

RESOLUTION NO. 19-07  
**POLICY FOR THE ACCEPTANCE OF DEBIT AND CREDIT CARDS  
FOR PAYMENT OF COUNTY GOODS AND SERVICES**

**WHEREAS**, RCW 36.29.190, authorizes "the County Treasurer to accept credit cards, charge cards, debit cards ...for any payment of any kind including, but not limited to taxes, fines, interest, penalties, special assessments, fees, rates, charges, or money due counties. A payer desiring to pay by credit card, charge card, debit card....shall bear the cost of processing the transaction in the amount determined by the treasurer, unless the county legislative authority...finds it in the best interests of the county... to not charge transaction processing costs for all payment transactions made for a specific category of nontax payments received by the county treasurer..."

**WHEREAS**, the Mason County Treasurer has presented the Board of County Commissioners with policies and procedures for the Acceptance of Debit and Credit Card Payments for use by Mason County Departments wishing to utilize this service for their customers charging a convenience fee to cover transaction processing costs.

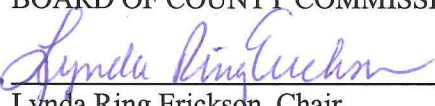
**WHEREAS**, the Board of County Commissioners has reviewed the policy and procedures for the Acceptance of Debit and Credit Card Payments for use by Mason County Departments wishing to utilize this service for their customers.

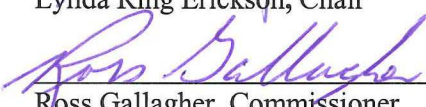
**WHEREAS**, the Board of County Commissioners having determined that it is in the best interest of Mason County to charge the customer a convenience fee to cover transaction processing costs for the use of Credit and Debit Cards.

**NOW THEREFORE**, the Mason County Board of County Commissioners does hereby approve the Policy for the Acceptance of Debit and Credit Card Payments (Attachment A) as recommended by the Mason County Treasurer.

**APPROVED** this 13<sup>th</sup> day of March, 2007.

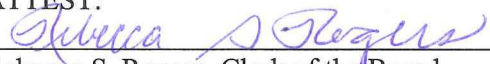
BOARD OF COUNTY COMMISSIONERS

  
Lynda Ring Erickson, Chair

  
Ross Gallagher, Commissioner

absent  
Tim Sheldon, Commissioner

ATTEST:

  
Rebecca S. Rogers, Clerk of the Board

APPROVED AS TO FORM:

  
Monty Cobb, Chief Civil Prosecuting Attorney

C: All County Departments

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# **Accepting Debit and Credit Card Payments**

This policy applies to all departments that accept or may accept debit or credit cards for payment of county goods or services.

The Revised Code of Washington (RCW) 36.29.190 provides that county treasurers are authorized to accept various types of electronic payments.

Credit Card or Debit Card customer information is not subject to Public Records Disclosure. Credit Card or Debit Card customer information will not be subject for use for commercial purposes.

Mason County Resolution #\_\_ allows county departments and agencies to accept payments in an electronic format.

## **1. Treasurer Authorizes and Opens all Credit and Debit Card Accounts.**

The Board of County Commissioners passed Resolution #\_\_ to accept payment of county goods or services by credit card or debit card. The County Treasurer must approve and open all debit card accounts and merchant credit card accounts for all county departments so authorized.

## **2. Departments Accept Only Credit and Debit Card Transactions subject to Convenience Fee**

The Board of County Commissioners passed Resolution #\_\_ to accept payment of county goods and or services by credit card or debit card with the provision that no county department or agency will accept payment by credit card or debit card with out charging a convenience fee to the customer to do so.

## **3. Definitions**

3a. "Department" means any agency, department, or office managed by an elected official or Department Head of any branch of Mason County Government.

3b. "Automated Clearing House" or "ACH" means an association of depository institutions that process financial transactions electronically through the Federal Reserve Bank.

3c. "Business Application" refers to a specific electronic service or line of business offered by an agency, such as paying property taxes online or paying for a license or permit fee online.

3d. "Convenience Fee" means a fee that is charged to a customer for the convenience of making an electronic payment. A convenience fee charged to a customer, typically covers all or a portion of a payment vendor's transaction costs (see "transaction fees" below), as well as any other additional fees that are charged by an agency to recover direct costs associated with an

electronic payment (e.g., agency costs for expedited processing; or agency costs for receiving a copy of a particular form).

3e. "Credit Card" means a card indicating that the holder named on the card has obtained a revolving line of credit from the financial institution issuing the card up to a certain dollar amount valid to a specified date shown on the card. A credit card may be used to pay for goods and services from merchants or organizations participating in the corresponding credit card program.

3f. "Debit Card" means a card indicating that the holder named on the card has an open account in a financial institution shown on the card that the holder named on the card is authorized to pay for purchases of goods and services from participating merchants so long as the account is valid and has adequate funds to cover the cost of either goods or services, or both, at the time of the transaction.

3g. "Customer" means a person who is purchasing county goods/services/paying fees/fines or taxes with an electronic payment, such as a credit card, debit card or electronic check.

3h. "Electronic Check" or "e-check" means an ACH debit that is initiated by the customer or agency on the Internet against an open account in a financial institution that is authorized for use to pay for purchases of goods and services from participating merchants so long as the account is valid and has adequate funds to cover the cost of either goods or services, or both, at the time of the transaction. This is also known as an Internet check.

3i. "Electronic Payments" means any financial transaction by which funds are transferred to the county through any type of electronic payment option or method. The electronic payment options include, but are not limited to; Internet payment processing, point-of-sale payment processing, and interactive voice response (telephone payments). The methods of payment include, but are not limited to: automated clearing house (ACH), credit cards, debit cards, ACH debit processing and wire transfers.

3j. "Electronic Payment Services" means any service provided by a vendor who acts as an intermediary in processing an electronic payment, including, but not limited to: merchant banking services, credit card payment processing, ACH debit processing, and Internet payment gateway services. Depending on how contracts with third party vendors are established by the County Treasurer, electronic payment services may be coordinated by a single vendor or multiple vendors.

3k. "Electronic Payment Processing Protocol" means the standard, countywide processes used by an agency when accepting electronic payments from customers, including, but not limited to, contracts with financial services providers and business procedures.

3l. "Interactive Voice Response System" (IVR) means a system that allows users to pay for services over the telephone or other audio-signal carrier using a credit card.

3m. "Internet Payment Gateway Service" means a service provided by a vendor that directs an Internet payment transaction to the appropriate third party payment processor who facilitates the transfer of funds from a specific financial institution.

3n. "Merchant Banking Service" refers to the designated bank or banking service that processes an electronic payment.

3o. "Payment Vendor" means a service provider who is involved with the electronic payment transaction, including, but not limited to; merchant bank, credit card issuer, credit card association, Internet payment gateway, ACH or credit card payment processor.

3p. "Personal Financial Information" means the information provided by the customer in the course of completing a payment transaction with the county through an electronic transfer of funds, including, but not limited to; credit card number, debit card number and bank account number.

3q. "Point-of-Sale" or POS is a payment option that performs a real-time payment authorization of a customer's account when the customer presents their credit card (or other payment method) in-person at the time of sale.

3r. "Transaction Fee" means the same as "transaction cost" and refers to the cost incurred by a payment vendor for executing an electronic payment. If an agency passes all or a portion of this transaction cost on to the customer, then the resulting fee to the customer is typically called a "convenience fee" (see definition above).

#### **4. Policies:**

County Departments may accept electronic payments for any business service or purchase of goods or payment of fines, fees or taxes pursuant to Mason County Resolution #\_\_\_\_ and RCW 36.29.190.

4a. An agency must receive written approval from the Mason County Treasurer, prior to offering any new electronic payment option to their customers.

4b. An agency that accepts electronic payments must comply with the electronic payment processing protocol and procedural steps as set forth in these administrative policies and procedures.

#### **4.1 Electronic Payment Processing Protocol and Privacy**

The Mason County Treasurer, with technical assistance and equipment if necessary from the counties Information Systems "IS", shall establish and maintain the protocol for electronic payment processing, including, but not limited to, contracts for electronic payments, convenience fees, and standard business processes and procedures.

4.1a. No agency shall store a customer's personal financial information in a database accessible to the public. If an agency has a legal and justifiable business need to store personal financial information obtained from customers during an electronic payment transaction, the agency is required to provide written procedures and policies for the safekeeping of such personal financial information. Such written procedures and policies shall include the names of county employees who will have access to such personal financial information. Such procedures and policies shall be forwarded to the County Treasurer for written approval before storing personal financial information in a database accessible to county employees.

#### **4.2 Contracts**

4.2a. The Treasurer shall establish and administer contracts with vendors for the acceptance and processing of electronic payments, including, but not necessarily limited to: merchant banking services, Internet payment gateway services, and third party electronic payment processors.

4.2b. No county agency may enter into any vendor agreements for any electronic payment service without the written consent of the County Treasurer.

4.2c. The County Treasurer, through its establishment of contracts with payment vendors and banking partners, shall assist agencies in understanding contract requirements and the pricing structure of transaction fees.

#### **4.3 Convenience and Transaction Fees**

4.3a. A convenience fee greater than the cost of a payment vendor's transaction fee may be charged to the customer for an electronic payment.

4.3a.1. Convenience fees may be calculated to recover all of a payment vendor's transaction costs, as well as any additional direct costs borne by the agency (e.g., agency costs or expedited processing).

4.3a.2. Use of a convenience fee and the methodology used in calculating it must be approved by the County Treasurer prior to an agency accepting electronic payments, and be in accordance with the contracts the county has established with its payment vendors.

## 5. Procedures

5.a. County agencies will obtain information from the County Treasurer on its electronic payment processing protocol, contracts for electronic payments, transaction fee structure, and standard business processes and procedures.

5.b. County agencies will prepare and send to the County Treasurer a written request for electronic payment services.

5.b.1. Written requests will include information on agency policy and procedures for acceptance of electronic payments.

5.b.2. If applicable, provides legal and justifiable business reasons to store personal financial information obtained from customers during an electronic payment transaction. This should include safekeeping procedures for storage of person financial information and the names of county employees having access to the information.

5.c. The County Treasurer will review to provide approval or denial of written requests for electronic payment services.

5.c.1. The county agency will provide required information to the County Treasurer to set up accounts which may include, but is not limited to, the following:

5.c.1a. Checking account for electronic payment deposits.

5.c.1b. Merchant bank account and credit card issuer accounts for credit card payment processing.

5.c.1c. Internet payment processing and third party payment processor accounts.