

Town of Fairfield
Fairfield, Connecticut 06824
INTERNAL AUDIT DIVISION
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(203) 255-7380 (Fax)
csaxl@fairfieldct.org

To: Adam Tulin, Director of Purchasing
From: Connie M. Saxl, Senior Internal Auditor
Subject: CardConnect Credit Card Processing Fees
Date: April 21, 2023
Cc: Jared Schmitt, Chief Fiscal Officer
Dave Kelley, Director of Information Technology



AUDIT PURPOSE AND SCOPE

Internal Audit conducted a review of the fees charged by CardConnect for processing Town department credit card charges. The audit involved a review of a random sample of fees charged on CardConnect monthly statements from 2019 through 2023. The purpose of the audit was to verify that fees charged by CardConnect on monthly credit card statements were in accordance with RFP #2018-85 award dated July 24, 2018.

Town departments who currently use CardConnect:

Department
Parks Department
Recreation Department
Fire Department
Health Department
Community & Economic Development
Town Clerk
Social Services/Senior Center
Solid Waste & Recycling



STATEMENT OF AUDITING STANDARDS

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed in order to afford a reasonable basis for judgements and conclusions regarding the organization, program, activity, or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy audit objectives.



INTERNAL CONTROL DEFINED

Internal control encompasses all the steps and actions developed by management to ensure efficient and effective organizational operations. It consists of all the methods used to safeguard assets, to promote accuracy and reliability of the organizations accounting data and records, to encourage compliance with all policies and procedures prescribed by management and to promote the operational efficiency of the organization. Management should understand its responsibilities to implement and maintain adequate internal control systems.



AUDIT FINDING #1

RFP #2018-85 (attachment 1) states in pertinent part that:

...The term of the resulting contract shall be for an initial period of (2) years and, at the discretion of the Town, three (3) potential additional one (1) year extension periods...

...The successful company shall be expected to commence work within (14) calendar days after the receipt of a notice of award from the Town...

...The fees and charges presented in this proposal shall remain firm for initial award period (two years) and be renewed on the same terms and conditions for the potential additional periods of the contract with the following exceptions that shall be adjusted to reflect

increases or decreases in all applicable rates, fees, and assessments established by Mastercard and Visa Interchange rates. The merchant service provider shall notify the Town of Fairfield a minimum of thirty (30) days prior to the effective date of any change of exclusions or service fee increases or decreases. Fees not identified by your Company in your original proposal shall not be considered at any time during the initial contract or the potential extension periods...

...Fee Proposal Schedule...Also, please provide fee information for any services that are billed but are not listed below...

1. The contract for RFP #2018-85 was awarded to CardConnect on July 24, 2018. The 14-day commencement date was August 6, 2018 and therefore, the two-year contract conclusion date was August 6, 2020.

A review of fees charged on department monthly credit card statements from CardConnect in 2020 revealed that the correct fee of \$.0275 cents per dollar sale was properly charged by them for credit card transactions in accordance to RFP award #2018-85. However, it was noted that an additional \$15 monthly statement fee was also charged to each department every month. This fee was not listed on the original Fee Proposal Schedule submitted to the Purchasing Department by CardConnect (attachment 2) for RFP #2018-85 nor was it awarded to them based on this fee schedule. This \$15 monthly statement fee should not have been charged to Town departments every month.

(It should be noted that review of RFP proposals submitted by other credit card processing companies for RFP #2018-85 was outside the audit scope of this review so it is uncertain whether the omission of this fee would have altered the bid award to this contractor.)

2. The Purchasing Department was unable to provide documentation to confirm whether the contract with CardConnect had been extended the three (3) additional one (1) year extension periods per the terms of the RFP award. The Purchasing Department believes that the contract had been extended. If the contract had been properly extended between the two parties, then the termination date will be August 6, 2023.
3. It was noted that credit card processing fees charged by CardConnect had been increasing steadily at varying rates for all Town departments. For example, it increased from June 2020 of \$.0275 per dollar sale (which is

proper and in accordance with the RFP award) up to \$.0325 per dollar sale plus an additional \$.10 per transaction fee for each credit card charge in February 2023. Further, a new fee for debit card charges was introduced in October 2021 of \$.0035 per dollar sale plus a \$.25 per transaction fee. This fee also increased in October 2022 to \$.0065 per dollar sale plus a \$.35 per transaction fee. In December 2021, one department (Solid Waste & Recycling) had been charged an annual membership fee of \$119 along with various network fees on their credit card statement. In December 2022, an annual bundle fee of \$249 was charged to one department (Community and Economic Development) along with various network fees on their credit card statement.

The Purchasing Department was unable to provide documentation to confirm if CardConnect had properly notified the Town thirty (30) days prior to the effective date of any service fee increases as required per the terms of the RFP #2018-85. (This clause would only apply if the contract had been properly extended by the Purchasing Department for the additional 3-year term.)

4. Departments were not notified by the Purchasing Department of the fees that should be reflected on their monthly credit card statements so they currently could not/cannot verify if they are correct or not.

AUDIT RECOMMENDATION #1

It is recommended that the Purchasing Department contact CardConnect and verify that the original contract with them was indeed properly extended the additional three years. If it has been properly extended, then the new fees charged as shown on the monthly statements were improperly applied by CardConnect since no 30 day notification of fee change was submitted. A refund should be due to the Town. If the contract is found to be expired, then the Purchasing Department should prepare and submit a new RFP for credit card processing services in order to obtain better fees for this service elsewhere: especially for Health Department, Community and Economic Development and Solid Waste & Recycling as shown below. These departments are currently at the mercy of the credit card processor who may apply processing and other fees as they see fit.

Department	Note
Parks Department	Software Only Supports CardConnect**
Recreation Department	Software Only Supports CardConnect**

Fire Marshall	Soon switching to Municipity for Online Permitting
Health Department	
Community & Econ. Develop.	
Town Clerk	Has CardConnect but does not use it
Social Services/Senior Center	Software Only Supports CardConnect**
Solid Waste & Recycling	

If a new credit card processor is used: It is also recommended that the Purchasing Department review monthly credit card processing statement fees on a quarterly basis (monthly statements can be easily obtained online) to ensure that they are reasonable and comply with the terms of the RFP award. At a minimum, the pertinent departments should be notified of the fees to expect on their monthly credit card statements. This will provide a secondary departmental review of fees charged by the processor whereby the department can notify Purchasing if they notice that the fees have changed or are incorrect on their monthly statements.

**It is recommended that the Information Technology Department review the current software packages used by these departments to determine if other credit card processors who provide better fees may be used.



AUDIT CONCLUSION

The audit recommendations made within this report will assist the Town, especially the Purchasing Department, in managing credit card processing fees charged to Departments who use credit cards and will assist in ensuring that the fees charged by the credit card processor comply with Town RFP awards.

If Town management wishes to implement the recommendations made within this report, Internal Audit will be happy to assist once it is notified.

Attachment 1

RFP #2018-85



Town of Fairfield

Sullivan Independence Hall
725 Old Post Road

Fairfield, Connecticut 06824
Purchasing Department

(203) 256-3060
FAX (203) 256-3080

RFP #2018-85

Credit Card Processing Services

TOWN OF FAIRFIELD
PURCHASING AUTHORITY
725 OLD POST ROAD
INDEPENDENCE HALL
FAIRFIELD, CT 06824.

Date Submitted _____, 2018.

SEALED PROPOSALS are subject to the standard instructions set forth on the attached sheets. Any modifications must be specifically accepted by the Town of Fairfield, Purchasing Authority.

Bidder:

Doing Business As (Trade Name)

Address

Town, State, Zip

(Mr/Ms) Name and Title, Printed

Signature

Telephone

Fax

E-mail

First Selectman

Director of Purchasing

Date

Sealed proposals will be received by the Purchasing Authority at the office of the Director of Purchasing, First Floor, Independence Hall, 725 Old Post Road, Fairfield, Connecticut 06824, up to:

2:00PM, Thursday, 12th July, 2018

To provide proposal submissions for the purpose of selecting and retaining a qualified company to provide credit card processing services for multiple Town departments.

NOTES:

1. Interested Parties are to complete all requested data in the upper right corner of this page and must return this page with their proposal.
2. No bid shall be accepted from, or contracts awarded to, any person/company/affiliate or entity under common control who is in arrears to the Town of Fairfield upon debt, or contract or who has been within the prior five (5) years, a defaulter as surety or otherwise upon obligations to the Town of Fairfield, and shall be determined by the Town.
3. Proposals are to be submitted in a sealed envelope or package and clearly marked "RFP #2018-85" on the outside, including all outer packaging, such as DHL, FedEx, UPS, etc., envelopes.

REQUEST FOR PROPOSALS

OVERVIEW

The Town of Fairfield ("Town") is seeking proposals from qualified financial institutions to provide payment processing services for debit/credit card and other forms of electronic payments for use throughout applicable Town Departments. The Town would like to continue to offer residents, customers and guests the opportunity to conduct business or pay fees online or at Town facilities with the most current technology and convenience offered by today's merchant account service companies. Additionally, a cursory review of today's competitive merchant services would offer greater and more secure payment options with a reduction in processing fees. The term of the resulting contract shall be for an initial period of two (2) years and, at the discretion of the Town, three (3) potential additional one (1) year extension periods.

GOALS AND OBJECTIVES

The Town would like to continue to offer its residents, customers and guests the opportunity to conduct business with the Town while utilizing debit/credit cards and other forms of electronic payments as a form a payment, whether through face to face transactions, online or over the phone. The Town will perform its due diligence in ensuring that debit/credit card transactions and other forms of electronic payments are conducted in the most secure, efficient, and cost effective manner.

SCHEDULE

The successful Company shall be expected to commence work within fourteen (14) calendar days after the receipt of a notice of award from the Town. A full implementation shall be expected to be completed within **forty-five (45)** calendar days after the initial fourteen (14) day period.

REQUESTS FOR INFORMATION (RFI) / ADDENDA

Questions concerning this RFP must be in writing and directed only to:

Gerald J. Foley, Director of Purchasing
Purchasing Department
725 Old Post Road,
Fairfield, CT 06824
E-mail: GFoley@FairfieldCT.org

Inquiries must reference the RFP due date and must be received no later than 12:00PM on Friday, the 22nd of June. Failure to comply with these conditions will result in the candidate waiving the right to dispute the RFP specifications and conditions.

Response will be in the form of an addendum that will be posted approximately Thursday, 28th of June (close of business) to the Town of Fairfield website: www.fairfieldct.org/purchasing

It is the prospective bidder's responsibility to monitor the website for additional information.

Any contact about this bid between a Bidder and any other Town official and/or department manager and/or Town of Fairfield employee, other than as set forth above, may be grounds for disqualification of that Bidder.

No questions or clarifications shall be answered by phone, in person, or in any other manner other than specified above. All addenda will be posted at www.fairfieldct.org/purchasing under Bid Invitations.

SUBMISSIONS

Submit one (1) original, one (1) electronic pdf version and five (5) hard copies of your proposal submission.

DISSEMINATION OF INFORMATION

During the term of the resulting contract, the successful proposer may not release any information related to the services or performance of services under the contract, nor publish any report or documents relating to the Town, the account or performance of services under the agreement without prior written consent of the Town; and shall indemnify and hold

harmless the Town, its officers, agents, and employees from all liability which may be incurred by reason of dissemination, publication and distribution, or circulation, in any manner whatsoever, of any information, data, documents, or material pertaining to the Town, the account or the contract by the proposer or its agents or employees.

CONTRACT TERMINATION

Either party shall have the ability to terminate the contract for any reason with 60 days written notice. The Town shall also have the right to immediately terminate a contract or a part thereof before the work is completed in the event:

- A. Previous unknown circumstances arise making it desirable in the public interest to void the contract.
- B. The proposer is not adequately complying with the specifications.
- C. The proposer refuses, neglects, or fails to supply properly trained or skilled supervisory personnel and/or workers or proper equipment.
- D. The proposer in the judgment of the Town is unnecessarily or willfully delaying the performance and completion of the work.
- E. The proposer refuses to proceed with work when and as directed by the Town.
- F. The proposer abandons the work.

In the event that the Town must immediately terminate the contract, the Proposer will be paid for all work completed prior to the termination.

SCOPE OF SERVICES

The Town of Fairfield is currently seeking to engage a full-service Company experienced in the development, installation and operation of a credit and debit card processing service for the Town.

1. Provide a competitively based discount for the processing of the major credit cards: Visa, MasterCard, Discover, and American Express.
2. The service shall allow the Town to authenticate the cardholders and use the card's magnetic stripe or chip to authenticate the cardholder and to authorize and capture the transaction.
3. Provide payment, settlement and refunding services.
4. Provide the customer a transactional receipt that has only contains the last four (4) digits of the credit card number and does not show the expiration date.
5. Provide immediate and direct deposit of all payments made by a customer, into a designated Town bank account through a Town-approved banking partner. At no time would the payments flow through a Contractor's bank account.
6. Provide online daily transaction and account reconciliation reports by major credit card and by merchant ID compatible for import into the Town's various systems [Tyler Technologies – MUNIS and Vermont Systems].
7. The proposed solution must be configurable for interaction with the Town's various systems [Tyler Technologies – MUNIS and Vermont Systems].
8. Provide, at no cost to the Town, on-site technical service as may be required in the event of operational difficulties related to transmission of daily transactions or any equipment/software failure or malfunction.

In addition to the above scope of services, the companies that would be replying to this RFP shall:

1. Be a Company or corporation regularly engaged in the acceptance and processing of debit/credit cards and other forms of electronic payments, providing on-line reporting services with at least five (5) years of experience.

2. Demonstrate to the satisfaction of the Town that your Company has adequate financial resources, experienced personnel, and experience in processing debit/credit cards and other forms of electronic payments.
3. Provide documentation to support the qualifications criteria as part of the RFP.
4. Provide a single point of contact for customer relations.
5. Provide real time web-based reporting of transactions by department and/or location.
6. Be fully compliant with all payment Card Industry (PCI) security standards as established by the Payment Card Industry Standards Council.
7. Provide seven (7) days per week technical support.
8. Provide on-line resources for retrieving, reviewing, printing and/or downloading transactions and settlement data in a format compatible for importation into the Town's various systems. [Tyler Technologies – MUNIS and Vermont Systems]
9. Have the ability to provide multiple Town users with access to on-line reporting
10. Provide initial and ongoing training as is necessary

INDUSTRY STANDARDS REQUIREMENT:

The following standard applies to this work:

- a) Compliance with Payment Card Industry (PCI) Data Security Standards.

PROPOSAL REQUIREMENTS

This section establishes certain standards of experience and financial capabilities that the Town deems candidates to be qualified. Proposals that do not meet prescribed standards may be considered non-responsive. Candidate must respond to all questions honestly and completely.

The following describes the submission requirements:

- A. *Executive Summary:* Provide an executive summary – maximum three (3) pages, single spaced – that includes the full Company name, tax identification number and main office address of the primary company. Include annual reports, 10k, balance sheets and any other information detailing the financial stability and organizational ability of the company. The company must have been in business for a minimum of five (5) years. Note all financial information must be in a separate and sealed envelope, marked accordingly. The Town will not divulge such financial information as permitted to extent under law.
- B. *Company Background / History Information:*
 - 1) Provide the business history of the primary Company. Include any changes in your Company's status as the result of merger, acquisition, reorganization or other change in business organizational status. Identify when your company was organized and, if a corporation, where incorporated and number of years engaged in providing full service contract operations under that name. Provide a comprehensive description of corporate ownership and/or operating name. Your Company must also be licensed and currently registered to do business in the State of Connecticut.
 - 2) State whether any elected official or other officer, employee, or person who is payable in whole or in part from the Town currently has any direct or indirect personal interest in your Company. If so, describe the circumstances.
 - 3) State whether your Company or any of its employees or officers has been named as a defendant in any litigation brought as a result of any contract operations for operations and maintenance. If so, name the owner and describe the circumstances, including the outcome of the litigation.

- 4) State whether your Company has ever been terminated, suspended, or replaced on a project other than those contracts that have been terminated due to completion. If so, name the owner and describe the circumstances.

C. *Company Capabilities:* Your Company must demonstrate the capability to successfully provide credit card processing services. Fully describe such experience and provide documentation.

Respondents must provide the following information, concerning their Company's service capabilities:

Merchant Credit Card Processing

- 1) Describe your company's authorization method, list and describe alternative authorization methods.
- 2) What authorization methods do you support and which do you recommend for each processing channel?
- 3) What are the procedures to reverse an incorrect authorization?
- 4) Describe the monitoring and notification process if a transmission fails.
- 5) Outline the security measures in place for the protection of data transmitted for processing.
- 6) Describe the security measures used to prevent unauthorized user access to the system or data. If applicable, please indicate if there has ever been a compromise to any credit card systems or application through a security breach. If yes, explain the process your company took to notify customers, the steps taken to protect the customer's data and the safeguards put in place to prevent it in the future.
- 7) What are your daily workflow deadlines and when are funds credited to a merchant's account?
- 8) Can gross settlements be credited to the bank account daily? Can discounts and interchange fees be settled the subsequent month with a separate invoice?

Merchant Credit Card Processing Capabilities

- 9) Can you provide next day settlement for Visa, MasterCard, AMEX and Discover network transactions?
- 10) What is the latest time that sales transactions can be transmitted to meet these settlement times?
11. How is settlement made by your Company (direct account debit, ACH, or invoice)? Please provide details.
- 12) Please describe how settlement amounts will be listed on the bank statement. Will they appear as one lump sum (meaning one amount for Visa, MasterCard, and Discover, one amount for AMEX)?
- 13) Describe how your Company supports BIN (Bank Information Number) file management to differentiate between debit card and credit card transactions.
- 14) Describe your Company's process to ensure that transactions qualify for the lowest interchange category.
- 15) Describe your Company's procedures to correct duplicate transactions.
- 16) Describe any limitations on the number of files/transactions:
 - a. Number of transactions contained in a batch?
 - b. Number of files transmitted daily?
- 17) Are credit card charge backs or other debit adjustments netted from daily proceeds, or are they debited separately? Please describe your chargeback process in detail.
- 18) Describe your Company's overall pricing structure. Is your Company's offering a fixed cost plus surcharge fee or an interchange plus fee? Complete the cost of services form on page 11 and add other unspecified costs required.

19) List and define transaction fees for authorization, settlement, network, communications and any other fees within your response. Complete the cost of services form on page 11 and include any one-time or set up charges, research fees and include all other fees or charges that will or could be charged (e.g., interchange rates, regular and ad hoc reporting costs). The Town of Fairfield shall not be obligated to pay for any fees not specified in the proposal.

20) Detail any change in associate fees (Visa and Master Card) that would be charged through your Company's proposed program from the published interchange rates of these companies.

Online Information Reporting Services

21. Describe all reports available and the software used to receive and view reports. Provide an overview of reporting cycles, procedures, and capabilities. Provide a sample of each detail and summary report available or a link to sample reports online.

22. Are reports or other information available via the Internet, PC access, or other online method?

23. Define the download capabilities, level of customization, and drill down capabilities available on online reporting and reports. Describe the daily and/or monthly reconciliation reports available to the merchant and provide sample reports. The following categories need to be defined:

- a) Standard reports (transaction reports, funding reports, etc.)
- b) Special reporting capabilities
- c) Level of detail available
- d) Retrieval capabilities
- e) Imaging capabilities
- f) Reporting frequency

24. Does your Company have the capability of providing reports segregated by each Town department for a twelve (12) month period? Please describe in detail.

25. If multiple merchant numbers are used describe how multiple merchant numbers are reported and the flexibility afforded the merchant for customizing the reports. Can the merchant "roll up" specified groups for reporting independent of other groups?

26. Do reports include AMEX and Discover transactions for reconciliation and research purposes?

27. Is your Company's online information reporting system owned and operated internally or is the system outsourced through a third party? If through a third party, please identify the third party. Are improvement and changes to the service controlled by the bank or a third party?

28. Can your Company provide a download of historical information regarding transactions, refunds, and charge backs maintained in a database for access by the merchant? If so, what access method is available? Please describe in detail.

29. How many business days of transaction data are stored on the reporting system and available for the customer to access?

30. Describe your Company's capability to store and retrieve transaction information, including signatures for bank card transactions? Provide details.

31. Describe the daily and/or monthly reconciliation reports that are available from your Company.

32. Describe your Company's capability to track credit card transactions for each Town department, creating an audit trail to be used by system administrators or supervisors.

Card Acceptance/Interface Processing

33. Describe the hardware necessary for acceptance of credit and debit cards (a) with card present, (b) when card not present, (c) via e-Commerce (internet), and (d) pin-based debit.

34. Does your Company provide the equipment on a lease or purchase basis? Do you offer an equipment maintenance plan? If so, what is the turnaround time and costs involved?

35. Describe in detail how your Company can process transactions from various gateways. Provide a list of all payment gateways supported and address all fees for setup, monthly recurring charges and per transactions fees on the Cost of Services Form.

36. Describe the process to add additional third party gateways.

Third-Party Processing

37. Explain your Company's role; are you an acquirer, processor, other?

38. Do you rely on third parties to process your merchant credit card transactions? If so, explain and provide the years of service you have been doing business with them and describe your relationship with your third party processor.

39. Describe in detail how your services are integrated with third party software, websites and gateways.

40. Identify your payment gateway provider and the number of years you have had a relationship with them.

Statutory/Regulatory or Card Association Rules

41. Do you foresee any statutory, regulatory, or card association rule modifications that will change the merchant credit card processing industry?

42. What is your Company's approach on providing input into policy rules or regulatory changes related to credit and debit cards? What have been the results of your activity?

Payment Card Industry Data Security Standards

43. Describe your PCI-DSS compliance status and program.

44. How does your Company maintain your compliance with the PCI standards?

45. Is your Company and all of your partners, subcontractors and third-party processors, in compliance with all applicable PCI DSS standards? Has your Company been certified as compliant by a qualified third-party assessor? Please name the assessor.

46. What is your role in supporting merchant PCI compliance and how do you help a merchant like the Town of Fairfield maintain its compliance?

Alternative Payment Services

47. Discuss optional and alternative payment services that your Company believes may help the Town of Fairfield expand merchant credit card payment options for its departments?

A few alternative payment options that are of interest to the Town are:

a) Mobile Payments

1. Does your mobile reporting service work on the iPhone, Android Phones and/or Blackberry Phone or other devices?

2. What software (names and version numbers) is required to use your mobile reporting services?

3. How many customers do you have using your mobile merchant card processing product? How many transactions are you processing monthly? How many dollars are processed monthly?

b) Contactless Payment Cards/Wallet Solutions i.e. MasterCard PayPass, Apply Pay, Google Pay, etc....

c) Marketing and promotion campaigns to increase adoption of merchant credit card payments.

Implementation

48. Provide a detailed description of the implementation process, including testing and a suggested Implementation Schedule. The Implementation Schedule must outline the milestone dates to accomplish each task and should include details of the specific tasks, as well as dates and resources assigned and identified for each milestone.

49. Describe support provided during implementation, including training, technical assistance, user manuals and on-site visits.

50. Describe support provided after implementation.

- D. *Resumes:* Include resumes and project lists of the key personnel proposed to work on the project.
- E. *Subcontractor Information:* Identify any subcontractors, if any, who will perform work on this project. The Town retains the right to reject any and all proposed subcontractors. This provision applies through the term of the contract.
- F. *Experience / References:* State your Company's relevant prior experience for these services in Municipalities, include with your proposal submission a list of all clients served during the past five (5) years, complete with names, addresses and telephone numbers of contact persons for each. Provide the client name, contact, address, and phone number of at least three (3) municipal clients that your company has or is servicing, if available.
- G. Your Company may include additional information considered relevant to this project.
- H. Fee Proposal Form - Complete the attached Fee Proposal Form and include with your submission. Attach additional breakdown of fees for reference, however, all costs for the project shall be illustrated and absorbed per the "not to exceed" pricing on the Fee Proposal Form.

1. Fees and other charges

Your Company must provide a merchant fee schedule based on the activity and volume as described in the Cost of Services Form (page 11), include fee information for all items on this form. If the following:

1. Setup Fee
2. Monthly Maintenance
3. Monthly Minimum Discount
4. Interchange Fees
4. Chargeback Fee
5. Authorization Fee
6. Online Access Fee
7. Return Fee
8. Wireless Fee
9. Wireless Authorization Fee
10. Any other fees

The fees and charges presented in this proposal shall remain firm for initial award period (two years) and be renewed on the same terms and conditions for the potential additional periods of the contract with the following exceptions that shall be adjusted to reflect increases or decreases in all applicable rates, fees, and assessments established by MasterCard and Visa Interchange rates. The merchant service provider shall notify the Town of Fairfield a minimum of thirty (30) days prior to the effective date of any change of exclusions or service fee increases or decreases. Fees not identified by your Company in your original proposal shall not be considered at any time during the initial contract or the potential extension periods.

PERFORMANCE STANDARDS

A. Performance Requirements

- Accurate and consistent processing of debit/credit card transactions and other forms of electronic payment.
- Timely payment of transactions deposited directly into a designated Town of Fairfield bank account.
- Accurate and timely online reporting of debit/credit card transactions and other forms of electronic payment.
- Timely and accurate submittal of invoices to appropriate department.
- Responsive and knowledgeable person designated as the single-point of contract for matters related to the contract and processing of debit/credit card transactions and other forms of electronic payment.

B. Performance Measurement/Evaluation

- Did the Company implement debit/credit card processing capability in a timely manner by department?
- Did the Company respond to Town correspondence in a timely manner?
- Were complaints/problems resolved in a reasonable and cooperative manner?
- Was the Company reasonable and responsive to Town needs?

ASSIGNMENT OF KEY STAFF

The key member(s) of the contract identified must be assigned to the contract and must remain assigned to the contract for its duration, unless the Town agrees in writing to modify the assignment. If a key member leaves during the course of the contract, the Town must be notified immediately, and the contractor must submit the replacements name and credentials for approval by the Town prior to that person starting work on the contract.

AUDIT OF RECORDS

Proposer(s) affirmatively acknowledges and agrees that pursuant to any ensuring contract, successful proposer shall maintain adequate books of account with respect to its services, in accordance with generally accepted accounting principles (GAAP) in a form and method acceptable to the Town. Successful proposer(s) shall permit the Town and Town's agents from time-to-time within forty-eight (48) hours written notice, to inspect, copy and audit during successful proposer(s) normal business office hours, the books and records pertaining to the services provided under this Agreement. The Town's right to audit, inspect, and make copies of FIRM's records shall be at the sole expense of the Town.

Periodic and/or Annual Reports. At any time, the Town may request that the successful Companies with the minimum of thirty (30) days written notice, prepare and/or produce a report of the results of operations, as it pertains to any ensuring agreement, in the previous calendar year prepared in accordance with generally accepted accounting principles (GAAP). The report must be prepared and certified by an independent certified public accounting firm. (For purposes of said agreement, each "calendar year" begins on January 1 and ends on December 31 of the same year.)

RECORD RETENTION

The successful Company shall maintain all records in relation to this proposed agreement at its location for a period of at least five (5) years upon expiration or earlier termination of the contract or for a period stipulated by the governing State and Federal regulations, whichever is longer.

NO GUARANTEE OF QUANTITIES

The Town of Fairfield does not guaranty quantity or services required in the scope of work defined herein. The successful Company shall provide all materials, labor, and equipment, whether specified or not, to provide a complete working system.

The quantities of items or extent of scope of work are estimated values. In the event a greater or lesser quantity is required, the Town reserves the right to increase or decrease said values in accordance with the pricing schedule.

EVALUATION

The evaluation criteria shall consist of, but not limited to, the following:

- Company's qualifications
- Company's proposed personnel, organizational strength, industry certifications and achievements
- Proposed Fees
- Proposed Reporting capabilities – depth and ease of accessing transactional data
- Proposed timeline and schedule
- References - Comparable projects completed
- Financial Profile of the Company

The Town reserves the right to reject any and all proposals, waive formalities, informalities and technicalities therein, and to take whatever proposal they determine to be in the best interest of the Town, considering cost, proposal content qualifications of the firm, quality of the project approach, time of delivery or completion, responsibility of consultants being considered, previous experience of consultants with Town, State, and Federal contracts, or any other factors could be deemed appropriate.

SELECTION PROCESS

- 1) If it is determined that interviews are required as part of the award process, multiple finalists may be selected.
- 2) Prior to final selection, each candidate or firm may be required to present their proposed solution to relevant Town bodies for approval.
- 3) Presentations will be scheduled as promptly as possible.

SELECTION CRITERIA

Description	Points
Company's qualifications	20
Company's proposed personnel, organizational strength, industry certifications and achievements	20
Proposed Fees	30
Proposed reporting capabilities – depth and ease of accessing transactional data	10
Proposed timeline and schedule	10
References - Comparable projects completed	5
Financial Profile of the Company	5
Total Maximum Points:	100

DISCLAIMER

This RFP does not commit the Town to award a contract or pay any costs incurred during the preparation of the qualifications package. The Town reserves the right to reject any or all of the proposals for completing this work.

FEE PROPOSAL FORM

TOWN OF FAIRFIELD, 725 OLD POST ROAD, FAIRFIELD, CT 06824

Based on the projected monthly volumes show below, please provide a monthly schedule of fees for the Town of Fairfield card processing services. Since actual data was not available to the Town, for bidding purposes volume and transactional data have been estimated. Also, please provide fee information for any services that are billed but are not listed below.

SERVICE	Volumes	Sales	Costs
<i>In-Person Transactions</i>			
Visa	2,226	\$112,780.00	\$
Master Card	1,118	\$ 58,595.00	\$
Discover	60	\$ 3,550.00	\$
American Express	636	\$ 39,380.00	\$
Total In-Person Transactions	4,040	\$214,305.00	\$
<i>Over the phone Transactions</i>			
Visa	0	\$ 0.00	\$
Master Card	0	\$ 0.00	\$
Discover	0	\$ 0.00	\$
American Express	0	\$ 0.00	\$
Total over the phone Transactions	0	\$ 0.00	\$
<i>On-line (Internet) Transactions</i>			
Visa	1,003	\$ 75,900.00	\$
Master Card	510	\$ 37,300.00	\$
Discover	40	\$ 2,820.00	\$
American Express	374	\$ 27,830.00	\$
Total over the phone Transactions	1,927	\$143,850.00	\$
<i>Other Fees:</i>			
Set-up – Installation fee(s)			
Interchange fees			
Monthly Maintenance fee			
Monthly Minimum (s)			
Online Reporting (daily) – monthly rate			
Computer Programming (hourly rate)			
Point of Sale terminals (each)			
Point of Sale terminal supplies			
Fraud Protection fee(s)			
Chargeback / Return Fee			
Online Access Fee			
E-Check Return Fee			
Wireless Fee			
Wire Authorization Fee			
Other Fee: _____			
Other Fee: _____			
Other Fee: _____			
TOTAL MONTHLY FEE:			\$

Company Name _____

Address: _____

Name of Authorized Representative: _____

Title of Authorized Representative: _____

Signature: _____ Date: _____

**PURCHASING AUTHORITY
TOWN OF FAIRFIELD
INSTRUCTIONS FOR BIDDERS
TERMS AND CONDITIONS OF BID**

ACCEPTANCE PERIOD

In submitting the proposal, the Candidate agrees that the proposal will remain valid for a period of ninety (90) days after the closing date for submission, and may be extended beyond that time by mutual agreement. Prices quoted must be firm, for acceptance by the Town of Fairfield, for a period of ninety (90) days.

THE CANDIDATE

The Candidate shall be thoroughly familiar with the requirements of all specifications and the actual physical conditions of the various actual and proposed project sites. The submission of a proposal shall be construed as evidence that the Candidate has examined the actual job conditions, requirements, and specifications. Any claim for labor, equipment or materials required or difficulties encountered that could have been foreseen will not be recognized.

ASSIGNMENT OF CONTRACT

No contract may be assigned or transferred without the prior written consent of the Purchasing Authority.

FEDERAL, STATE AND LOCAL LAWS

All applicable Federal, State, and local laws, and rules and regulations of all authorities having jurisdiction over the locality of the project shall apply to the contract and are deemed to be included herein.

INSURANCE

The Contractor shall not commence any work under the Contract until all insurance required by this section has been obtained and Certificates of Insurance and any other evidence of required coverage requested by the Town, including a copy of the policy itself, have been received and approved by the Town.

Such policies shall stipulate that no coverage can be changed or canceled, including for non-payment of premium, unless the Town has had thirty (30) days prior notice in writing. Certificates of renewals or changes in policies shall be delivered to the Owner at least thirty (30) days prior to the expiration of the policy.

All insurance issuers chosen by the Contractor must be licensed to do business in the State of Connecticut and rated A- or better by A.M. Best Rating Services, subject to review by the Town of Fairfield.

The Town always reserves the right to reject insurance companies, if approved insurance policies cannot be provided the contract shall be terminated.

The insurance requirements set forth below are minimum limits of coverage only and in no way limit the Contractor's liability.

The following insurance is required to be maintained in full force until all work required by the contract has been fully completed, except that Products/Completed Operations coverage shall be maintained for five (5) years. Insurance will be primary with a 30-day notice of cancellation in favor of the Town of Fairfield.

Worker's Compensation Insurance: The Contractor shall carry Worker's Compensation and Employer's Liability Insurance in the form and in such amounts as may be currently required to comply with the Labor Laws of the State of Connecticut.

Automobile Insurance: The Contractor shall carry and maintain during the life of the Contract a policy with a combined single limit of \$1,000,000 and rider CA9948 or equivalent.

This policy shall include all liability of the Contractor arising from the operation of all self-owned motor vehicles used in the performance of the Contract; and shall also include a "non-Ownership" provision covering the operation of motor vehicles not owned by the Contractor, but used in the performance of the work.

Commercial General Liability:

- Bodily Injury and Property Damage \$1,000,000 each occurrence / \$2,000,000 aggregate
- Products/Completed Operations \$1,000,000 each occurrence / \$2,000,000 aggregate

This policy shall include Subcontractor's Liability coverage, protecting the Contractor and the Town against liability arising out of the activities of Subcontractors engaged by him in the performance of the work. .

Excess /Umbrella Policy: An excess or umbrella policy in the amount of \$5,000,000, covering general liability, auto liability, and employer liability is required.

Professional Liability: A professional liability (errors & omissions) policy in the amount of \$1,000,000. This policy should in place for at least 2 years after completion of work, with the Town listed as additional insured

Waiver of Subrogation: Waiver of subrogation is required on all policies.

Additional Insureds: The following entities shall be named as additional insureds on the General Contractor's and Subcontractors' Commercial General Liability, Automobile and Excess/Umbrella:

- Town of Fairfield, its officers, employees and agents, and the Board of Education, its officers, employees and agents.

Subcontractor's Insurance: Each Subcontractor engaged by the Contractor to perform any work under the Contract shall obtain all insurance required of the Contractor in the same amounts and subject to the same provisions specified above for the Contractor, including the Additional Insured requirement. Certificates of Insurance shall be submitted to the Contractor and the Town and approved by the Town, before commencing any work.

ADDITIONAL INSURED

The Town of Fairfield, Fairfield Board of Education, its officers, officials, employees, agents, Boards, and Commissions shall be named as Additional Insureds. The coverage shall be primary and non-contributory and contain no special limitations on the scope of protection afforded to the Town of Fairfield. A waiver of subrogation applies under general liability, auto liability and workers compensation.

HOLD HARMLESS

Contractor shall defend, indemnify, and hold harmless the Town of Fairfield, its officers, employees, agents or volunteers, from and against any and all claims and demands of any nature for any loss, damage or injury which any person may suffer by reason of, or in any way arising out of, this Agreement, unless caused by the sole negligence of the Town.

TAXES, FEES, CODE COMPLIANCE, LICENSING

The company shall be responsible for payment of any required permits, licenses, taxes or fees associated with the execution of the performance contract. The company shall be responsible for compliance with all applicable codes and laws. If there are tax credits that Town is not qualified for but the company is, those savings will be passed on to Town.

RIGHT TO ACCEPT / REJECT

AFTER REVIEW OF ALL FACTORS, TERMS AND CONDITIONS, INCLUDING PRICE, THE PURCHASING AUTHORITY OF THE TOWN OF FAIRFIELD RESERVES THE RIGHT TO REJECT ANY AND ALL BIDS, OR ANY PART THEREOF, OR WAIVE DEFECTS IN SAME, OR ACCEPT ANY PROPOSAL DEEMED TO BE IN THE BEST INTEREST OF THE TOWN OF FAIRFIELD.

Provide subcontractor details where they are to be employed as part of this contract, including labor rates:

SUBCONTRACTOR #1:

Name of Company _____ Fed ID # _____
Contact Person _____ Phone _____
Company Address _____ Fax _____
Assignment _____ Email _____
Identify Role and Hourly Rates _____

SUBCONTRACTOR #2:

Name of Company _____ Fed ID # _____
Contact Person _____ Phone _____
Company Address _____ Fax _____
Assignment _____ Email _____
Identify Role and Hourly Rates _____

SUBCONTRACTOR #3:

Name of Company _____ Fed ID # _____
Contact Person _____ Phone _____
Company Address _____ Fax _____
Assignment _____ Email _____
Identify Role and Hourly Rates _____

SUBCONTRACTOR #4:

Name of Company _____ Fed ID # _____
Contact Person _____ Phone _____
Company Address _____ Fax _____
Assignment _____ Email _____
Identify Role and Hourly Rates _____

REFERENCES

Provide reference details of most recent similar scope projects performed:

REFERENCE #1:

Name of Company _____ Phone _____
Contact Person _____ Cell _____
Company Address _____ Fax _____
Date work completed _____ Email _____

REFERENCE #2:

Name of Company _____ Phone _____
Contact Person _____ Cell _____
Company Address _____ Fax _____
Date work completed _____ Email _____

REFERENCE #3:

Name of Company _____ Phone _____
Contact Person _____ Cell _____
Company Address _____ Fax _____
Date work completed _____ Email _____

REFERENCE #4:

Name of Company _____ Phone _____
Contact Person _____ Cell _____
Company Address _____ Fax _____
Date work completed _____ Email _____

REFERENCE #5:

Name of Company _____ Phone _____
Contact Person _____ Cell _____
Company Address _____ Fax _____
Date work completed _____ Email _____

Attachment 2

Fee Proposal Form

CardConnect Submission for RFP #2018-85 dated June 23,
2018

FEE PROPOSAL FORM

TOWN OF FAIRFIELD, 725 OLD POST ROAD, FAIRFIELD, CT 06824

Based on the projected monthly volumes show below, please provide a monthly schedule of fees for the Town of Fairfield card processing services. Since actual data was not available to the Town, for bidding purposes volume and transactional data have been estimated. Also, please provide fee information for any services that are billed but are not listed below.

SERVICE	Volumes	Sales	Costs
In-Person Transactions			
Visa			
Master Card	2,226	\$112,780.00	\$ 3101
Discover	1,118	\$ 58,595.00	\$ 1611
American Express	60	\$ 3,550.00	\$ 97
Total In-Person Transactions	636	\$ 39,380.00	\$ 1082
	4,040	\$214,305.00	\$ 5891
Over the phone Transactions			
Visa			
Master Card	0	\$ 0.00	\$
Discover	0	\$ 0.00	\$
American Express	0	\$ 0.00	\$
Total over the phone Transactions	0	\$ 0.00	\$
On-line (Internet) Transactions			
Visa			
Master Card	1,003	\$ 75,900.00	\$ 2087
Discover	510	\$ 37,300.00	\$ 1025
American Express	40	\$ 2,820.00	\$ 77
Total over the phone Transactions	374	\$ 27,830.00	\$ 765
	1,927	\$143,850.00	\$ 3954
Other Fees:			
Set-up - Installation fee(s)			
Interchange fees			--
Monthly Maintenance fee			--
Monthly Minimum (s)			--
Online Reporting (daily) - monthly rate			--
Computer Programming (hourly rate)			--
Point of Sale terminals (each)			--
Point of Sale terminal supplies			5891859 or \$25/dev rental
Fraud Protection fee(s)			--
Chargeback / Return Fee			--
Online Access Fee			25
E-Check Return Fee			--
Wireless Fee			N/A
Wire Authorization Fee			--
Other Fee:			--
Other Fee:			--
Other Fee:			--
TOTAL MONTHLY FEE:			\$9845

Company Name Cardconnect
 Address: 1828 Walnut St #201, KCMO
 Name of Authorized Representative: Lauren Neal
 Title of Authorized Representative: Senior Sales
 Signature: [Signature] Date: 7/23/18

Without equipment

Town of Fairfield
Fairfield, Connecticut 06824
INTERNAL AUDIT DIVISION
(203) 256-2919 (Office)
(203) 255-7380 (Fax)
csaxl@fairfieldct.org

To: Department Heads: Pat Mahoney, Building Department, James
Wendt, Town Plan & Zoning Department, Timothy Bishop,
Conservation Department, William Hurley, Engineering
Department
From: Connie M. Saxl, Senior Internal Auditor
Subject: Value Payment Systems eCheck Rejects, Chargebacks and Refunds
Date: June 2, 2023
Cc: Jared Schmitt, Chief Fiscal Officer
Dave Kelley, Director of Information Technology



AUDIT PURPOSE AND SCOPE

Internal Audit conducted a review of Value Payment Systems online echeck rejects, chargebacks and refunds for the period June 1, 2022 through January 15, 2023 to verify that each department (Building, Town Plan & Zoning, Conservation and Engineering Departments) complied with prescribed Town policies and procedures surrounding these transactions.

The audit sample included 100% review of 229 daily reports issued by Value Payment Systems for the time period selected. Gross online transactions for customer payments examined totaled \$1,414,406.00. All echeck rejects and chargebacks occurring during this time were traced to customer replacement checks, the MUNIS financial accounting system and associated bank deposits. All customer refunds were traced to written documentation recording reason for the refund along with clerk and department head review and approval for these transactions.



BACKGROUND

Municipity is the new customer online permitting system that was implemented by the Town commencing January 2022. Value Payment Systems (VPS) is the credit card processor who submits daily reports to each Town department that utilizes Municipity for online permitting. The VPS reports include summary and detail for each online customer transaction occurring each day by department.

Definition of a Chargeback: A chargeback is a credit card charge that is disputed by the customer and a request is made by the customer directly to their credit card company to have the charge reversed. The credit card company processes the chargeback for the customer and is reflected on the Daily Value Payment Systems report.

Definition of an eCheck Reject: An echeck reject is a credit card charge that is declined by the credit card company because something went wrong during the customer payment process and the payment could not be completed.

Definition of Refund: A reversal of a customer credit card transaction whereby the original charge is credited back to the customer's account. These are done in-office.

Recap of Policies and Procedures (Full Policy Attached):

- Departments must notify each customer that their online payment has been reversed by Value payment Systems on the day that they are notified of the reject or chargeback.
- Departments must collect the required permit fee plus the administrative transaction fee of \$20 via replacement check from the customer within 10 business days.
- Permits must be voided from Municipity if a replacement check has not been received from customers within 10 business days after notification.
- No permit or certificate of occupancy shall be issued or inspections conducted, etc. by the department until proper payment is made by the customer.

- Both the clerk and their supervisor must document all refunds in writing including reason for the customer refund, associated permit number voided, signature and date.



STATEMENT OF AUDITING STANDARDS

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed in order to afford a reasonable basis for judgements and conclusions regarding the organization, program, activity, or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy audit objectives.



INTERNAL CONTROL DEFINED

Internal control encompasses all the steps and actions developed by management to ensure efficient and effective organizational operations. It consists of all the methods used to safeguard assets, to promote accuracy and reliability of the organizations accounting data and records, to encourage compliance with all policies and procedures prescribed by management and to promote the operational efficiency of the organization. Management should understand its responsibilities to implement and maintain adequate internal control systems.



AUDIT FINDING #1

It was noted on 10 occasions during the period examined where echeck rejects or chargebacks totaling \$16,319.00 occurred as follows:

Report Date	Department	Amount
June 7, 2022	Building	\$7,332.00
June 28, 2022	Building	\$835.00

July 5, 2022	Building	\$172.00
August 12, 2022	Building	\$1,551.00
August 24, 2022	Conservation	\$1,020.00
September 26, 2022	Engineering	\$30.00
October 26, 2022	Conservation	\$700.00
December 13, 2022	Building	\$2,691.00
December 27, 2022	Building	\$358.00
December 31, 2022	Building	\$1,630.00
Grand Total:		\$16,319.00

Total echeck rejects or chargebacks represented 1.15% of the gross collections for the period examined.

All departments properly collected the required permit fee plus the administrative transaction fee via replacement check from each customer within 10 business days. All redeposit of funds for the transactions noted were properly traced to MUNIS and recorded as revenue. All redeposits were also traced to bank deposits without exception.

AUDIT RECOMMENDATION #1

No Audit Recommendation made at this time.



AUDIT FINDING #2

It was noted on 4 occasions during the period examined where refunds totaling \$4,136.00 occurred as follows:

Report Date	Department	Amount
June 2, 2022	Building	\$1,113.00
July 1, 2022	Building	\$172.00
October 28, 2022	Town Plan & Zoning	\$160.00
December 1, 2022	Building	\$2,691.00
Grand Total:		\$4,136.00

Total refunds represented .29% of the gross collections for the period examined.

One department had not complied with Town policies and procedures governing online customer refunds on one occasion totaling \$2,691.

AUDIT RECOMMENDATION #2

The process of documentation, review, and supervisory approval of customer refunds is an important internal control necessary for safeguarding Town revenue. The importance of adhering to prescribed Town policies and procedures governing refunds was stressed with both department staff and department head. Further, the “Policies and Procedures for On-line Permitting” was redistributed to the department for their review and explained in detail for their understanding.

The department understood, agreed and will comply with all future customer refund transactions.



CLOSING REMARKS

The assistance and cooperation received from the Building Department, Town Plan and Zoning Department, Conservation Department and Engineering Department staff was greatly appreciated. I enjoyed working with the involved parties and look forward to working with you again in the near future. Thank you.

Attachment

Online Permitting Policies and Procedures

POLICIES AND PROCEDURES

ONLINE PERMITTING

MUNICIPALITY

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### **ALL DAILY DEPOSITS**

1. All daily customer collections, **whether paid by cash, check, credit/debit card or electronic check** must be recorded and reflected in Municipality.
2. Each employee must have their own separate password or login for Municipality and must be used whenever collecting and recording customer payments or processing refunds in Municipality.
3. In the case of an in-person payment transaction, the receipt or other form of acknowledgement of payment may be given directly to the customer, emailed or mailed.
4. The function of receiving customer payments should be centralized within your department to one or two employees.
5. Employees who receive and process customer payments must log out at the close of each business day.
6. Daily online reports must be printed from the system on the following business day for the previous day's transactions in order to prepare the deposit transmittal.

**Note: The department will prepare TWO deposit transmittals each day!**

**One for cash and checks and one for credit cards as follows:**

7. **Cash and Checks:** The validated bank deposit slip **AND** your daily online computer report must be **stapled** to the deposit transmittal. **NOTE:** One transmittal per day!
8. **Credit/debit card or electronic check:** The daily online computer report must be stapled to the deposit transmittal. **NOTE:** One transmittal per day!

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REJECTS, CHARGEBACKS, REFUNDS

REJECTS AND CHARGEBACKS: (TREAT LIKE A BOUNCED CHECK):

DEFINITION: A CHARGEBACK IS A CREDIT CARD CHARGE THAT IS DISPUTED BY THE CUSTOMER AND A REQUEST IS MADE BY THE CUSTOMER DIRECTLY TO THEIR CREDIT CARD COMPANY TO HAVE THE CHARGE REVERSED. CHARGEBACKS ARE DONE BY THE CREDIT CARD COMPANY.

DEFINITION: A REJECT IS A CREDIT CARD CHARGE THAT IS DECLINED BY THE CREDIT CARD COMPANY BECAUSE SOMETHING WENT WRONG DURING THE CUSTOMER PURCHASE PROCESS AND THE PURCHASE COULD NOT BE COMPLETED.

1. IF THERE IS A **REJECT OR CHARGEBACK** SHOWN ON THE "TOWN OF FAIRFIELD - CT DAILY REPORT" **FROM VALUE PAYMENT SYSTEMS, ALSO KNOWN AS VPS **** THEN:

**** AN EMAIL WITH THIS REPORT IS SENT TO EACH DEPARTMENT FROM VPS ON A DAILY BASIS.**

A.) MAKE A COPY OF THE VPS REPORT (SUMMARY PAGE PLUS THE DETAIL PAGE) DESCRIBING THE REJECT OR CHARGEBACK AND GIVE TO GIULIANA SANTIAGO, ACCOUNTANT IN THE FINANCE DEPARTMENT ASAP.

B.) CALL THE CONTRACTOR/CUSTOMER AND NOTIFY THEM THAT THEIR PAYMENT WAS REJECTED OR THAT A CHARGEBACK OCCURRED ON THEIR PAYMENT.

IF THE CONTRACTOR/CUSTOMER STILL WISHES TO OBTAIN A PERMIT, THEN REQUEST A **CHECK FOR THE AMOUNT OWED PLUS A \$20 ADMINISTRATIVE TRANSACTION FEE.**

2. WHEN YOU RECEIVE THE REPLACEMENT PAYMENT CHECK FROM THE CONTRACTOR/CUSTOMER:

A.) RECORD IT ON ITS OWN SEPARATE YELLOW DEPOSIT TRANSMITTAL UNDER:

~ **REDEPOSIT** - RECORD AMOUNT OF PERMIT FEES OWED & WRITE THE NAME OF THE CONTRACTOR ON THE TRANSMITTAL.

~ RETURNED CHECK FEES - RECORD \$20 (ONE FEE SHALL BE APPLIED PER CONTRACTOR/CUSTOMER PER PAYMENT REJECTED/CHARGED BACK PER DAY).

B.) BRING THE YELLOW DEPOSIT TRANSMITTAL TO FINANCE AND PLACE IT IN THE BIN FOR PROCESSING.

NOTE: IF YOU DO NOT RECEIVE THE REPLACEMENT CHECK FROM THE CUSTOMER/CONTRACTOR WITHIN 10 BUSINESS DAYS AFTER THEY ARE NOTIFIED OF THE REJECT OR CHARGEBACK THEN THEIR PERMIT MUST BE VOIDED FROM THE SYSTEM. NO INSPECTIONS SHALL BE CONDUCTED OR CERTIFICATES OF OCCUPANCY, PERMITS, ETC. SHALL BE ISSUED BY THE TOWN DEPARTMENT UNTIL PROPER PAYMENT IS MADE BY THE CONTRACTOR/CUSTOMER.

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### **REFUNDS:**

If a customer refund is necessary, the refund should be credited to the original card used for that purchase, if possible. A refund must never exceed the original payment amount.

**A supervisor must approve all customer refunds!** For audit purposes, refund transactions must be properly documented and accounted for as follows:

IF YOU PROCESS A CONTRACTOR/CUSTOMER **REFUND**:

- A.) MAKE A COPY OF THE VPS REPORT SUMMARY AND DETAIL PAGES THAT SHOW THE REFUND. WRITE A BRIEF DESCRIPTION OF WHY THE CUSTOMER REFUND WAS PROCESSED ON THE DETAIL PAGE, THE CANCELLED PERMIT NUMBER AND SIGN & DATE IT. YOUR DEPARTMENT HEAD MUST ALSO SIGN AND DATE THIS PAGE DESIGNATING HIS OR HER REVIEW AND APPROVAL.
- B.) PREPARE YOUR YELLOW DEPOSIT TRANSMITTAL FOR THE DAY AS NORMAL AND STAPLE COPIES OF THE REFUND REPORTS TO THE TRANSMITTAL. KEEP A COPY FOR YOUR RECORDS.
- C.) THE TOTAL DOLLAR AMOUNT ON THE VPS SUMMARY PAGE MUST AGREE TO THE TOTAL DOLLAR AMOUNT ON YOUR YELLOW DEPOSIT TRANSMITTAL SHEET. THIS IS WHAT HAS BEEN DEPOSITED IN THE TOWN GENERAL FUND BANK ACCOUNT THAT DAY - NET THE REFUND.

**NOTE:** IF A REFUND IS PROCESSED THEN THE ASSOCIATED PERMIT MUST BE VOIDED FROM THE SYSTEM. NO INSPECTIONS SHALL BE CONDUCTED OR CERTIFICATES OF OCCUPANCY, PERMITS, ETC. SHALL BE ISSUED BY THE TOWN DEPARTMENT.

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BANK DEPOSITS – CASH AND CHECKS

1. Bank deposits must be performed on a daily basis for all cash collections. No monies are to be maintained for a period greater than twenty-four hours without deposit. Bank bags for overnight deposits should be obtained if the department is unable to perform daily deposits during normal banking hours. All cash items must be secured in a secure area with restricted access until the deposit is made (i.e., safe, or other locked area.)
2. A centralized depository location is also available in Sullivan Independence Hall, Finance Department who will make the bank deposit on a daily basis for departments. (All departments within Sullivan Independence Hall are required to use the Finance Department bank depository system.) Each department must purchase disposable tamper-resistant bank bags. You will be required to write your name and department, the date and deposit amount in the designated area on the bank bag. All departments within the building will bring their deposits in the sealed tamper-resistant bank bags to the Finance Department and sign them into the logbook. The Finance Department will accumulate these deposits and secure them overnight in the locked vault. All sealed tamper-resistant bank bags will be deposited at People's Bank the following business day. Validated bank deposit receipt slips will be available for department pickup in Finance the following business day.

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### **DEPOSIT TRANSMITTALS**

**A yellow deposit transmittal must be used for all cash/check, credit card and other online customer payments:**

1. Record the date that is validated (i.e., stamped) by the bank on the deposit slip as the "Deposit Date" on the Deposit Transmittal.
2. Record the date that you collected your revenue in the "Collection Date" line on the Deposit Transmittal.
3. Record the dollar amount of revenue collected in the appropriate MUNIS revenue account by A/R code for your department.

4. Finance will notify you when a customer's check is returned by the bank. You must contact that person and obtain a new check, cash or money order to replace it along with a \$20 bounced check fee. When you receive the new check, record the revenue on the revenue line that states "Redeposit Returned Checks". Record the \$20 returned check fee in the line that says "Returned Check Fee".
5. All cash over or under from departmental collections must be recorded in the "Cash Over/Under" account for your A/R Code 010-10100. Any cash over/under in the amount of \$150 or more per Deposit Transmittal must be investigated and reported to Internal Audit.
6. Total per Deposit Transmittal = Total per Bank Deposit Slip = Total per Daily Online Report and VPS Report  
The "Total Deposit" recorded on the Deposit Transmittal must agree to the total dollar amount validated by the bank on the deposit slip. Concurrently, the total amount per the Deposit Transmittal and the stamped bank deposit slip **MUST** agree to the Daily Online Report.
7. The preparer must sign the Deposit Transmittal where it says "Completed By".
8. The Department Head must sign the Deposit Transmittal where it says "Authorized Signature". Ink stamps of signatures are not acceptable.
9. Staple the validated bank deposit slip to the Deposit Transmittal.  
Forward the completed Deposit Transmittal and bank deposit slip to Finance within one week of deposit.

***Keep a copy of the Deposit Transmittal, validated bank deposit slip and associated backup documents for your records and for auditing purposes.***

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SECURITY INCIDENT REPORTING AND ERRORS OR IRREGULARITIES

In the event of suspected fraud, tampering or substitution of a Point-of-Sale device or computer belonging to the Town of Fairfield, or suspected loss or theft of documents or files containing cardholder data, the Finance Department should be immediately notified.

It is the responsibility of all employees to notify the Finance Department whenever errors or irregularities are detected within the revenue collection process. This includes thefts, suspicion of fraud, errors made in deposits or errors made on Deposit Transmittals. Notification must be made immediately upon discovering the error or irregularity so that it may be rectified on a timely basis.

7/15/2022