



## **Office of the State Treasurer**

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### **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***

**Part 1 – To be completed only by state agencies and technical colleges. Attach a separate page if necessary.**

Entity Name:	Contact Person:
Telephone Number:	Title:
Email address:	Date:

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  
\_\_\_\_\_
2. Provide the projected annual dollar amount of collections \_\_\_\_\_
3. Provide the projected annual volume/number of transactions by tax or fee source  
\_\_\_\_\_
4. List the payment locations  
\_\_\_\_\_
5. List the methods of acceptance, such as card reader/swipe, Electronic Cash Register/PC, mail, telephone, IVR, the internet, or other (specify)  
\_\_\_\_\_
6. Provide the projected annual dollar amount of the transaction fees on an annual basis  
\_\_\_\_\_
7. Source of payment of transaction fees
  - A. State funds appropriated: The 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.
  - 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 should remit these excess fees to the state treasury at the end of the fiscal year.
  - C. Added into the price of goods or services provided.

Provide a description of the method of payment of transactions fees. Attach required Office of Planning and Budget approval, if applicable.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

8. 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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9. For payments collected via website or other electronic systems, the state entity must notify the Georgia Technology Authority (GTA) Chief Information Security Officer.

Is the Internet, or other related electronic methods used? Yes \_\_\_\_ No \_\_\_\_

If answer above is yes, GTA must be notified.

Attach confirmation of notification to GTA.

**EXHIBIT A**

***REQUEST FOR APPROVAL TO ACCEPT CREDIT CARDS, CHARGE CARDS, DEBIT CARDS OR OTHER ELECTRONIC PAYMENTS***

**Part 2 – To be completed only by Board of Regents colleges and universities, local government entities and state authorities**

Entity Name:	Contact Person:
Telephone Number:	Title:
Email address:	Date:

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 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. Attach a separate page if necessary.

1. •Fiscal Year \_\_\_\_\_
2. •Accepting of Entity \_\_\_\_\_
3. •Location where transaction accepted \_\_\_\_\_
4. •Types of fees and taxes collected \_\_\_\_\_
5. •Total dollar receipts by transaction type \_\_\_\_\_
6. •Number of transactions by transaction type \_\_\_\_\_
7. •Name of Fees the service provider \_\_\_\_\_
8. •Fees paid to the service provider \_\_\_\_\_
9. •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: \_\_\_\_\_