

Policy and Guidelines For Electronic Commerce

Office of the State Controller (OSC)		Effective Date: October 1, 2005
Policy Area: Electronic Commerce	Title: Master Services Agreements for Electronic Payments	

Authority: Session Law 1999-434, Senate Bill 222, ratified in July 1999 amended various statutes, authorizing state government agencies, as well as local governmental entities, to maximize the acceptance of electronic payments, a term which includes credit / debit cards (merchant cards) and electronic fund transfer (EFT). Electronic payments involve both inbound and outbound flows of funds.

The primary statutes pertaining to the utilization of electronic payments for State agencies include: G.S. 147-86.10; G.S. 147-86.11(h); G.S. 147-86.20; G.S. 147-86.22; and G.S. 143B-426.40G(a). The primary statutes pertaining to the utilization of electronic payments for local governmental entities include: G.S. 159-32.1 and G.S. 159-28(d). The statutes authorizing local governmental entities to participate in services and contracts offered by the Office of Information Technology Services are G.S. 147-33.82 and G.S. 147-33.96.

“Electronic Commerce in Government” is covered under Chapter 66, Article 11A (G.S. 66-58.1 through 66-58.19). G.S. 66-58.12 encourages the utilization of electronic transactions, including those initiated through the Internet.

Statutes authorizing the Office of the State Controller to issue policies regarding electronic payments include G.S. 143B-426.39(1) and (5); G.S. 147-86.11(a); and G.S. 147-86.22(b).

Program Administration: The State of North Carolina business environment includes all agencies, institutions, departments, bureaus, boards, commissions, and other entities subject to the Cash Management Law, as specified in G.S. 147-86.10. Although state agencies offer diverse services, North Carolina intends to use a statewide enterprise approach for the utilization of electronic payments.

References: Master Services Agreement (MSA) with the selected merchant card services provider, Master Services Agreement with the selected financial institution for electronic funds transfer financial services, model Agency Participation Agreements (APA) for each of the two service providers.

Policy: The Office of the State Controller (OSC), in concurrence with the State Treasurer, shall select a service provider to provide merchant card services to eligible participants, and shall select a service provider to provide electronic funds transfer financial services to eligible participants. The following practices will be adhered to:

- The procurement of both service providers will be in accordance with the requirements of the Office of Information Technology Services.
- All entities that are subject to OSC’s control pursuant to the Cash Management Law (G.S. 147-86.10-11), and utilize electronic payments, will be required to participate in the respective MSA provided by the OSC.

- A State entity may be exempted from participating in the MSA(s) if it provides OSC a suitable business case for exemption, in which case the entity may secure services on its own, provided it adheres to all applicable procurement requirements.
- Community Colleges, Local Education Agencies, and Clerks of Superior Court may use the MSAs on a voluntary basis, taking into consideration the banking needs for their non-State funds.
- Local governmental entities may participate in the MSA(s) on a strictly voluntarily basis.
- The costs of the services secured through the MSA(s) by local governmental entities shall be paid by the local governmental entities.
- The costs of the services secured through the MSA(s) by State related agencies shall be paid for by the agency, unless the Department of State Treasurer (DST) agrees to pay for the services, as deemed advantageous to the State's General Fund.
- Agencies requiring a gateway service in order to participate in the MSA(s) may select either the Common Payment Service (CPS) gateway offered through ITS, or secure a gateway service of its choosing, provided it acquires approval from OSC and adheres to all applicable procurement requirements.
- All participants in the MSA(s) must adhere to all applicable policies promulgated by the State Controller pertaining to Electronic Commerce.