Report of Deposit

PAYMENT CARD DEPOSITS - GENERAL INSTRUCTIONS **8032.6**
(New 5/98)

The following are the procedures for depositing card payments (credit card, debit card, Automated Teller Machine (ATM) cards, Smart cards (value stored on the card itself), etc.) for both the State's Master Service Agreement for payment card processing or an agency's individually contracted processor. A contracting agency should ensure that any contract or agreement with the processor includes provisions which are consistent with the following procedures.

1. Agencies accepting payment cards will establish a Zero Balance Account (ZBA), which is an account outside the CTS, in accordance with SAM Section 8002. The ZBA must be established at the main branch of an approved depository bank (SAM Section 8031). All payment card transactions will be processed through the agency's ZBA.

2. The payment card processor will transmit daily the amounts of the payment card transactions into the agency's ZBA. In addition, the processor will make all transaction data available to the agency. At the close of each business day, the net amount in the ZBA will be transferred electronically into the appropriate Demand Depository Account. Each agency will receive periodic statements from the bank for reconciliation purposes. The processor will not make any unauthorized debits to the agency's ZBA.

3. Each working day, the net payment card amount that is transferred into the Demand Depository Account for the previous day's activity will be processed directly into the agency's CTS account by the Bank Reconciliation Unit at the State Treasurer's Office. This procedure eliminates the need for state agencies to submit deposit slips for their payment card transactions.

Credit transfers will be keyed as deposits to the agency's CTS account and debit transfers will be adjusted by an Agency Trust Adjustment (ATA) and then posted to the agency's CTS account via a journal entry. Agencies will be responsible for reconciling their ZBA activity. Any payment card questions or disputes should be directed to the payment card processor.