



ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL

TOPIC: Section 2 – Cash and Cash Equivalents 7.0	EFFECTIVE DATE: 02/01/2000
TITLE: Procedures for Processing E-Payments and Updated Banking Services, including Lockbox and Credit/Debit Card Payments	REVISION DATE: 07/10/2017
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BACKGROUND

This policy summarizes procedures for establishing new banking services for Zero Balance Accounts (ZBAs) including E-Payments (electronic payments), lockbox and credit card payments, and how to process them once they are received. Because of the complexity in establishing e-banking services, all parties will be directed to work with the Bureau of Fiscal Services (BFS) banking coordinator when initiating this process.

POLICY

Establishing E-Banking Services – Procedure 1

Due to the wide range of e-banking needs across the Department, it is important that all new services are coordinated through the **department banking coordinator** (DBC). The DBC is knowledgeable about the technical and financial requirements of the e-banking process and able to help conduct an efficient and thorough installation of e-banking services. The DBC also ensures that there are no unnecessary redundancies in banking services across the divisions.

Processing E-Banking Payments – Procedure 2

Due to the number of electronic payments that the Department accepts and the need for accuracy in payment posting, all electronic payments will be monitored by the **E-Payment deposit processor** (EDP). All electronic payment reconciliations should be completed on a timely basis and as close to month end as possible.

PROCEDURES

1. Procedure for Obtaining E-Banking Services

- A. A **division representative** (DR) will submit a Uniform Request for Banking Services (DOA-2571) to the DBC.
- B. The DBC reviews the request and, if complete, forwards to the **Department of Administration** (DOA) for approval. If the form is incomplete, the DBC contacts the DR for additional information.
- C. If the request meets with DOA approval, the DBC will arrange a meeting with the DR to review the information needed to complete the **Bank Account Setup** form and the **Request for New Electronic Lockbox (e-payment) Application**. It is highly recommended that the DR include other essential participants, such as the lead accountant, and other key personnel in the planning process. The DR should review the list of required forms information so they can determine who best can supply this information. A list of form requirements is listed in item 3 below. If the division elects to

accept credit cards, the **Elavon Merchant ID** form will also be provided to the division representative for completion.

- D. If payments will be accepted over the internet, the division representative will contact a **storefront provider (SP)** to establish the online portal. When necessary, the DBC will assist with the selection of an SP. The DBC, DOA and SP will work together to resolve technical and operational details of the storefront. The storefront's URL must be functional **before** DOA and the bank can begin the implementation process.
- E. DOA will send the division representative the E-Payment Service Questionnaire with requested information highlighted. The completed form will be returned to the DBC so they can forward it to DOA with any additional information they may have.
- F. The DBC will send an email, at least three weeks prior to the start date, to all Department personnel who will have contact with the E-Payment process so they can prepare for receiving the payments. Once the bank account has been created, the DBC will provide the EDP with the code strings that will be used to identify the payments. The DBC will act as liaison between the divisions, DOA and the bank to help ensure a smooth implementation of e-banking services.

2. Procedure for *Processing* Payments:

A. Credit and Debit Card Payments

Daily Deposit Review

Divisions retrieve an electronic file from the bank or merchant portal daily. They will:

1. Review the reports
2. Reconcile payments to deposits
3. Prepare detail to submit to BFS
4. Prepare an Excel spreadsheet that is forwarded to the BFS EDP

B. Lockbox Payments

Daily Deposit Review

Divisions receive a packet from the bank daily. They will:

1. Review the contents
2. Reconcile deposits
3. Assign STAR coding to the receipts whenever more than one account code is used
4. After the division reviews the daily packet, the coding changes are sent to the BFS EDP.

C. Electronic Payments (Automated Clearing House, ACH)

Daily Deposit Review

Divisions retrieve an electronic file from the bank or merchant portal daily. They will:

1. Review the reports
2. Reconcile payments to deposits
3. Assign STAR coding to the receipts.
4. Prepare an Excel spreadsheet that is forwarded to the BFS EDP

D. One-Time Credit Card Payments

Occasionally there is a need for processing one-time credit card payments. These payments will be referred to the BFS Cashier's Office for immediate handling through the DHS Miscellaneous Receipts account with US Bank.

1. The division requesting the miscellaneous credit card transaction will need to provide the credit card number, security code, amount, zip code, and division point of contact information. The division will also need to provide the STAR coding of where the payment will be applied.
2. The BFS Cashier's Office will process the credit card transaction. Once processed, the credit card authorization code will be recorded with the transaction information and provided to the division point of contact. All credit card information will be shredded.
3. The transaction information will be provided to the EDP or BFS Section handling the payment. For reconciliation purposes, all credit card payment deposits should be completed on a timely basis and as close to month end as possible.

E. Revenue Distribution

Divisions may need to further distribute revenue recorded from the bank file that is uploaded to STAR. This will be performed by the BFS EDP through a journal voucher document transaction.

F. Payments that Do Not Belong to Receiving Division

In some instances, divisions may identify a payment that does not belong to that division.

1. The BFS EDP will review the item and determine possible coding for the payment based on supporting documentation. To ensure timely posting of the deposit, the item can be posted to a clearing account while the correct payment information is investigated.
2. If a payment belongs to a division that is part of the Department, the EDP will contact the division for consensus on the coding for this payment.
3. If the division does not agree with the proposed payment coding, the EDP will contact the BFS lead accountant for this division to obtain final resolution of the coding. The EDP will use coding only when approved by the division's BFS lead accountant, if unable to get agreement with the division.
4. If it has been determined that the payment is a duplicate or does not belong to the Department, the EDP will refund the payment back to the appropriate vendor.

G. Changes to E-Payment Coding Strings

Changes to coding strings must be coordinated through the BFS lead accountants for the Department divisions. The lead accountants will forward changes and updates to the BFS EDP and the DBC.

H. Changes to the Bank Accounts Involving the State Working Bank

The state working bank is currently US Bank. Any changes that involve the state working bank should be processed through the DBC.

An example of this type of change would be the revision of documents flowing through the bank account. The DBC will contact the bank with changes. The state working bank will only accept changes to the bank accounts from the DBC.

3. Information Needed For "Request for E-Banking" Forms Completion

A. Uniform Request for Banking Service (DOA-2571)

- Contact name and agency
- Service requested
- Description of services
- Estimated annual transaction volumes and fees
- Funding sources (code strings)

B. Request for New Electronic Lockbox (e-payment) Application

- Agency, contact and target start date
- Program description
- Payment methods
- Statutory reference and appropriation
- Estimated volumes (report high volume months and volumes in those months)
- anticipated range and average of E-Payment amounts
- Convenience fees charged and advertising methods

C. Bank Account Setup Form

- Agency name and Employer ID#
- SinglePoint user names (1-3)
- Auto cash receipt coding (STAR)

D. U.S. Bank E-Payment Service Questionnaire

- Contacts for implementation, technical issues, file transmission
- Volume and target date
- Product (fees) names and labels
- Convenience fees
- User registrations
- Real-time message information
- Specifications for ACH, credit cards, website, remittance file
- Network options and email formats

E. Elavon Merchant ID Form (if accepting credit card payments)

- DBA business name, address, phone, fax
- Yearly volume
- Card type acceptance
- Chargeback information and fees
- Equipment information (if applicable)

FORMS

[Uniform Request for Banking Services \(DOA-2571\)](#)

[Request for New Electronic Lockbox \(epayment\) Application](#)

REFERENCES

1. **Credit/Debit Card Processing Fees** – see [WAM Expenditures and Travel, Credit-Debit Card Processing Fees](#) (Section 6 subsection 5)
2. **Internal Control Procedures for Accepting Credit/Debit Card Payments** – see [WAM Internal Controls, Internal Control Procedures for Accepting Credit-Debit Card Payments](#) (Section 14 subsection 4)
3. **Monitoring and Reconciling Electronic Lockbox Payments** – see [WAM Treasury, Monitoring and Reconciling Electronic Lockbox Payments](#) (Section 9 subsection 8)

CONTACTS

Division Contacts for E-Payment Issues

The [division's fiscal/purchasing liaisons](#) will serve as division contacts on E-Payment issues unless otherwise specified by the division.

BFS Contacts

[Department Banking Coordinator](#)

[Lockbox/E-Payment Deposit Processor](#)

[BFS Lead Accountants](#)