processing fees (including interchange, access, assessment, transaction, and admin fees.)

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7. 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 customers.

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8. Source of payment of transaction fees must be approved by OPB.

A. Appropriated state funds:

The Office of Planning and Budget must approve any state entity requesting MCS fees to be absorbed by appropriated state general funds.

B. 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 customer, such as eliminating a need to make a payment in person. Any sharing of convenience fees between the vendor and a state agency is prohibited unless written approval is provided by the Office of Planning and Budget. Convenience fees should offset the cost of online collections and any state entity that collects excess convenience fees must remit these excess fees to OST at the end of each fiscal year.

C. Added into the price of goods and services provided.

Indicate all sources of payment (A, B, or C above) and provide a description of MCS fees.

A. Appropriated State Funds:

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B. Convenience Fees:

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C. Added to price of goods received:

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Each state entity must complete GTA's questionnaire below. This is required for all applicants.

### GTA Questionnaire

Is this a new MCS program or are you migrating to a new credit card processor? (required)

- ☐ New  
☐ Migrating

Which processor are you planning to use? (required)

- ☐ BB&T  
☐ SunTrust  
☐ Wells Fargo

What is your projected annual transaction volume? (required)

- ☐ Less than 20,000 transactions
- ☐ 20,000 to 1M transactions
- ☐ 1M to 6M transactions
- ☐ More than 6M transactions

Are you handling only card-not-present transactions (e-commerce or mail/telephone order)? **(required)**

- ☐ Yes
- ☐ No

Is all processing of cardholder data entirely outsourced to third-party service providers? **(required)**

- ☐ Yes
- ☐ No

Does your agency electronically store, process, or transmit any cardholder data on your systems or premises? **(required)**

- ☐ Yes
- ☐ No

Would you like a GTA representative to contact you to discuss any questions? **(required)**

- ☐ Yes
- ☐ No

Do you agree to follow the GTA standard regarding PCI compliance (link provided above)? **(required)**

- ☐ Yes
- ☐ No

Please contact GTA at 404.463.2300 or [cto@gtga.ga.gov](mailto:cto@gtga.ga.gov) if you have questions regarding the GTA Questionnaire.

**Part 2: The following section to be completed by OPB-GTA-OST.**

OST Designated Reviewer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

OPB Designated Reviewer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

OPB Designated Approver Signature: \_\_\_\_\_ Date: \_\_\_\_\_

GTA Designated Approver Signature: \_\_\_\_\_ Date: \_\_\_\_\_

OST Designated Approver Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**EXHIBIT A**

***REQUEST FOR APPROVAL TO ACCEPT MERCHANT CARD SERVICE ("MCS") PAYMENTS***

**Part 2 – To be completed only by local government entities**

Entity Name:	Contact Person:	
Telephone Number:	Title:	
Email address:		Date:
Recommended MCS Provider:		

Provide a description of the funds that will be collected. Per OCGA 50-1-6, please note that State taxes or fees may not be collected via credit card without formal approval of the State Depository Board.

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**EXHIBIT B**

**ANNUAL MCS REPORT TO THE OFFICE OF STATE TREASURER**

All state entities that accept MCS payment, whether participating in a statewide contract or approved to utilize another MCS provider, shall submit the following information to OST annually within 30 days after fiscal year-end. Attach additional pages if necessary.

A.

1. Fiscal Year: \_\_\_\_\_
2. Name of entity accepting MCS: \_\_\_\_\_
3. Location transaction accepted: \_\_\_\_\_
4. Type of fees and taxes collected: \_\_\_\_\_
5. Total dollar receipts by transaction type: \$ \_\_\_\_\_
6. Number of transactions by transaction type: \_\_\_\_\_
7. Description of fees paid to MCS provider: \_\_\_\_\_
8. Amount of fees paid to MCS provider: \_\_\_\_\_
9. Amount of appropriated funds and/or convenience fees collected: \$ \_\_\_\_\_

B.

Aggregate Annual Service Fees Paid - provide the annual dollar amount of all MCS processing fees (including interchange, access, assessment, transaction, and admin fees) remitted to the service provider, indicating the source of payment, such as:

1. States funds appropriated: \$ \_\_\_\_\_
2. Convenience fees: \$ \_\_\_\_\_
3. Fees and taxes collected added to price of goods/services: \$ \_\_\_\_\_

C.

Funds remitted to OST:

1. Excess MCS convenience fees:

Amount \$ \_\_\_\_\_

Date \_\_\_\_\_

2. Fees and taxes collected added to price of goods/services

Amount \$ \_\_\_\_\_

Date \_\_\_\_\_

Prepared by: \_\_\_\_\_

Telephone #: \_\_\_\_\_

Email: \_\_\_\_\_

Date: \_\_\_\_\_