

County of Monterey



Bank Account & Merchant Card Services Policy

Department of the Treasurer-Tax Collector
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Effective (insert Board date)

Introduction

The County of Monterey's policies for banking, banking like and merchant card services are clarified within this document. These policies provide clear and concise guidelines to departments for opening, updating and closing County of Monterey bank accounts and merchant card payment services.

Purpose of the Policy

The purpose of this policy is to establish adequate control procedures over Monterey County cash assets, minimize the County's risk of financial loss, standardize products and services, insure Payment Card Industry Data Security Standards (PCI DSS) and regulatory compliance and reduce the County's bank and merchant card (credit card, debit card, e-check, and electronic payment) processing fees.

This policy sets certain requirements for opening, closing, updating, and maintaining County of Monterey commercial bank accounts. This policy supersedes all prior bank account policies, authorizations or directives. For purposes of this policy, "County bank accounts" mean any bank account opened (1) by or for the County or any of its departments, agencies, or county programs, (2) to accept deposits or disbursements of County cash assets, and (3) with use of the County's Tax Identification Number ("EIN"). Non-County entities may not use a County bank account and non-County cash assets may not be deposited in a County bank account.

This Policy also sets forth the regulations governing the establishment of Monterey County accounts used for merchant card services and the services themselves.

County of Monterey Treasurers Authority

California Government Code §53649 states, "The Treasurer is responsible for the safekeeping of money in his or her custody and shall enter into any contract with a depository relating to any deposit which in his or her judgment is to the public advantage." In addition, Government Code §27000 states, "the county treasurer shall receive and keep safely **all money belonging to the county** and all other money directed by law to be paid and apply and pay it out, rendering the account as required by law." Accordingly, every County department, agency, or county program that requires and/or utilizes Monterey County bank accounts or merchant

card services must review and follow this policy.

The Treasurer is aware there are a few unique instances where California Law allows county money to be deposited outside the Treasury. In those limited cases the Treasurer, in conjunction with the Auditor-Controller, must pre-approve the request and suitability of the proposed banking relationship and the financial institution.

General Policy Statement

A Monterey County bank account can only be used for legitimate and allowable revenue and/or expense activities of the County. Government Code §27011 prohibits the deposit of private monies or monies from an unofficial source in the county treasury.

In accordance with Government Code §53649 and the Monterey County Cash Handling Policy, County bank accounts may only be opened and closed with the authorization of the Treasurer-Tax Collector. The Treasurer and the Treasury Division are the primary points of contact for all activities governed by this Policy.

A county agency, department, or county program may not establish a County bank account, bank like services, or merchant card services without first obtaining written approval by the Treasurer. This applies to all County bank accounts and merchant card service agreements regardless of how the accounts are named, and whether or not the account uses the County name or the name of any agency, department, county program, affiliate, or the name of any other entity or person.

Proposals or requests for new bank accounts or merchant card services must be submitted by departments, agencies or administrators of county programs to the Treasury Division and the Auditor-Controller for processing. The ultimate approval to open a bank account or continue usage of an existing account is at the discretion of the Treasurer.

Procedures to follow when submitting a request to open, close, or update a County bank account or merchant card services account are available from the Treasurer.

Merchant Card Services

Pursuant to Government Code §6159, a public agency may accept credit cards, debit cards or electronic funds transfer upon approval of the governing body that has fiscal responsibility for that agency.

The Treasurer and the Treasury Division are the initial point of contact for establishment of merchant card services. The Treasurer maintains a list of enterprise-wide acceptable merchant card provider solutions that insure uniformity, standardized services, lower cost structures, PCI DSS and regulatory compliance. This extends to both cardholder present (over the counter) and cardholder not present (Internet) arrangements.

Procedures to follow when submitting a request to open, close or update a county merchant card services agreement are available from the Treasurer.

Establishment of Bank Accounts - Treasury

All relationships between the County and banks are coordinated through the Treasury. In addition to the subject of this Policy, this includes, but is not limited to, product selection, operating quality, pricing, account misuse, and customer service matters.

Departments who have approved additional services will be reviewed on an annual basis to determine their continued usefulness and suitability to the county, department or agency.

Departmental Responsibility

Every County department, agency, or county program that requires and/or utilizes Monterey County bank accounts or merchant card services must review and follow this policy.

- County departments, agencies or programs may not establish or maintain a County bank account, bank like services, or merchant card services without first obtaining written approval by the Treasurer and the Auditor-Controller.
- All requests to open new bank accounts or change existing bank accounts or services must be submitted in writing to the Treasurer by a department head or his/her authorized designee.
- All bank, bank-like contracts, or merchant card service agreements will be reviewed by the Treasurer and, if approved, will be forwarded to the Office of the Auditor-Controller for additional approval.

- All County bank accounts must be registered with the Office of the Treasurer-Tax Collector and Auditor-Controller.
- County bank accounts may be held only with banks approved by the County Treasurer.
- All County bank accounts must have the County's Tax Identification Number ("EIN") and the name "County of Monterey" and the name of the department, agency, or county program in the account title.
- Non-County entities are not permitted to establish bank accounts in the County's name or use the County's EIN.
- County bank accounts may contain only County cash asset deposits. County cash assets consist of money under the control of the County. County entities are prohibited from depositing non-County cash assets into County bank accounts.
- All communications between County agencies and banks are to be coordinated through the Treasury Division, excluding ordinary account reconciliation issues, unless the issues are serious and difficult to resolve.
- Banks that directly contact any County department, agency or county program are to be referred to the Treasury Division.

SUMMARY

This policy requires that County departments, agencies and programs work with the Treasurer-Tax Collector prior to engaging in banking, or banking like services. In addition, this policy also requires that County departments, agencies and programs work with the Treasurer-Tax Collector to ensure that they comply with credit/debit card acceptance rules, regulations and best practices prior to engaging these services.