



HISTORIC
FRANKLIN
TENNESSEE

ITEM #6
FINANCE
11-28-12

MEMORANDUM

November 19, 2012

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Russell B. Truell, ACA/Chief Financial Officer-Finance and Administration
Steve Sims, Asst. Recorder and Court Clerk

SUBJECT: Alternative Payments

Purpose

The purpose of this memorandum is to transmit to the Board of Mayor and Aldermen (BOMA) and Budget and Finance Committee a proposed policy for acceptance of alternative payments including, but not limited to: credit cards (card present in a face-to-face transaction or card not present in a remote transaction), debit cards, eChecks, ACH, mobile payments and other methods as may be developed in the payments landscape.

Background

The City currently accepts various methods for payment of monies owed, including cash, checks, money order, cashier's check, certified check, credit card, debit card, ACH, automatic bank draft, and online bank payments. These payments are made to various offices in City Hall, the Police HQ, Solid Waste facility, and at Jim Warren Park. These payments are made in person, by mail, by a drop box, or thru various electronic methods, including remote online payments. All methods incur some cost to process the transaction, including staff and customer time as well as depository and interchange transaction fees charged by financial institutions.

The most expensive method is for a face to face transaction due to the time involved. Our banking partner charges fees for depository transactions. Those fees are currently charged as operating expenses of Revenue Management. In FY 2012 those fees exceeded \$25,000. In addition, we accept credit/debit card payments remotely for utility bills, court fees/fines, property taxes and yard sales where the customer pays a convenience fee directly to the payment processor. We also accept credit/debit cards and absorb in our court operating budget the interchange transaction fees for court fees/fines paid in person at the counter. That has been most successful and has resulted in a reduction of bad checks and instances where customers agree to pay later. Many of those that said they would pay later did not and resulted in extra time/expenses to pursue. Last year those fees absorbed by the Court were about \$5,000.

Our customers are requesting additional options to pay, especially by credit/debit card. In addition, they want the ability to pay fees remotely (online via the web or by phone). Acceptance of credit/debit cards are essential to expanding payment options to allow for remote payments.

Alternatives

There are several alternatives for accepting payments by the City.

- Continue business as usual.
- Do not accept alternative payments.



HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

- Accept alternative payments for face to face transactions with the customer paying all the fees charged in the interchange transaction.
- Accept alternative payments for online transactions with the customer paying all the fees charged in the interchange transaction.
- Accept alternative payments for transactions with the customer paying some the fees charged in the interchange transaction.

Financial Impact

There is some direct, immediate financial impact of this proposal some interchange transaction fees would be added to the City's operating costs.

Recommendation

Accept this information and direct staff as appropriate to respond to changes in the business environment and to be more responsive to customer requests by accepting alternative payments by approving the proposed Resolution 2012-57.

RESOLUTION 2012-57

A RESOLUTION ADOPTING AN ALTERNATIVE PAYMENTS ACCEPTANCE POLICY AND PROCEDURES FOR THE CITY OF FRANKLIN, TENNESSEE

WHEREAS, the City of Franklin receives payments by various methods for taxes, City Court, utility service bills, or other user fees, assessments, permits and licenses; and

WHEREAS, the City of Franklin currently receives payments by cash, check, money order, cashier's check, certified check, automatic bank draft, credit/debit card, and ACH; and

WHEREAS, the City of Franklin incurs expenses for accepting payments including staff time/expenses and financial transaction fees; and

WHEREAS, the City of Franklin desires to accept payments using electronic methods and channels that require the payment of certain financial transaction fees; and

WHEREAS, the City of Franklin desires to ensure that the cost of processing receipts is recognized and does not unduly burden customers based on payment method or channel; and

WHEREAS, the Board of Mayor and Aldermen desires to provide staff with guidance necessary to pursue contracts for processing receipts from customers using emerging technologies; and

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the City of Franklin to adopt this Policy.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, AS FOLLOWS:

Section 1. The Board of Mayor and Alderman hereby adopt the Payment Receipt Policy, attached as Exhibit A.

Section 2. Changes or revisions to the Policy hereby adopted may be made by the City Administrator.

Section 3. The Policy shall be effective upon the passage of this Resolution.

Adopted this ____ day of _____, 2012.

ATTEST:

CITY OF FRANKLIN, TENNESSEE

BY: _____
ERIC S. STUCKEY
CITY ADMINISTRATOR/RECORDER

BY: _____
DR. KEN MOORE
MAYOR

APPROVED AS TO FORM BY:

Kristen L. Corn, Staff Attorney



ALTERNATIVE PAYMENTS POLICY

Resolution 2012-57 Exhibit A

Credit Card Transaction Fee

The City of Franklin receipts monies for taxes, utility services, development fees, user services, permits, licenses and court obligations. It is the policy of the City to accept funds and process transactions in the most efficient, least costly and customer-centric methods available.

Monies received by the City are deposited into the city's bank account and result in financial depository fees charged which are included in operational expenses of the city. In addition, certain financial transaction fees are required by third party processors for processing alternative payments for the City. The purpose of this document is to define those fees which are to be absorbed by the City as part of its business operations costs.

Alternative payment fees – These alternative payments include, but are not limited to, credit cards, debit cards, eChecks, PayPal, mobile payments or other methods as be deployed to meet emerging customer needs. The fees charged to process alternative payments are based on risk associated with the payment transaction and will vary based the payment method. These fees may be called interchange, processing or convenience fees but will be considered “transaction fees” for the purpose of this policy.

Transaction fees will be paid as follows and subject to a payment cap of \$1,000 per transaction when the City is absorbing the transaction fee. This payment cap will be periodically evaluated by the City Administrator and he/she may change the cap as business conditions or fees charged by the processors may dictate. Transactions may be split resulting in the City absorbing part of the transaction fee and the customer paying the remainder. All payments may be paid by a credit card and the transaction fee will be absorbed by the City unless specified otherwise. This includes those paid face to face and payments made online or by phone. In cases specified, the transaction fee shall be added to the total amount due and the cardholder will pay the transaction fee subject to provisions and limitations of the cardholder provider network.

1. **Taxes** – The cardholder shall pay the transaction fee on any payments classified as taxes whether paid at the counter or remotely via the internet (online using the web) or by phone. This includes, but is not limited to: property, business, hotel, alcohol, impact fees and facilities taxes and is in addition to the taxes due.
2. **Utility services** – Utility bills are issued for routine recurring service and payment is due monthly. The transaction fee will be absorbed by the City for face to face transactions subject to the dollar limit specified above. For remote payments (online or by phone), the customer shall pay the transaction fee in addition to the fee for services provided.
3. **Nonrecurring utility service fees** – These are one-time payments and alternative payments are acceptable for payments. The transaction fee will be absorbed by the City for face to face transactions subject to the dollar limit specified above. For remote payments (online or by phone), the customer shall pay the transaction fee in addition to the fee for services provided. Services in this category include:
 - i. Solid Waste Tipping Fees



ALTERNATIVE PAYMENTS POLICY

Resolution 2012-57 Exhibit A

Credit Card Transaction Fee

- ii. Stormwater fees/fines
- iii. Round-Up Fee contribution
- iv. Trash container rental or purchase
 - v. Tests & Inspections (e.g. backflow or fire protection devices)
 - vi. Connection and other application fees
 - vii. Fines and fees for violations of utility rules (e.g. meter violations)
 - viii. Mallory Valley Utility District cut-off fee
 - ix. Others as may arise
4. **Utility Service billed for others** – This includes sanitary sewer service billed for Berry’s Chapel Utility District and billed as a line item on the City water bill as part of a utility service bill presented by the City. The transaction fee will be absorbed by the City for face to face transactions subject to the dollar limit specified above. For remote payments (online or by phone), the customer shall pay the transaction fee in addition to the fee for services provided.
5. **Development Fees** – Fees are paid by developers for building and/or modifying structures in Franklin include, but are not limited to: water/sewer tap & installation fees, building permits, impact fees, plan submittal fees, inspections, rezoning fees, site plan reviews, and other fees. The transaction fee will be absorbed by the City for face to face transactions subject to the dollar limit specified above. For remote payments (online or by phone), the customer shall pay the transaction fee in addition to the fee for services provided.
6. **Permits and licenses** – The City requires permits and licenses for certain activities (e.g. alarm permits, craft licenses, yard sale permits. These are for a particular period of time and or activity. The transaction fee will be absorbed by the City for face to face transactions subject to the dollar limit specified above. For remote payments (online or by phone), the customer shall pay the transaction fee in addition to the fee for services provided.
7. **User Service Fees** – The City provides certain services and charges fees for those services. These fees are typically paid prior to receipt of the service (e.g. compost, accident reports or property rental fees). The transaction fee will be absorbed by the City for face to face transactions subject to the dollar limit specified above. For remote payments (online or by phone), the customer shall pay the transaction fee in addition to the fee for services provided.
8. **Court fees, fines and costs** – The City will accept credit card payments for fines/fees and absorb the transaction fees in the court costs for payments made in the office. For remote payments (online or by phone), the cardholder will pay the fee.



TO: Budget & Finance Committee

FROM: Eric Stuckey, City Administrator
Russell B. Truell, ACA/Chief Financial Officer-Finance and Administration
Steve Sims, Asst. Recorder and Court Clerk

DATE: October 29, 2012

SUBJECT: Alternative Payments

Purpose

The purpose of this memorandum is to respond to questions from Budget and Finance Committee for additional information for the receipt of payments, particularly fees associated with the transaction through the interchange process.

Background

At the October meeting, you were presented with a resolution to allow us to accept credit cards under certain conditions. The document was written to provide the leeway necessary to issue an RFP to obtain services for processing alternative payments. For this document that applies to credit cards, debit cards, eChecks, mobile payments, and other emerging payment methods. The provision under which these are processed and fees are charged is changing due to changes in laws, regulations by the card issuers and competition among the providers resulting in changes in payment options available in the marketplace. This is adding complexity to the payment processing chain. An overview of a “typical” credit card transaction is shown on the attached “**The Anatomy of a Transaction**” and comes from MasterCard. That flow chart does not show activities that will need to be conducted by the City to post customer receivables, only to get money in the bank.

We are requesting that we proceed with obtaining proposals for processing these payments to offer customers additional choices in paying their bills. This responds to:

- Customer requests
- Desire to expand our service offerings (not just payments) using online tools
- Increased efficiencies inherent in electronic business applications
- Enhanced fiscal controls due to less cash handling requirements
- Support of sustainability efforts by reducing traffic spent conducting business in person

In FY 2012, we received about 345,000 payments totaling \$112.1 million in all funds. An overview of receipts is attached as **Schedule A**. The City currently accepts many methods of payments, including online payments. Based on dollars received, the largest payment type was checks (\$45.5 million) followed closely by ACH (\$39.6 million). Checks were predominately for developer/builder fees, water/sewer tap & access fees, utility bills, solid waste tipping fees, collections by Milcrofton, and taxes. These are processed manually in the office and present our greatest opportunity for improving business



operations using online tools. ACH payments are primarily due to transfers from the State for shared taxes with deposits being made electronically but receipt processing being done manually. There will be no changes to that payment method. Furthermore, we will continue to encourage use of our existing remote payment methods (lockbox, RPPS, bank draft & online payments).

- **Taxes** comprised the greatest dollar amount (\$57 million) with State shared making up \$36 million of the total tax collections. Of the other taxes (property, hotel, alcohol, facilities etc.), \$13.6 million is paid by check. We can pass on interchange/transaction fees for those. Currently, property tax may be paid by credit card online or face to face and the fee applies. The card issuers give local governments latitude in adding interchange fees to taxes paid in a face to face transactions but limit our ability to do so for other categories.
- **Monthly utility service** bills comprised the second largest amount (\$30 million); however, those comprise our greatest number of bills (78.5%). These were studied in detail to determine transaction processing costs. It is recommended that we expand the acceptance of credit cards to include face to face transactions and absorb the fee at the counter. There are more returned checks for these than any other category (195 of the 221 dishonored instruments, or 88%, were for utility bills).
- **CDs/Grants/Other** is the next largest category (\$14.2 million) and it is recommended that we continue our existing payment practices and not accept credit cards for those.
- **Development Fees** follows at \$9.4 million and those were paid by check. It is recommended that we allow payment by credit card, subject to dollar limits proposed. In certain cases, it may be practicable to adjust fees to cover the incremental interchange costs which will be borne by the departments for face to face transactions. Furthermore, we can move to allow certain processes to be conducted online (e.g. plan submittals). Moving these to online processes streamlines operations and will allow us to process applications more efficiently.
- **Court fees/fin**es were \$0.95 million and it is recommended that we continue our current process to add the fee if business is conducted remotely (online or by phone) and to absorb the fee in court costs if conducted face to face.
- **Other permits, licenses and user fees** were \$0.5 million and these have great potential for payment by credit card for most applications, particularly using an online process. Fees would need to be reevaluated to determine if it made more sense to adjust fees or add the fee to the transaction. We will be extremely limited in our ability to add interchange fees on top for face to face transactions. Yard sale permits are not allowed online and about 1/3 of the permits issued in FY 2012 were obtained online with the customer paying the convenience fee.

Information was requested on the service items receipted, including volumes and average entry size and that is shown on **Schedule B**. That schedule also has recommendations for credit card acceptance at the counter and/or online, subject to limitations imposed by the City and the card issuers.

All methods of payment result in some cost being borne by the City and the customer with the City's costs showing up in the administrative costs of the various departments which handle receipts. These costs vary significantly depending on the method used with electronic transactions costing significantly less than manual transactions conducted face to face in the office. An analysis of the cost to process a utility bill receipt was performed and is shown as **Schedule C**. Utility bills were used since



we have the most data and this affects the most transactions annually – last year we receipted over 260,000 transactions. The most expensive payment methods are those manual office transactions involving cash or checks, whether we consider only COF costs or total cost including that borne by the customer. The least costly method is automatic bank draft.

To accept credit cards will result in some changes to our business processes as we move to deploy online functionality. The card issuers (VISA, MasterCard, Discover and American Express) have certain rules which will limit our ability to share these costs with our customers for face to face transactions. This could limit our ability to accept VISA cards for transactions conducted in the office. Fees vary significantly by issuer and type of card (e.g. eChecks and debit cards are less expensive than credit cards and credit cards vary depending on reward programs, card issuer, cardholder bank & merchant's bank). Cost predictability will be an objective should card acceptance be approved.

As we move to consider acceptance of cards and select a vendor, we will take into consideration:

- The cost to process, including that borne by the City and that borne by the customer
- The security of cardholder information
- The ease of doing business by the customer by expanding online functionality
- The ability to increase security of funds entrusted to us
- Cost predictability for the City
- The ability to reconcile and post receivables
- Improving sustainability by reducing customer traffic to City Hall

Alternatives

The alternatives are:

1. Do not accept credit card payments
2. Accept credit card payments – absorb all interchange/transaction costs
3. Accept credit card payments – pass on all interchange/transaction costs to customers
4. Accept credit card payments – absorb some interchange/transaction costs and pass some on to customers

Financial Impact

There is some financial impact of this proposal should we accept the recommended solution. That amount is indeterminate but is proposed to be mitigated by limiting fees the city absorbs. Due to provisions of the credit card providers, most notably VISA, we may not be able to do what we want to do while still accepting VISA for face to face transactions.

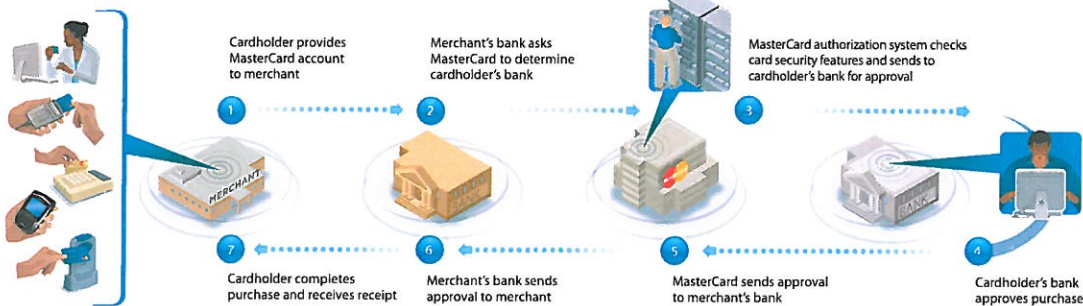
Recommendation

Accept this information, move to approve the Resolution for card acceptance and direct staff to develop and issue an RFP that allows acceptance of alternative payments.

THE ANATOMY OF A TRANSACTION

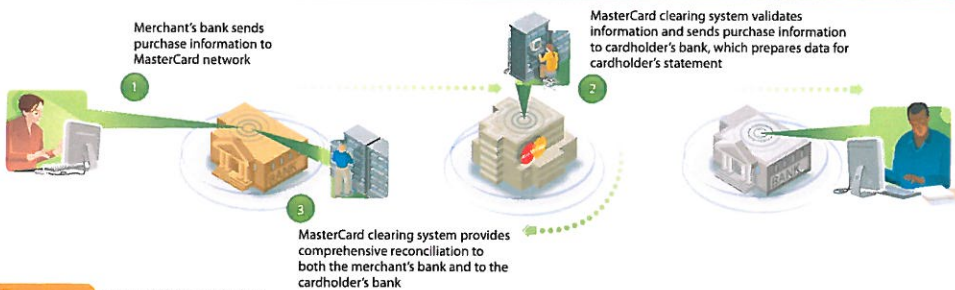
AUTHORIZATION

TIME OF PURCHASE



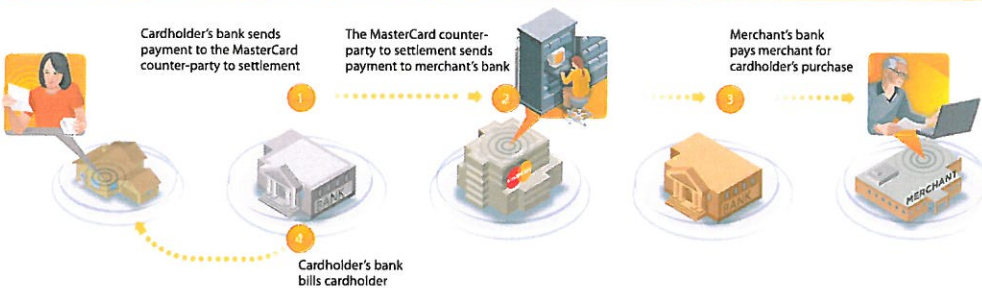
CLEARING

USUALLY WITHIN ONE DAY



SETTLEMENT

USUALLY WITHIN TWO DAYS



AOTE-0707
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Worldwide

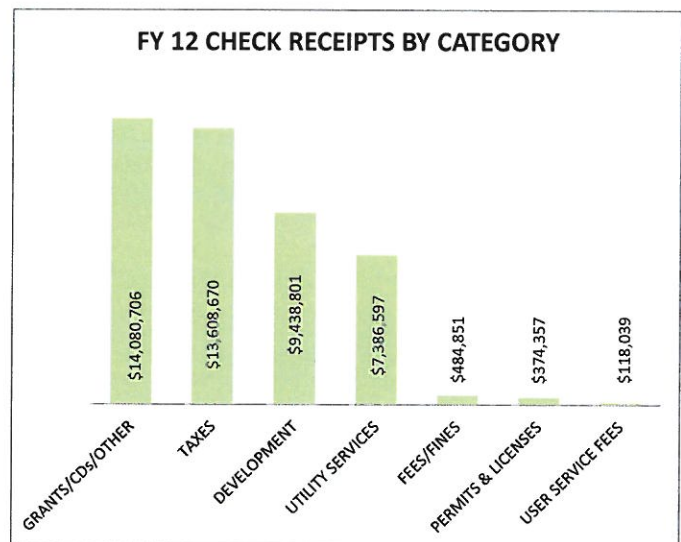
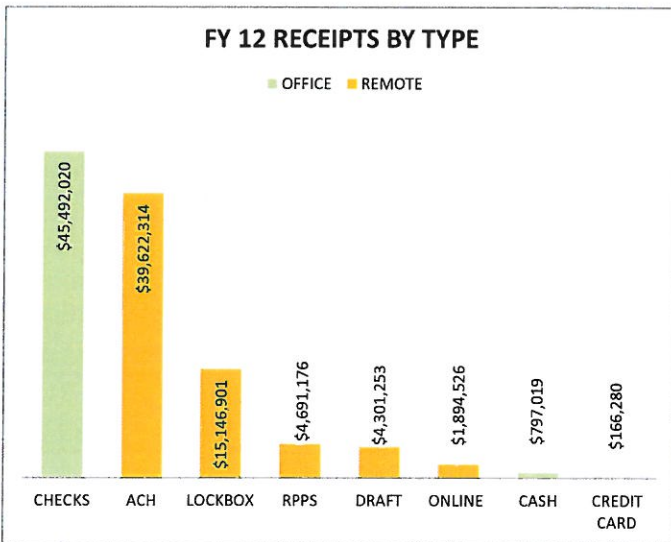
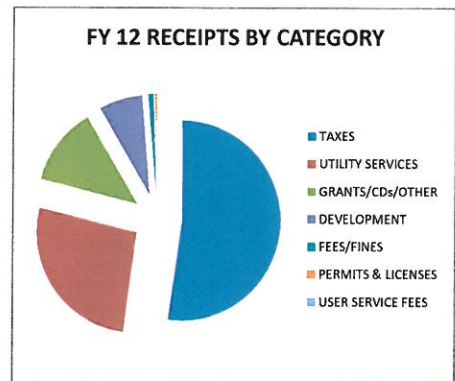
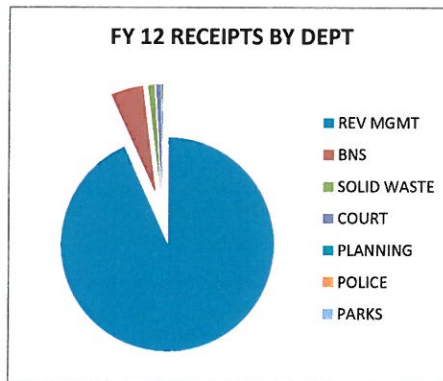
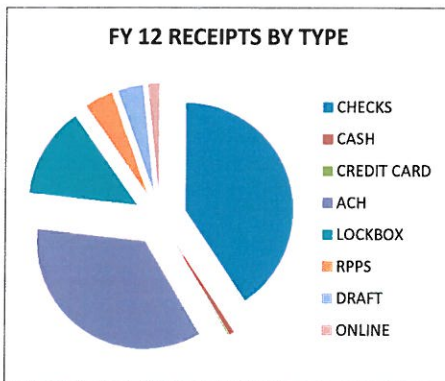
The MasterCard Network

- Connects 210 countries and more than 25,000 financial institutions
- Processes 5.4 million transactions per hour, and processes its portion of each transaction in an average of 129 milliseconds
- Saved customers approximately 1,173 cumulative years of processing time since 1997
- Processed 16.1 billion MasterCard-branded authorizations in 2006
- Maintains 99.999% global availability around the clock



CITY of FRANKLIN
FY 12 RECEIPT OVERVIEW (\$112,111,488 Total Received)

SCHEDULE A



CITY OF FRANKLIN
FY 12 RECEIPT OVERVIEW (\$112,111,488 Total Received)

SCHEDULE B

RECEIPTING			DESCRIPTION	OFFICE						REMOTE (ELECTRONIC)				TOTAL DOLLARS RECEIVED	TRANSACTIONS		RECOMMENDED		
RCPT APPLIC	RCPT DEPT	CODE		CASH	CHECKS	CREDIT CARD	LOCKBOX	RPPS	BANK DRAFT	ONLINE	ACH (EFT) or JV	ENTRIES	AVG ENTRY		DO NOT ACCEPT CREDIT CARDS	ACCEPT CREDIT CARDS @ COUNTER	ACCEPT CREDIT CARDS ONLINE		
			UTILITY COLLECTIONS by MILCROFTON	\$0	\$1,178,540	\$0	\$0	\$0	\$0	\$0	\$0	\$1,178,540	72	\$16,369	X				
MR	RM	203	FACILITIES RENT - WATER FUND		\$23,173							\$23,173	23	\$1,008	X				
			SOLID WASTE TIPPING FEES	\$0	\$1,158,136	\$0	\$0	\$0	\$0	\$0	\$0	\$1,158,136	1,747	\$663		X	X		
			SOLID WASTE FEES	\$0	\$58,488	\$0	\$0	\$0	\$0	\$0	\$0	\$58,488	626	\$93		X	X		
UB	RM	200	UB RECEIPTS (Monthly bills)	\$574,065	\$3,906,944		\$11,488,193	\$4,691,176	\$4,301,253	\$1,579,800	\$23,515	\$26,564,945	267,046	\$99		X	X		
			WATER/SEWER TAP FEES (One time)	\$0	\$1,061,315	\$0	\$0	\$0	\$0	\$0	\$0	\$1,061,315	1,074	\$988		X	X		
TOTAL - UTILITY SERVICES				\$574,065	\$7,386,597	\$0	\$11,488,193	\$4,691,176	\$4,301,253	\$1,579,800	\$23,515	\$30,044,598	270,588	\$111					
MR	RM	184	MAINT/PERFORMANCE BONDS		\$2,622,900							\$2,622,900	15	\$174,860	X				
MR	RM	201	SCHOOL FAC TAX-WMSON CO		\$672,962							\$672,962	12	\$56,080	X				
MR	BNS	320	JAMISON STATION-STREETSCAPE		\$396,000							\$396,000	17	\$23,294	X				
MR	BNS	308	ROAD IMPACT FEES		\$1,470,521							\$1,470,521	380	\$3,870	X				
			WATER/SEWER ACCESS/TAP FEES	\$0	\$2,707,358	\$0	\$0	\$0	\$0	\$0	\$0	\$2,707,358	1,079	\$2,509	X				
MR	BNS	302	BUILDING PERMITS		\$872,881	\$150						\$873,031	1,149	\$760		X	X		
MR	PLNG	402	SITE PLAN REVIEW		\$41,600							\$41,600	60	\$693		X	X		
MR	PLNG	401	REZONING FEES		\$8,594							\$8,594	16	\$537		X	X		
MR	PLNG	403	PLAT SUBMITTAL FEES		\$20,443							\$20,443	53	\$386		X	X		
MR	PLNG	405	OTHER PLANNING INCOME		\$10,486							\$10,486	34	\$308		X	X		
MR	RM	219	WO 37192 PLAN REVIEW - WATER		\$1,800							\$1,800	6	\$300		X	X		
MR	RM	254	SO 37292 PLAN REVIEW - SEWER		\$2,400							\$2,400	8	\$300		X	X		
MR	PLNG	406	BOZA REVIEW FEE		\$3,250							\$3,250	11	\$295		X	X		
MR	RM	260	ST 37295 INSTALLATION - SEWER		\$143,203							\$143,203	488	\$293		X	X		
MR	PLNG	407	LAND USE PLAN		\$250							\$250	1	\$250		X	X		
MR	BNS	312	PLAN REVIEW FEE		\$80,349							\$80,349	490	\$164		X	X		
MR	BNS	313	ELECTRICAL INSPECTIONS		\$371,404							\$371,404	2,725	\$136		X	X		
MR	RM	186	STORMWATER DEV FEES & PERMITS		\$2,800							\$2,800	24	\$117		X	X		
MR	BNS	303	REINSPECTIONS		\$9,600							\$9,600	137	\$70		X	X		
TOTAL - DEVELOPMENT FEES				\$0	\$9,438,801	\$150	\$0	\$0	\$0	\$0	\$0	\$9,438,951	6,705	\$1,408					
MR	RM	110	BEER PERMITS		\$12,750							\$12,750	51	\$250		X	X		
MR	BNS	306	MECHANICAL PERMITS		\$151,167							\$151,167	972	\$156		X	X		
MR	BNS	304	PLUMBING PERMITS		\$130,541							\$130,541	842	\$155		X	X		
MR	PD	700	ALARM PERMITS		\$22,815							\$22,815	211	\$108		X	X		
MR	RM	114	MISCELLANEOUS PERMITS		\$4,405							\$4,405	46	\$96		X	X		
MR	BNS	318	CAFE FEES		\$420							\$420	5	\$84		X	X		
MR	BNS	307	SIGN PERMITS		\$10,456							\$10,456	164	\$64		X	X		
BL	RM		BUSINESS LICENSE - INITIAL (Pd locally)		\$27,852							\$27,852	745	\$37		X	X		
MR	BNS	305	PLUMBING LICENSE		\$3,407							\$3,407	136	\$25		X	X		
MR	BNS	314	TREE CUTTING PERMITS		\$25							\$25	1	\$25		X	X		
MR	BNS	301	MECHANICAL LICENSE		\$4,025							\$4,025	167	\$24		X	X		
MR	RM	113	YARD SALE PERMITS		\$6,495				\$3,130			\$9,625	1,421	\$7		X	X		
TOTAL - PERMITS/LICENSES				\$0	\$374,357	\$0	\$0	\$0	\$3,130	\$0	\$0	\$377,487	4,761	\$79					
MR	PD	712	PD EXTRA DUTY		\$44,675							\$44,675	55	\$812		X	X		
MR	RM	208	SPECIAL EVENT SERVICES FEE		\$1,465							\$1,465	4	\$366		X	X		
MR	PK	121	PARK/CONCESSION/RENTALS		\$56,878							\$56,878	187	\$304		X	X		
MR	BNS	316	CONSULTANT FEES		\$716							\$716	3	\$239		X	X		

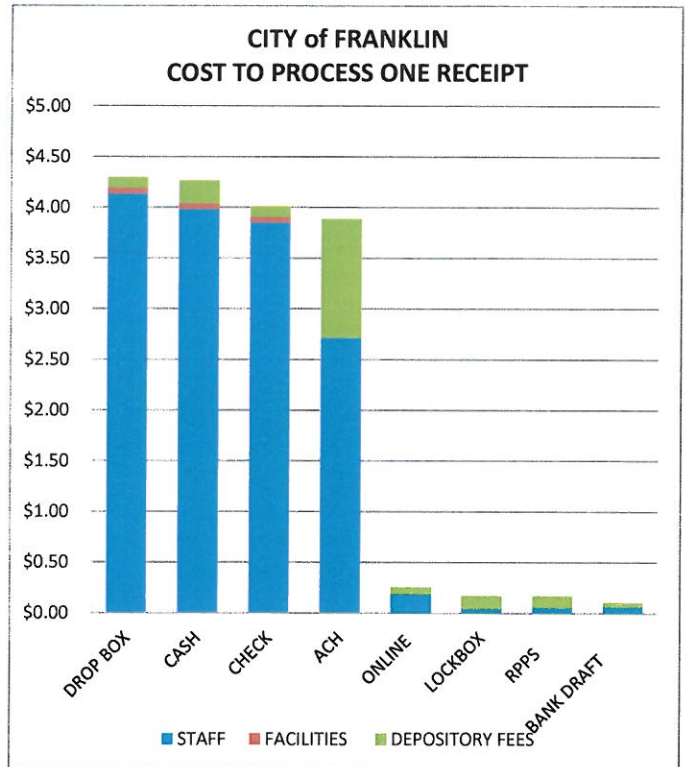
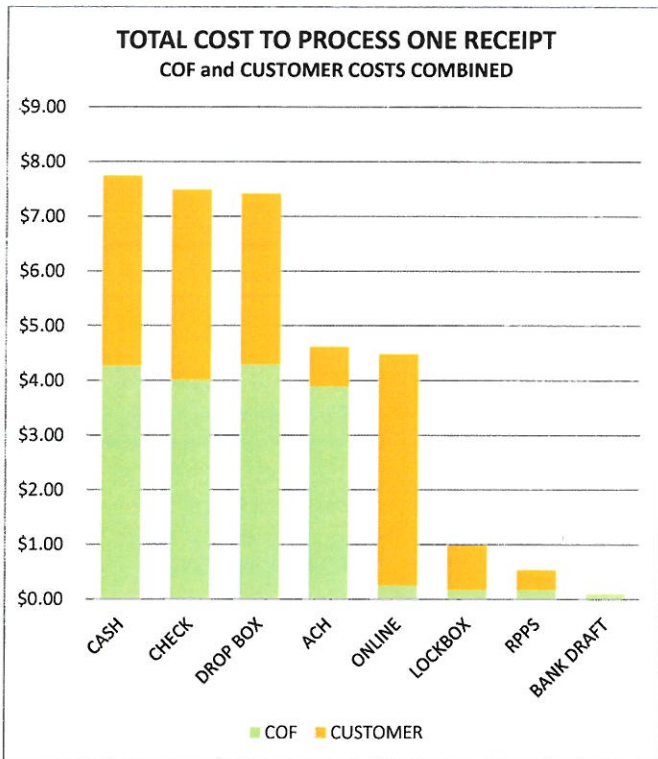
**CITY of FRANKLIN
FY 12 RECEIPT OVERVIEW (\$112,111,488 Total Received)**

SCHEDULE B

RECEIPTING			DESCRIPTION	OFFICE				REMOTE (ELECTRONIC)				TOTAL DOLLARS RECEIVED	TRANSACTIONS		RECOMMENDED			
RCPT APPLIC	RCPT DEPT	CODE		CASH	CHECKS	CREDIT CARD	LOCKBOX	RPPS	BANK DRAFT	ONLINE	ACH (EFT) or JV		ENTRIES	AVG ENTRY	DO NOT ACCEPT CREDIT CARDS	ACCEPT CREDIT CARDS @ COUNTER	ACCEPT CREDIT CARDS ONLINE	
MR	PD	709	SEXUAL OFFENDER REGISTRY		\$1,650							\$1,650	10	\$165		X	X	
MR	PD	701	ACCIDENT REPORTS		\$4,010							\$4,010	27	\$149		X	X	
MR	RM	211	COMPOST VOUCHERS (NON-REFUND)		\$6,100							\$6,100	112	\$54		X	X	
MR	PD	708	FINGERPRINTS		\$1,170							\$1,170	37	\$32		X	X	
MR	RM	122	SERVICE CHARGES (RTN CHECKS)	\$160								\$160	9	\$18		X	X	
MR	PLNG	400	ZO & SUBDIVISION REGULATIONS		\$9							\$9	1	\$9		X	X	
MR	RM	124	FACILITIES RENT - GENERAL FUND		\$1							\$1	1	\$1		X	X	
TOTAL - USER SERVICE FEES				\$160	\$118,039	\$0	\$0	\$0	\$0	\$0	\$0	\$118,199	447	\$264				
			WILLIAMSON CO COURTS	\$0	\$133,621	\$0	\$0	\$0	\$0	\$0	\$0	\$133,621	65	\$2,056		X		
MR	RM	194	BEER BOARD VIOLATIONS		\$9,500							\$9,500	8	\$1,188		X		
CD	MC		MUNICIPAL COURT FEES/FINES	\$148,653	\$341,730	\$166,130			\$148,948			\$805,460	8,010	\$101		X	X	
TOTAL - FEES/FINES				\$148,653	\$484,851	\$166,130	\$0	\$0	\$148,948	\$0	\$0	\$948,581	8,083	\$117				
STATE SHARED TAXES										\$35,979,754	\$35,979,754	163				X		
MR	RM	109	FRANCHISE FEES		\$1,934,534							\$1,934,534	11	\$175,867		X		
MR	RM	196	IN LIEU OF TAX (LOCAL)		\$355,632							\$355,632	10	\$35,563		X	X	
MR	RM	104	BEER TAX		\$1,507,774							\$1,507,774	51	\$29,564		X	X	
MR	RM	120	HOTEL/MOTEL TAX		\$2,149,537							\$2,149,537	261	\$8,236		X	X	
MR	RM	106	WHOLESALE LIQUOR TAX		\$908,393							\$908,393	134	\$6,779		X	X	
MR	BNS	309	FACILITIES TAX		\$1,862,117							\$1,862,117	561	\$3,319		X	X	
MR	RM	108	LIQUOR PRIVILEGE TAX		\$75,205							\$75,205	109	\$690		X	X	
PT	RM	FY 12	TOTAL PROPERTY TAX	\$73,987	\$4,794,183		\$3,658,708		\$162,649	\$3,498,479		\$12,188,006	27,960	\$436		X	X	
MR	RM	111	BEER PRIVILEGE TAX		\$21,295							\$21,295	228	\$93		X	X	
TOTAL - TAXES				\$73,987	\$13,608,670	\$0	\$3,658,708	\$0	\$162,649	\$39,478,233	\$56,982,246	29,325	\$1,943					
TOTAL - GRANTS/CDs/OTHER				\$155	\$14,080,706	\$0	\$0	\$0	\$0	\$0	\$0	\$14,201,426	998	\$14,230		X		
TOTAL RECEIVED				\$797,019	\$45,492,020	\$166,280	\$15,146,901	\$4,661,178	\$4,301,293	\$1,894,526	\$39,622,914	\$112,111,488	320,907	\$349				

**CITY of FRANKLIN
TRANSACTION COST - UTILITY BILLS RECEIVED**

SCHEDULE C



CITY OF FRANKLIN
COST FOR PAYMENT METHODS ACCEPTED - FY 2012 UTILITY BILLS RECEIVED

UTILITY BILLS (recurring monthly bills issued and excludes payments for tap and access fees or other one time payments)	FACE TO FACE (Office)			REMOTE (Electronic Transaction)				TOTAL FY 2012 UTILITY RECEIPTS	
	CASH	CHECK (Includes money order, cashiers check, certified check)	DROP BOX	EFT (ACH)	ONLINE	LOCKBOX	RPPS		BANK DRAFT
			Assume all are checks	Commercial customer "pushes" payment to our bank account (we receipt manually)	Customer uses COF website to make payment; third party processor used by COF	Customer mails check to us in preaddressed envelope provided with bill	Customer uses their bank's tool and "pushes" payment to our bank account (primarily Residential Customers)		Customer signs agreement for us to "pull" funds from customer's bank acct monthly
FY 2012 VOLUME (Dollars)	\$543,386	\$2,666,869	\$1,278,497	\$23,515	\$1,610,810	\$11,488,193	\$4,667,661	\$4,300,921	\$26,579,852
FY 2012 VOLUME (Transactions)	7,409	12,456	17,587	185	13,541	93,423	62,900	54,869	262,370
Average \$/Transaction	\$73.34	\$214.10	\$72.70	\$127.11	\$118.96	\$122.97	\$74.21	\$78.39	\$101.31
FEE IS DETERMINED BY	# of Deposits	# of Deposits & # of checks	# of Deposits & # of checks	Flat fee + \$/transaction	Typically in the cost of the card or application being used (fixed fee, rate or \$/transaction)	Flat fee + \$/transaction	Flat fee + \$/transaction	Flat fee + \$/transaction	
FEE CHARGED	\$0.15/deposit + \$7.00/trip courier fee	\$0.04/check + \$0.10/deposit + (Remote Deposit @ \$25/month + \$0.10/check)	\$0.04/check + \$0.10/deposit + (Remote Deposit @ \$25/month + \$0.10/check)	\$10.00/month + \$1.00/batch + \$0.04/item + \$2.00/item for rejects	\$10.00/month + \$1.00/batch + \$0.04/item + \$2.00/item for rejects; Customer pays \$3.50/payment to processor	\$50/acct + \$25/month for CD ROM + \$0.10/check + \$0.20 for rejects + \$.02/ check for imaging	Processed as part of Lockbox - \$0.10/check + \$0.20 for rejects + \$.02/ check for imaging	\$10.00/month + \$1.00/batch + \$0.04/item + \$2.00/item for rejects	
WHO PAYS CURRENTLY	CITY	CITY	CITY	CITY	CUSTOMER	CITY	CITY	CITY	
ACCOUNTING FOR RECEIPT	MANUALLY FOR EACH PAYMENT BY CLERK ACCEPTING THE FUNDS; ACH DEPOSITED ELECTRONICALLY BUT POSTED TO ACCOUNT MANUALLY				ELECTRONIC BATCH BY CLERK PROCESSING THE FILE(S) DAILY - EACH METHOD COMES IN ON SEPARATE FILE WITH DETAILS SUFFICIENT TO POST TO INDIVIDUAL CUSTOMER ACCOUNT ELECTRONICALLY				
COST PER TRANSACTION									
STAFF LABOR COSTS	\$3.98	\$3.85	\$4.13	\$2.71	\$0.19	\$0.04	\$0.05	\$0.06	\$0.62
FACILITIES COSTS	\$0.06	\$0.06	\$0.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01
DEPOSITORY FEES	\$0.23	\$0.11	\$0.11	\$1.18	\$0.07	\$0.13	\$0.12	\$0.05	\$0.11
COST BORNE BY COF	\$4.27	\$4.01	\$4.30	\$3.89	\$0.26	\$0.17	\$0.17	\$0.11	\$0.74
CUSTOMER TIME (HOURS)	0.25	0.25	0.20	0.10	0.10	0.05	0.05	0.00	
CUSTOMER TIME (\$7.25/hr)	\$1.81	\$1.81	\$1.45	\$0.73	\$0.73	\$0.36	\$0.36	\$0.00	\$0.49
TRAVEL EXPENSES (3 miles roundtrip @ \$0.555/mi)	\$1.67	\$1.67	\$1.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
POSTAGE (\$0.45 each)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.45	\$0.00	\$0.00	\$0.00
INTERCHANGE FEES (Credit Card)	\$0.00	\$0.00	\$0.00	\$0.00	\$3.50	\$0.00	\$0.00	\$0.00	\$3.50
SUBTOTAL - CUSTOMER COSTS	\$3.48	\$3.48	\$3.12	\$0.73	\$4.23	\$0.81	\$0.36	\$0.00	\$3.99
TOTAL COST/TRANSACTION	\$7.75	\$7.49	\$7.41	\$4.61	\$4.48	\$0.99	\$0.53	\$0.11	\$4.73