

MEMORANDUM OF UNDERSTANDING

THROUGH WHICH

New York City Department of Finance

WILL PROVIDE ELECTRONIC PAYMENT SERVICES

For

New York City Office of the Mayor

I. Parties and Purpose

This Memorandum of Understanding (MOU) is to confirm the mutual understandings between the Department of Finance (DOF) and the Mayor's Office regarding the obligations of each agency as part of the Citywide Payments and Receivables Program. The goal of this program is to improve incoming City payments, collections, and receivables management by creating efficiencies of scale, improving and expanding payment services to the public, and establishing comprehensive policy for payment services. The Program encompasses the Citywide Payments and Receivables Repository (CPRR). One of the Program's project streams is focused on increasing the use of electronic payment services by giving the public more and better ways to pay the City—with a particular focus on electronic payments—which will reduce the cost to the City of collecting and processing payments. This MOU outlines the process by which DOF may integrate the Mayor's Office data into CPRR as well as provide electronic payment services on behalf of the Mayor's Office. It will also address the expectations for each agency as part of its participation in the program.

II. Authority

The authority for DOF and the Mayor's Office to enter into this agreement is:

The New York City Charter, ch. 49, §1121, Agreements Concerning Performance of Agency Administrative Functions

III. Terms and Conditions

This MOU between DOF and the Mayor's Office is predicated on an engagement for payment processing services by and between DOF and a Payment Service Provider. A demonstration project contract between DOF and a Payment Service Provider exists for electronic payment services that is executed as part of the Citywide Payments and Receivables Program, attached as Appendix A. It is through this demonstration project contract that the Payment Service Provider

will be providing electronic payment services to the Mayor's Office. The term of the demonstration project contract is for three years, ending on December 14, 2014.

The Mayor's Office may choose a start date for this MOU anytime after the start date of the demonstration project contract, which became effective on December 15, 2011.

The MOU shall remain in effect after the end date of the demonstration project contract as DOF anticipates having one or more Payment Service Provider(s) engaged before the termination of the demonstration project with the current Payment Service Provider. DOF will ensure that the Mayor's Office's payment processing services will continue without any lapse. This MOU may be amended if a new Payment Service Provider is engaged after the termination of the demonstration project contract.

IV. Scope of Services and Responsibilities

A. DOF will:

1. Perform contract and vendor management, including maintaining the contract, support, and resolution of any issues that arise between the Mayor's Office and the Payment Service Provider, as needed;
2. Serve as a consultative resource for the Mayor's Office on issues pertaining to electronic payments, including informing the public of the most cost-effective payment methods;
3. Work with the Mayor's Office to implement multiple payment channels offered through the Program, including pay by web, check scanning, home banking payment consolidation, lockbox services, in-person, third-party, and mobile payment services;
4. Facilitate the set up of a Mayor's Office bank account and merchant identifications;
5. Be responsible for paying the Payment Service Provider for goods and services associated with the currently scoped work. This includes transaction costs, implementation costs, and the costs associated with opening and maintaining a specific Mayor's Office bank account as part of the Mayor's Office's participation in the Program. DOF's responsibility for paying these costs is contingent upon the Mayor's Office's compliance with citywide banking policies and applicable state laws and card association rules and regulations;
6. Provide a homepage and gateway that is compliant with all City banking policies and applicable state laws and card association rules and regulations;

7. Provide a structured process for the Mayor's Office's enrollment and participation in the Program;
8. Inform the Mayor's Office about timelines and schedule of implementation and ongoing maintenance;
9. Provide the Mayor's Office with a single point of contact to communicate any issues outside of the standard payment support process;
10. Test transmission of receivables and remittances data between the Mayor's Office's source system(s), CPRR, FMS, and the Payment Service Provider;
11. Specify the availability of services, scheduled downtimes, and specific notification process between the Mayor's Office and DOF;
12. In coordination with DoITT, service and maintain all software, hardware, and communications infrastructure related to CPRR, where applicable;
13. Manage the risk associated with security and compliance, data transmission, and overall CPRR infrastructure and data security, where applicable;
14. Provide appropriate controls to ensure accurate data transmission and loading processes, where applicable;
15. Provide the Mayor's Office's customers with access to pay by web services 24 hours a day, 7 days a week, minus any scheduled maintenance windows as specified in the SLAs with DoITT or the Payment Service Provider;
16. Provide user-friendly receivable search functionality within pay by web services through its Payment Service Provider;
17. Provide a unique payment identifier or receipt number for each payment made through said pay by web services;
18. Provide the Mayor's Office and its users business hours support for payment issues or troubleshooting;
19. Provide remittance advice, including reversals and returns, for all payments received through CPRR to the Mayor's Office per a mutually agreed upon format and update schedule;
20. Update FMS with cash receipts according to agency budget and revenue codes, where applicable;
21. Provide the Mayor's Office with reporting tools from Payment Service Provider to support reporting and reconciliation responsibilities.

Note: Not every service or responsibility listed above applies to each implementation. DOF will advise the Mayor's Office on which services and responsibilities are applicable to each of its implementations.

B. the Mayor's Office will:

1. Provide DOF, for each implementation, a point person for each of the three areas listed: fiscal, business/operations, and IT. The point person will liaise with DOF and be responsible for communicating agency decisions and approvals for issues within his or her respective area;
2. Be responsible for paying any and all costs associated with customizing features that are outside the standard scope of program services. The Mayor's Office will pay for these costs through an interagency transfer of funds to DOF;
3. Be responsible for paying any and all costs associated with hardware purchased or rented through Payment Service Provider. Examples of hardware are check scanning machines, POS terminals, or other physical goods not included in the standard program services;
4. Notify DOF if there will be changes to its requirements, use of services, or the volume of transactions expected;
5. Continue to be responsible for customer inquiries and return requests from its customers as well as managing its business processes;
6. Investigate and follow up, as necessary, on all card chargebacks to the Mayor's Office remittances as noticed by the card processor within the time frame required by the card processor;
7. Reconcile FMS on a monthly basis with cash receipts posted from CPRR against bank account balances;
8. As part of its participation in the program, work with its customers to guide them toward the most cost-effective payment channels;
9. Provide appropriate control data per best practice (e.g. separate file with transaction or dollar totals sent, or a checksum of transactions) to adequately ensure successful load of the Mayor's Office receivables data;
10. Provide CPRR or Payment Service Provider with open receivables data for cash basis revenue in a mutually agreed upon format and schedule;

11. Test transmission of receivables and remittances data between the Mayor's Office's source system(s) and CPRR or Payment Service Provider, as necessary;
12. Receive remittance advice, including reversals and returns, for all payments received through CPRR to or Payment Service Provider the Mayor's Office per a mutually agreed upon format and schedule for update to the Mayor's Office system of record;
13. Notify DOF within one (1) business day if there are any discrepancies, errors, or exceptions around receivables and/or remittances processed through CPRR or Payment Service Provider not previously detected by DOF;
14. Respond to inquiries as initiated by DOF payment support representatives within five (5) business days or less depending on the urgency of the inquiry;
15. Provide DOF with up to date contact information for the recipient of agency-specific service requests;
16. Adhere to best practices as advised by DOF staff and/or relevant oversight agencies.

Note: Not every service or responsibility listed above applies to each implementation. DOF will advise the Mayor's Office on which services and responsibilities are applicable to each of its implementations.

V. Pricing and Payment

For the initial scope of services defined in Section IV of this MOU, there are no implementation costs or transaction fees expected from the Mayor's Office to DOF as long as the Mayor's Office complies with recommended convenience fee approach, as detailed in the Installation Checklist, and any other citywide policy. DOF also agrees to pay the costs associated with opening and maintaining a bank account opened on behalf of the Mayor's Office as part of its participation in the program. If the Mayor's Office does not comply with credit and debit fee approach or other citywide policy, the agency will be responsible for paying these costs. These costs are identified in the fee schedule set out below. Regardless of its compliance with all citywide policy, the Mayor's Office is responsible for paying for all costs associated with customization or hardware. DOF will make the Mayor's Office aware of these costs prior to any work being done.

Service	Unit Cost	Monthly Cost
Monthly DDA*	\$34.00 per month	Fixed—recurring
Online ACH transaction cost	\$0.075 per web payment	Variable—depends on transaction volume
Online credit card transaction cost**	\$.314 per web payment	Variable—depends on transaction volume

Card network fees	Variable based on card used for each transaction	Variable—depends on transaction volume
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*Includes debit filter fee. Debit filter is the protective feature which ensures that only approved third parties are able to initiate authorized ACH debits on an account. For security, this feature is required for all agency participants.

**Includes the channel and card processing fees for both the transaction amount and the convenience fee.

VI. Data feed to FMS

If applicable, DOF will provide the Mayor’s Office with a feed of its payment data to FMS. If the Mayor’s Office’s implementation includes a feed to FMS, the Mayor’s Office must provide accurate revenue codes and update DOF if there are any changes to its revenue codes or their structure. The Mayor’s Office must notify DOF of any changes that would affect its data to FMS sixty (60) days prior to those changes taking affect. The Mayor’s Office must notify the contacts from DOF listed in Appendix B.

The Mayor’s Office agrees to follow best practices as outlined by oversight agencies and offices. The Mayor’s Office will be responsible for reconciling FMS on a monthly basis with cash receipts posted from CPRR against bank account balances.

As of the execution of this MOU, DOF and the Mayor’s Office agree that the revenue codes are accurate and truly represent revenue codes structure for the Mayor’s Office. Future changes to the Mayor’s Office’s revenue code or structure will follow an agreed-upon change management procedure for incorporation into CPRR.

VII. Duration of agreement, amendments and modifications

This MOU can be extended beyond the demonstration project contract between DOF and the current Payment Service Provider. Pursuant to the demonstration project contract, if the current Payment Service Provider continues to provide payment services during a transition period that cannot exceed 6 months after the expiration of the demonstration project contract, the Mayor’s Office will continue to receive these payment services. This MOU may be amended if a new Payment Service Provider is selected at the completion of the demonstration project contract. At that time, DOF will notify the Mayor’s Office of any necessary amendments. If a new Payment Service Provider is selected, DOF will transition the Mayor’s Office to a new vendor and will work with the Mayor’s Office to ensure that there is no gap in services.

If the Mayor’s Office wants to terminate this MOU before the end of the demonstration project contract, or any subsequent contract entered into after the termination of the demonstration project, the Mayor’s Office will give no less than 30 days notice in writing to the primary DOF contact listed on this MOU. Similarly, DOF will give the Mayor’s Office no less than 30 days

notice if the demonstration project contract will terminate before its expected end date or will be extended beyond it.

DOF and the Mayor's Office also acknowledge that this MOU is not a legally binding instrument as between the two parties, and their respective obligations to each other, and is only intended to set forth the understandings of the parties without creating any legally enforceable rights or obligations. However, during the term of this MOU, the Mayor's Office is legally bound to adhere to all the terms and conditions of the demonstration project contract, the terms and conditions of the Payment Service Provider, citywide banking policies, and applicable state laws and card association rules and regulations.

VIII. Resolution of disagreements

If either DOF or the Mayor's Office has reason to believe that the other agency has not performed its responsibilities as part of this MOU, or should disagreement arise on the interpretation of the provisions of this agreement, or amendments and/or revisions thereto, that cannot be resolved at the operating level, the area(s) of disagreement shall be stated in writing by each party and presented to the other party for consideration. If agreement on interpretation is not reached within 30 days, the parties shall forward the written presentation of the disagreement to respective higher officials for appropriate resolution.

Signatories and Contact Information

Department of Finance



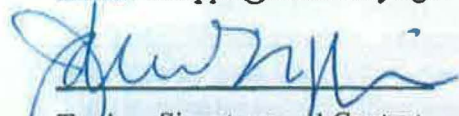
Primary Signatory and Contact
Phone: 212-669-4901
Email: SalkinA@finance.nyc.gov

12/21/12
Date



Secondary Signatory and Contact
Phone: 212-669-7537
Email: KnappS@finance.nyc.gov

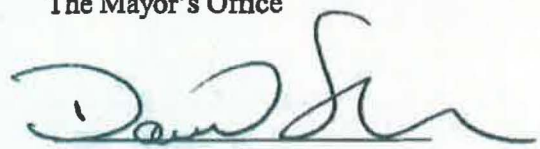
12/21/12
Date



Tertiary Signatory and Contact
Phone: 718-802-4048
Email: GriffinJ@finance.nyc.gov

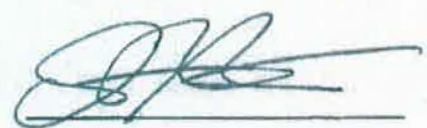
12/20/12
Date

The Mayor's Office



Primary Signatory and Contact
Phone: 212-788-2463
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9/27/12
Date



Secondary Signatory and Contact
Phone:
Email:

10/12/12
Date

Tertiary Signatory and Contact
Phone:
Email:

Date

Appendix A

Citywide Payments and Receivables Program
Demonstration Project Contract
Attachment

Appendix B

Contacts

Department of Finance contacts

Andrew Salkin
Deputy Commissioner for Operations
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Sarah Knapp
Assistant Commissioner/Citywide Payments and Receivables Services
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The Mayor's Office contacts

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IT contact

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