

RESOLUTION 2020-68

A RESOLUTION TO AMEND CITY OF FRANKLIN ALTERNATIVE PAYMENTS POLICY

WHEREAS, the City of Franklin adopted the Alternative Payments Acceptance Policy and Procedures on January 8, 2013, per Resolution 2012-57; 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 the cost of processing receipts is recognized and does not unduly burden customers based on payment method or channel; and

WHEREAS, the City of Franklin discontinued charging processing fees to customers to encourage customers to adopt social distancing payment methods on March 16, 2020; and

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the citizens of the City of Franklin to continue charging the processing fees to the City.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF FRANKLIN, TENNESSEE, that the Alternative Payments Policy should be revised as follows:

Section 1. The policy shall be replaced with Exhibit A.

Section 2. BE IT FINALLY RESOLVED that this resolution shall take effect from March 16, 2020, the health, safety, and welfare of the citizens requiring it.

IT IS SO RESOLVED AND DONE on this 26<sup>th</sup> day of May, 2020.

ATTEST:

CITY OF FRANKLIN, TENNESSEE:

By: Eric S. Stuckey  
Eric S. Stuckey  
City Administrator

By: Dr. Ken Moore  
Dr. Ken Moore  
Mayor

Approved as to form:

By: Shauna R. Billingsley  
Shauna R. Billingsley, City Attorney

# CITY OF FRANKLIN

## Alternative Payments Policy Exhibit A

### 1. PURPOSE

To encourage alternative (electronic) payment methods for collection of taxes, utility services, development fees, permits and licenses, user fees, and court fees and fines. Alternative payment methods provide customer satisfaction, time and cost savings, and simplified reconciliation and reporting.

### 2. PROVIDER

The City of Franklin utilizes the services of an alternative payments provider to process electronic transactions of the City in an effective and efficient manner, in adherence with internal controls.

### 3. METHODS

Alternative payments include, but are not limited to, credit cards, debit cards, e-checks, mobile payments, or other methods as may be deployed to meet emerging customer needs.

### 4. LIMITS

Most alternative payment transactions are under \$5,000. The City may accept transactions over \$5,000 if a cost-effective model can be provided by the payment provider.

### 5. FEES

To encourage alternative payments, the City pays the transaction costs. Where applicable, departmental rate studies should incorporate the cost of alternative payments into the rates themselves.

### 6. RECONCILIATION AND REPORTING

Alternative payments are deposited directly into the City's bank account by the electronic payment provider. Departments enter their alternative payments into the appropriate receipting system for reporting purposes.

### 7. CITY ADMINISTRATOR AUTHORITY

Alternative payment terms will be periodically evaluated by the City Administrator and he/she may change the terms as business conditions or fees charged by the provider may dictate.



## 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



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#### 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, 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.