General Policies and Procedures

Department of Motor Vehicles Customer Payment Policy

Original Date: 08/2003 **Revision Date:** 09/10/2015

DMV will accept payment of fees and taxes from customers using a variety of payment methods. The following table outlines payment methods based on the payment amount, customer type and requirements associated with each method:

CUSTOMER PAYMENT METHODS AND REQUIREMENTS			
Payment Method	Amount	Customer Type	Requirements
Cash or Check ⁽¹⁾	No limit	Individual or Business	Checks include money orders, cashier's checks, and traveler's checks.
Credit Card ⁽¹⁾	No limit	Individual or Business	 Credit card must be American Express, MasterCard, VISA or Discover (includes Diners Club International, JCB International, China Union Pay, which are part of the Discover network, and stored value card). Payment amount must be authorized by DMV's credit card processor and through authorized DMV channels.
Debit Card ⁽¹⁾	No limit	Individual or Business	 Debit card must bear a MasterCard or VISA logo. Payment amount must be authorized by DMV's credit card processor and through authorized DMV channels.
E-Check ⁽¹⁾ (webCAT payment)	No limit	Business Only	 Account must be "unrestricted" to allow DMV access to retrieve monies from the account. If the business account has a controlled disbursement, debit block, and/or account reconciliation, DMV's bank will not accept the payment and customer may be assessed a returned check fee.
Tel E-Check (telephone payment)	No limit	Individual	Customer provides check routing and account number to DMV Direct agent.
Web E-Check (website payment)	No limit	Individual	Customer inputs check routing and account number via Internet.
ACH Credit	No limit	Business Only	Business customer must contact DMV's Cashier's Office to obtain DMV's bank account number and routing/transit number in order to use ACH Credit.
ACH Debit	No limit	Business Only	 Business customer must complete "ACH Debit Authorization/Agreement" (FMS-310) before initial use. Account must be "unrestricted" to allow DMV access to retrieve monies from the account.

(1) If the bank fails to honor the payment, the Code of Virginia requires a fee to be assessed for payments that are returned to DMV: (a) if the check/credit/debit card amount is \$350 or less, the fee is \$85 (b) if the check/credit/debit card amount is greater than \$350, the fee is \$50 + 10% of the check/credit/debit card amount.

CASH PAYMENTS

DMV accepts cash payments from individuals and business customers at all Customer Service Centers, Motor Carrier Service Centers and DMV Selects.

CHECK PAYMENTS

DMV accepts different types of hard copy checks (including money orders and traveler's checks) from individuals and business customers as a method of payment. If an individual or business customer pays by check for another person, the employee accepting the check must record information about the customer(s) benefiting from or receiving

the product from the transaction (driver's license, license plates, decals, etc.). This will link the check to the correct transaction(s). Listed below are acceptable and unacceptable checks:

DMV ACCEPTABLE CHECKS:

- Checks from individuals who have "Power of Attorney" or DMV Form VSA70 "Power of Attorney to Sign for Owner".
- Traveler's checks from businesses or individuals.
- Money orders and cashier's checks from businesses or individuals.
- Checks from businesses with no Virginia address.
- Checks from businesses to pay for an individual.
- ComChecks from Motor Carriers submitted as payment at a Motor Carrier Service Center.
- Checks from the Commonwealth of Virginia that are payable to the customer, are not for more than the total fee amount, and are not more than one year old.
- Checks from individuals to pay fees for someone else provided this individual has a Virginia driver's license or a vehicle registered in Virginia.
- Checks from dealers to pay fees for someone else provided the dealer does not have any "stops" or "no personal checks" indicators on file.
- Foreign Checks provided check is drawn on a U.S. Bank or states payable in U.S. Currency or Funds.
- Checks to pay for a returned check when it is a bank error (must present bank letter).
- Second Party Checks provided the check is not for more than the total fee amount due and states: Payable to DMV or to DMV AND customer. Customer must have a Virginia address or have a vehicle registered in Virginia and endorse the back of the check.

DMV UNACCEPTABLE CHECKS:

- Checks for more than the total amount due.
 EXCEPTION: Traveler's checks may be submitted for more than the amount due. In this instance, correct change must be given back to the customer.
- Checks payable to an individual (this is a third party check).
- Checks made payable to cash.
- Stale dated checks (checks over 6 months old).

All returned checks are subject to a penalty fee of \$85.00 if the check is \$350 or less, OR a fee of \$50 PLUS 10% of the check amount if the check is greater than \$350. Other action, including suspension of all licenses, may also be taken.

PAYMENT PAYMENTS

DMV accepts payment from customers using American Express, Mastercard, VISA and Discover (includes Diners Club International, JCB International and China Union Pay) credit cards. Debit cards bearing a MasterCard or VISA logo are also acceptable. Credit/Debit cards will be accepted via authorized DMV channels: DMVNow.com website, fax, Landing Zone request, telephone (not recorded), and in person at all DMV locations. Improper/unacceptable channels include: mail, voicemail, or email.

- The Code of Virginia does not allow DMV to add "convenience fees" to any credit/debit card transaction.
- If a customer's record is marked as "Cash Only", a credit/debit card can be used for payment as long as the transaction is authorized by DMV's credit card processor and through authorized channels.
- If DMV's credit card processor is down and transactions cannot be authorized through the authorized channels, the customer must use an alternate form of payment.
- DMV will allow a customer to split payment for DMV services between a credit/debit card and other payment options, such as cash or check or stored value card.
- DMV accepts credit/debit cards from third-party individuals (family or friend) to pay fees for a DMV customer as long as the transaction is authorized by DMV's credit card processor. The third-party must be present and sign the credit card pin pad or enter their pin number on pin pad for a debit card.

E-CHECK (webCAT) PAYMENTS – BUSINESS CUSTOMERS ONLY

Customers may use an electronic check (E-Check) when performing transactions via webCAT. An E-Check debits money directly from the customer's checking account. The customer **must provide a correct bank** routing/transit and account number for their checking account in the on-line screen that pops up when this payment method is selected.

Important Note: If the customer is paying by E-Check from a business account with <u>controlled disbursement</u>, <u>debit</u> <u>block</u>, <u>and/or account reconciliation</u>, DMV's bank will not accept the payment. If the bank fails to honor the payment, the Code of Virginia requires that a mandatory returned check fee of \$85, if the check is \$350 or less, OR a fee of \$50 PLUS 10% of the check amount if the check is greater than \$350, be assessed for payments that are returned to DMV. If the bank account is of the type noted in this paragraph, an Automated Clearing House (ACH) payment method should be used.

INTRODUCTION TO "ACH" PAYMENT METHODS

DMV can accept payment of fees and taxes from customers using electronic funds transfers through the Automated Clearing House (ACH). The ACH provides two payment methods: ACH Credit and ACH Debit. Business customers initiate ACH Credits. DMV initiates ACH Debits after being properly authorized by a customer (both business and individual) to do so.

Once authorized and established, ACH debits for business customers are recurring without further authorization necessary. Primarily, Fuels Taxes, Motor Carrier are paid through ACH Debit though ACH Debit is not limited to these categories. There is no maximum transaction amount for customers using ACH.

The following narrative describes the procedures that must be followed to use ACH Credits and ACH Debits for payment to DMV.

ACH Credit – Business Customers Only

An ACH Credit is initiated by a business customer who arranges to have funds transferred from their bank to DMV's bank by Electronic Funds Transfer using the ACH system. If a business customer wishes to make a payment to DMV by ACH Credit, and if DMV has agreed, the business customer must arrange this option with their bank. ACH Credits are not currently available for DMV's non-business customers. In cases of ACH Credit, DMV will not render the service or release any documents until such time as it has been confirmed that the ACH Credit has arrived in DMV's bank, which is Wells Fargo Bank.

DMV's Cashier's Office can provide the business customer with the Transit/Routing Number and Bank Account number for Wells Fargo Bank.

ACH Debit – Business Customers Only

A business customer may arrange to permit DMV to collect payments for services and products directly from the business customer's bank through the ACH whereby DMV initiates an ACH Debit. An ACH Debit is viewed the same as cash and the DMV service is rendered as soon the ACH Debit is initiated. In order for a business customer to request that DMV debit their bank account, they will first need to submit an "ACH Debit Authorization/Agreement" (<u>FMS 310</u>) to DMV.

In completing this authorization/agreement (FMS 310) the business customer provides DMV with their bank Transit/Routing Number and Account Number. All bank information submitted to DMV will be kept in a secure database for the customer's protection. The Cashier's Office in FMS has responsibility for receiving the ACH paperwork and setting the customer up in the DMV ACH System.

Once the "ACH Debit Authorization/Agreement" (FMS 310) has been received, DMV will initiate ACH pre-notifications to verify the Transit/Routing Number and Account Number of the customer's account(s). The verification process will require six (6) business days during which time no live ACH Debits will be transmitted to the customer's account(s). Hence, no transactions utilizing the ACH Debit payment option will be completed during the period required for the verification process.

After the six (6) day verification has been completed, the customer may request DMV to debit its account(s) for payment. When the transaction is requested, the work unit will initiate an ACH Debit through DMV's bank to transfer the required payment. If necessary, each debit will be presented to the customer's bank twice. If the debit is not successful, the customer will be notified to make alternative payment arrangements.

Once DMV has received a request to accept a debit as payment, and provided the customer has previously submitted the appropriate information and signed the FMS 310 agreement, the DMV ACH System electronically issues the debit and receives credit for funds from ACH facilitator (Wells Fargo Bank). The customer receives the

product or service when the ACH Debit is initiated. If the debit is honored, the funds are deposited in the holding account at Wells Fargo. If not honored after a 2nd submission, the ACH Return Process is begun.

ACH Debit – Individual Customers (Tel E-Check, Web E-Check)

There are two types of ACH Debits offered for individual customers as an alternate option to credit card payment. These are Web E-Checks for web/Internet and Tel E-Checks for telephone. These transactions require the customer to authorize an ACH debit each time the customer wishes to pay by ACH Debit. Web E-Check transactions are automated to accept the customer's check routing and account number and "pass" that to the ACH Debit system for processing.

- Web E-Checks may be initiated by the customer accessing the DMV Website and following the procedure to pay for DMV services via ACH Debit to the customer's checking account.
- Tel E-Checks may be initiated by the customer through telephone contact with a DMV Direct call center agent.

ACH Debit Returns

DMV has an agreement with Wells Fargo Bank on how returned ACH Debit payments are handled. Below are the processes that take place when a payment is returned unpaid.

- By agreement with Wells Fargo Bank, if an ACH debit is returned unpaid by the customer's bank, Wells Fargo will present the debit a second time.
- If an ACH Debit fails (a return) after a second presentment, an ACH Report is generated to the appropriate work area in FMS to handle follow-up.
- The FMS Cashier's Office receives the ACH Report FB1020P1 that identifies ACH Debit failures. This is a daily report listing any ACH Debit failure by customer ID and includes the following on each entry:
 - \circ Customer ID
 - o Name of customer
 - o EIN or SSN
 - o Reason for return
 - ACH Reference and trace numbers
 - o Transaction and effective Date of ACH
 - o Customer bank route/transit and account number
 - o Amount of debit
- Once an ACH Debit failure is identified, the Cashiers Office contacts the customer to determine the nature of the problem and make alternate arrangements that may include the customer sending DMV an ACH Credit.
- The FMS Returned Check Section receives the ACH Report FB1030P1 that identifies E-Check failures. This report is also a daily report and it lists any E-Check failures by customer ID and includes the same essential data elements as the ACH Debit Report. E-Checks are processed electronically as a type of ACH Debit.
- Using other data on the report, FMS/Returned check Section will perform research on CSS REV INFO to develop the necessary Revenue Account Code(s).
- Once an E-Check failure is identified the Returned Check Section will place a stop on the customer record and then write the customer to make alternative payment arrangements. The process at this point is the same as the Returned Check (paper checks) Collection Procedures except there can be no penalty for a failed ACH Debit except if the return is NSF or Account closed, in which case a penalty fee is imposed

WORK UNIT PROCEDURES

Each work unit location at DMV that accepts ACH payments should prepare its own ACH Procedures. The procedures should reflect the process unique to the work area but always include, at a minimum the following topics:

- Establish/Open CSS Settlement
- Adding CSS Payment Information

- CSS Transaction Browsing
- Accessing Wells Fargo Connection to View Banking Information
- Closing CSS Settlements

DMV's ACH SERVICE PROVIDERS

Wells Fargo Bank is the banking service provider through which most ACH Credits are received and all ACH Debit files are initiated. In some limited situations ACH Credits may be received through SunTrust Bank. However those are specific applications and are not discussed in this document.

WELLS FARGO CONNECTION – WEBSITE

Wells Fargo Connection is the Electronic Banking system website DMV uses to view ACH Debit/Credit information on our accounts. While work areas may write their own detailed instructions, below is the general information for viewing and downloading deposits. Wells Fargo Connection is used to monitor ACH deposits in the DMV Bank Account(s). The need for staff access to Wells Fargo Connection is determined by the work area supervisor who must make a request to have access granted to an employee by contacting Deborah Bradby at <u>Deborah.Bradby@dmv.virginia.gov</u> or Angela Bartlett at <u>Angela.Bartlett@dmv.virginia.gov</u>.

WELLS FARGO CONNECTION VIEWING INSTRUCTIONS

To View Wells Fargo Connection Reports:

- 1. Open Wells Fargo Connection. (The Secure Website address will be provided when access is granted)
- 2. Enter your User ID and Password.
- 3. Answer the security questions.
- 4. Click on the Information Reporting icon.
- 5. Click on the Reports icon.
- 6. Scroll down to Current and Previous Day Reports.
- 7. Place a check in the box beside Electronic Advice.
- 8. Click on Customize to the right of Electronic Advice.
- 9. Place cursor on drop down button next to Account Criteria on right side of screen and select account by Name or Number.
- 10. Place cursor on drop down button next to Selected Account box in middle of screen and select account.
- 11. Click on Submit.

After clicking on submit you should see "Retrieving Data...Please wait" If it is going to work the report should appear on screen in a few seconds. If nothing happens in 15-30 seconds, click Cancel. If this will not take you back to the start of Reports, click on the red Close "X" in upper right to get out of Wells Fargo Connection. If you had to close this way, you will have trouble getting back in for a few minutes because the Wells Fargo System is holding your logon. If the report did not appear and you have not downloaded the Microsoft Patch, complete the download next and try again. If the report still does not appear, send an email to Deborah.Bradby@dmv.virginia.gov requesting assistance.

To Download Wells Fargo Connection Reports:

- 1. Open Wells Fargo Connection.
- 2. Enter your **User ID** and **Password**.
- 3. Answer the **security questions**.
- 4. Click on Information Reporting.
- 5. Click on the **Data Downloads** icon.
- 6. On the Data Download List page, place a check in the box beside selected report (example: **Previous Day Data**).
- 7. Click on **Customize** to the right of report selected.

- 8. Place cursor on drop down button next to **Account Criteria** on right side of screen and select account by Name or Number.
- 9. Place cursor on drop down button next to Selected Account box in middle of screen.
- 10. Click on Continue in upper right of screen.
- 11. On the Data Column Selection page, make no changes but click on **Submit**.
- 12. File Download box appears.
- 13. Click on Save.
- 14. Select folder on your PC to Save in.
- 15. In the **File Name** area add ".csv" to the file name that appears by moving cursor to end of file name in the box and typing .csv.
- 16. Also, the files always have similar names so you may need to give it a unique name or date so you can tell them apart on your PC.
- 17. In Save as type area, use drop down button to select All Files.
- 18. Click on Save.
- 19. Download complete box appears.
- 20. Click on Cancel in upper right corner of screen, and then Sign Off and then Close.
- 21. Go to saved folder location on your PC.
- 22. Locate file by selecting All Files.
- 23. Click on file to open.
- 24. Review and make any format changes.
- 25. Save file as Excel file.

If the work area needs information the same day, they should have access to job DMVFD505 in control-d to see the details of what has been sent to Wells Fargo. The report also shows totals per application code and these totals should match the previous day's debits. Contact SSG staff to obtain access to control-d.

The FMS Cashier handles returns. However, if the work units wish to monitor those also, they should have access to job DMVFD510, which lists the debit and e-check returns. The exception is any section using Tel E-Check. These sections can monitor FD510 and research Tel E-Check returns to see if they caused the return by mis-keying bank info.