



PIMA COUNTY, ARIZONA BOARD OF SUPERVISORS POLICY

Subject: Cost Recovery for Credit Card and Debit Card Processing

Policy Number

D 22.9

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Purpose

This Policy provides for the recovery of costs incurred by the County as the result of accepting credit card or debit card transactions from the person or entity tendering payment. This policy does not require a department to accept credit or debit card transactions.

Background

Under A.R.S. §11-251(30), the County is authorized to receive and accept payment of monies by credit card or debit card provided that the County either (i) recovers, from the person or entity making the payment, any processing fees or costs incurred by the County as a result of the payment; or (ii) makes a determination that the financial or operational benefit of accepting the cards is greater than the resulting processing fees. The Board recognizes that costs and fees associated with accepting the cards could be substantial if a significant portion of the County's revenues and fees for services were paid using credit or debit cards, but also recognizes that accepting credit or debit card payments of some types of County charges may be fiscally prudent—either because the cost is less than that incurred in the processing of a check or because the expense is more than offset by increased fee recovery or other demonstrable financial benefits. The Board also recognizes that the contractual requirements imposed by credit card companies will impact whether a surcharge or convenience fee can be collected in connection with a particular transaction, and in what amount.

Policy

Before accepting credit and/or debit card payments for a particular type of County fee or charge, the Finance and Risk Management Department on behalf of the department collecting the fee or charge must analyze (i) the amount of any associated processing charges; (ii) the amount of any financial or operational benefit or savings expected to result from acceptance of the proposed payment method, and (iii) the amount of any surcharge or convenience fee that could legally be charged in connection with the transactions. This analysis, together with a recommendation, will be presented to the County Administrator for a final determination as to whether accepting credit and/or debit card payments for the type of fee or charge at issue is fiscally prudent and in the best interests of the County and, if so whether a transaction surcharge or convenience fee (if one is legally available) will be assessed.

The Administrative Procedure used to implement this policy shall be promulgated by the County Administrator.

Responsible Department

Department of Finance and Risk Management

Adopted: March 2, 2010