

## CITY OF RAMSEY

### CREDIT CARD/DEBIT CARD ACCEPTANCE POLICY

#### **POLICY STATEMENT**

The city of Ramsey will accept credit and debit card payments as a means of paying for city obligations when it will enhance customer convenience, increase certainty of collection, and/or reduce city processing costs.

#### **DEFINITIONS**

**Credit Card:** a card or device issued under an arrangement pursuant to which the issuer gives to a card holder the privilege of obtaining credit from the issuer.

**Debit Card:** a card or device issued under an arrangement pursuant to which the issuer gives to a card holder the privilege of using the card to debit the account of the card holder.

**Transaction Fee/Discount Fee:** The processing fee imposed by credit card companies on all credit card transactions. Typically these fees are born by the vendor and built into the overhead costs.

**Third Party Processor:** The city must work with a third party processor that will process its credit card transactions.

**Convenience Fee:** A charge in addition to the original transaction amount for the convenience of being able to use an alternate payment method.

#### **AUTHORITY**

Minnesota Statute 471.381 Authorizing cities to accept payment by credit card or other methods.

#### **OVERVIEW**

Minnesota Statute sets forth the authority for cities to accept credit cards and other methods of electronic payment in the normal conduct of city business. Therefore, the city of Ramsey has established a contract with RevTrak, which is the processing facility for Merchant's Sales Transactions, to help provide the related card processing services.

- A, Merchant Accounts – A merchant account is an account that is established by a “merchant” (someone selling products or services) to receive payment via credit cards. Such accounts are available through banks and other financial service providers. The city of Ramsey has selected RevTrak as the entity to process merchant account payments for the city of Ramsey.

B. Authorized Credit Card Companies – The city of Ramsey has established the authority to accept three major credit cards:

- Visa
- Mastercard (CIS Capital)
- Discover Card

C. Accepted Service/Product Purchases – All city fees, services and products. On-line processing can only accept fixed fee transactions. Variable rate transactions will be accepted via phone-in, or in-person “swipe” at city hall.

### **SAFEGUARDING CREDIT CARD TRANSACTIONS**

A. Fraud – More and more city customers want to pay for city services with a credit card. In addition, they want the convenience of paying over the phone, or other methods that allow them to avoid traveling to a city facility. Such payment methods have advantages and disadvantages for the city.

One major consideration is the prevention of fraud. This includes fraud committed against the city where the city suffers a loss. However, fraud also includes activities where an individual or business suffers a loss and the city contributed in some manner to the fraudulent scheme. Clearly, the city neither wants to be a victim of fraud, nor does it wish to unknowingly aid others with their fraudulent schemes.

B. General Strategies – Strategies that the city will implement for the prevention of credit card fraud.

- a. Whenever possible, the preferred processing methods will be on-line processing or in-house credit card “swiping” by customer. These select credit card processing methods allows the customer to pass their credit card information through a secure, third-party system and the city does not see or retain the card number. Avoid using methods where a credit card number is captured in written form, such as fax transmission and e-mail transmissions.
- b. If it is necessary to accept methods that require the city to directly obtain a credit card number, the following precautions will be followed:
  - Only those employees who are authorized to process daily payments through the city’s cash register will be authorized to accept and input credit card data. Those authorized will be the building technician, the city clerk, the front desk receptionists, police technicians and fire department secretary. Any staff that handles city cash and or credit cards is bonded and insured through the city’s insurance policy with the League of Minnesota Cities Insurance Trust.
  - Authorized staff members should enter credit card information directly into the third-party application avoiding documentation of credit card data. In the event the application is not available, city staff should shred any paper trail IMMEDIATELY following the completion of the transaction. Each station processing credit cards will be equipped with a shredder.
- c. Refunds are not to be charged back to credit cards. If a refund is needed, a check request will be prepared and submitted to Accounts Payable. A refund check will

be mailed to the customer.

- d. Employees authorized to accept credit cards (those listed above) will sign a form acknowledging and accepting the terms of the credit card/debit card acceptance policy. Acknowledgement & Acceptance Form is attached.

Adopted by City Council this      day of May, 2011.

**ACKNOWLEDGEMENT AND ACCEPTANCE OF THE  
CITY OF RAMSEY'S CREDIT CARD/DEBIT CARD ACCEPTANCE POLICY**

My signature at the bottom of this form indicates that:

I have received a copy of the City of Ramsey's Credit Card/Debit Card Acceptance Policy.

I have thoroughly read the City of Ramsey's Credit Card/Debit Card Acceptance Policy.

I agree to follow the City of Ramsey's Credit Card/Debit Card Acceptance Policy as part of my daily job duties.

I understand that the City of Ramsey's Credit Card/Debit Card Acceptance Policy has been established by management for the protection of city assets, protection and prevention of fraud, as well as for the protection of the individual employees.

\_\_\_\_\_  
Employee name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Title