



**Policy Type:** Administrative

**Category:** Fiscal and Budget    **Sub-Category:** Payments and Fees

**Policy Name:** Acceptance of Electronic Fund Transfer Payment Methods

**Policy Owner:** Controller-Treasurer Department

### **Policy Purpose**

The County encourages departments to accept payments through Electronic Fund Transfers, such as credit cards and debit cards. The purpose of this policy is to provide departments with guidance on how to set up systems for accepting Electronic Fund Transfers and provide departments with best practices regarding these types of payments.

### **Policy Summary**

Electronic Fund Transfers include credit cards, debit cards, e-checks or Automated Clearing House (ACH) transfers, or any other transfer of funds using electronic means. Electronic Fund Transfers do not include wire transfers that are covered by the Cash Handling Policy.

Departments are encouraged to use Electronic Fund Transfers to make payments more convenient for the payer and more efficient for the County. Departments should take into account the most cost-effective payment methods (e.g., credit, debit, e-check), channels (e.g., over-the-counter, internet, Interactive Voice Response), and fee structures. Additionally, departments are encouraged to standardize the use of Electronic Fund Transfers to the extent possible to simplify the process and to ensure the "customer experience" is convenient and that fees are as clear and understandable as possible.



All funds received by the County through Electronic Fund Transfer systems must be drawn from a major U.S. bank and be in United States dollars.

### Usage Fees and Costs

When choosing Electronic Fund Transfer systems and their features, departments should also consider the pay structures for both the County and the payer. Any fees passed on to the payer should be made clear and understandable.

If the department chooses an Electronic Fund Transfer system that charges the County per use, the department must first obtain approval from the Controller-Treasurer and, the Board of Supervisors, depending on how the department seeks to recover these fees. If the department will recover the entire cost to the County per usage, either by charging the user a convenience fee or through the department's fee structure, the department must obtain approval from the Controller-Treasurer. If the department will not recover the full amount of the cost or will not recover some of the cost, the department must first obtain approval from both the Controller-Treasurer and the Board of Supervisors. If the Electronic Fund Transfer system is being used to allow donations to the County, approval by the Board of Supervisors is not needed.

The County should recover all fees it must pay for any payments made using an Electronic Fund Transfer system for monies that the County passes on to other entities. The department must obtain approval as described above depending on how much of any fee is recovered, unless the ultimate recipient of the monies chooses to absorb the fees itself.

Should any dispute arise regarding a fee, the Controller-Treasurer and departments shall be responsible for resolving it.

### Annual Review



Departments shall, at a minimum, conduct an annual review of their Electronic Fund Transfer systems. If necessary, departments shall adjust their fees to recover any increased usage costs and obtain any necessary approvals for those fees as described above.

### **Procedures**

#### Accepting Electronic Fund Transfers

- 1) Upon identifying a need for an Electronic Fund Transfer system, the **department** evaluates the methods of payment, channels, and fees that will provide the most convenient and cost-effective benefits to the County and its constituents.
- 2) The **department** composes a plan for accepting Electronic Fund Transfers that identifies possible vendor(s) and provides for the recovery and handling of any costs to the County.
- 3) The **department** submits the plan to the Controller-Treasurer.
- 4) The **Controller-Treasurer** evaluates the proposed plan for accepting Electronic Fund Transfers and approves or denies it.
- 5) Upon obtaining approval from the Controller-Treasurer, the **department** obtains approval from the Board of Supervisors, if necessary.
- 6) The **department** must review the Electronic Fund Transfer system at least on an annual basis and obtains the necessary approvals for any modifications to the fee structure.

### **Definitions**

For the purposes of this policy, the following definitions apply:



- 1) **"Convenience Fee"** a fee charged to an Electronic Fund Transfer payer in order to recover any usage fees or costs incurred by the County for using that Electronic Fund Transfer system.
- 2) **"Electronic Fund Transfer"** means any transfer of funds by credit card, debit card, e-check or Automated Clearing House (ACH), or any other transfer of funds by electronic means. "Electronic Fund Transfer" does not include wire transfers governed by the County's Cash Handling Policy.
- 3) **"Electronic Fund Transfer system"** means any system that allows an Electronic Fund Transfer.
- 4) **"Payer"** means any individual, corporation, or other entity that uses an Electronic Fund Transfer system to make any payment to the County.
- 5) **"Usage Fee"** or **"Usage Cost"** any cost per use incurred by the County through the use of any Electronic Fund Transfer system.

### Frequently Asked Questions

None.

### Related Policies

- Accounts Payable Wire Transfer - <https://saecommon.sccgov.org/countypolicy/Accounts-Payable-Wire-Transfers.pdf>
- Cash Handling Policy - <https://saecommon.sccgov.org/countypolicy/Cash-Handling-Policy.pdf>



## County of Santa Clara

Policy Name: Acceptance of Electronic Fund Transfer Payment Methods

Page 5 of 5

### Related Forms and Information

None.

### History

Date	Changes Made
1/23/2014	Policy uploaded. (John Myers)