

**STATE OF MISSISSIPPI
DEPARTMENT OF FINANCE AND ADMINISTRATION**

TOPIC	ELECTRONIC PAYMENTS TO AGENCIES	SUB-SECTION 16.00.00
SECTION		ISSUANCE DATE August 4, 2010
SUB-SECTION	INDEX	REVISION NUMBER 11-005

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TOPIC	ELECTRONIC PAYMENTS TO AGENCIES	SUB-SECTION 16.10.20
SECTION	PAYMENT TYPES	ISSUANCE DATE August 4, 2010
SUB-SECTION	THIRD PARTY PROCESSING FOR NON-PORTAL PAYMENTS	REVISION NUMBER 11-005

THIRD PARTY PROCESSING FOR NON-PORTAL PAYMENTS

PURPOSE

Third party processing is defined by DFA - OFM as direct or indirect payments to vendors to support internal business functions for fulfillment of orders and completion of transactions initiated in person or through the Internet. These transactions may include, but are not limited to, the collection of taxes, issuance of licenses, production of reports, and other collections or payments for services conducted by agencies.

Sections 7-7-1 and 7-7-9, Miss. Code Ann. (1972) refer to the accounting of all state financial transactions and reporting requirements as required by the State Fiscal Officer. Section 7-7-9, Miss. Code Ann. (1972), directs DFA to maintain a complete system of general accounting to comprehend the financial transactions of every state department, division, officer, board, commission, institution or other agency owned or controlled by the State, except those agencies specifically exempted. Additionally, to continue our commitment to transparency in state government and provide visibility, openness, and accessibility to financial activity for Mississippi taxpayers, DFA provides access to a variety of financial data that is updated regularly relating to budget, contracts, fees (third party fees), revenue, travel, and vendor.

Any costs incurred directly (by an agency) or indirectly (passed directly to the consumer) for a party to complete agency business transactions must be reflected as a cost of doing business for the agency. To do otherwise would not fully disclose costs of the State to conduct business or reflect revenue generated by a vendor providing services under contract for the State. Likewise, any charge to the consumer for processing these transactions should be recognized by the agency as revenue. This recording of costs and revenues must be processed in SAAS within five (5) working days after the end of the quarter in which the amounts were incurred.

ACCOUNTING ENTRY

Transactions related to consumer fees for third party processing must be recorded on the appropriate fund by submitting a JV to BFR and attaching Form 16.10.20-A - Reporting Consumer Fees for Third Party Processing for the total cost of third party fees charged to a consumer. The revenue and expense should always be the same amount. If the budget needs to be escalated in order to record the transaction, follow the procedures in section 8.20.50 and attach a copy of Form 16.10.20-A. The budget cannot be escalated for an amount greater than the fees processed as certified on Form 16.10.20-A. For assistance, contact your assigned DFA budget analyst. The following is an example of the adjustment to record consumer fees for third party processing:

<u>Account Type</u>	<u>Account #</u>	<u>Account Name</u>	<u>DR</u>	<u>CR</u>
22	61714	Consumer Fees for Third Party Processing	X	
31	41996	Consumer Fees for Third Party Processing		X

EXEMPTION

Certain third party processing fees may be approved for exemption from reporting by DFA. To apply for exemption, complete Form 16.10.20-B - Exemption from Reporting Consumer Fees for Third Party Processing and send to DFA/OFM - Bureau of Financial Documents. DFA will issue a written response within ten (10) business days of receipt of the exemption request. The written response by DFA will be considered the final determination.

State of Mississippi
Reporting Consumer Fees for Third Party Processing

For the Quarter Ended: _____
(Month Day) (Year)

Agency # _____

Agency Name _____

Vendor Name _____

<u>Type of Payment/Fee</u>	<u>Amount</u>
_____	_____
_____	_____
_____	_____
Total	=====

I hereby certify that the amounts above accurately and properly reflect the Third Party Processing Fees incurred directly or indirectly as defined in Section 16.10.20 of the MAAPP manual.

Print Name

Signature

Title

Phone Number

State of Mississippi
Exemption from Reporting Consumer Fees for Third Party Processing

Agency # _____

Agency Name _____

Vendor Name _____

State reason(s) for exemption request. Provide specific detail to justify the State's consideration of the exemption request. Reference and attach a separate document, if necessary.

Print Name _____

Title _____

Signature _____

Phone _____

Date _____

Email _____

DFA Only		Response Due 10 Business Days from Received Date	
Received Date:		Received By:	
Response Date:		Responder:	
Approved		Denied	
Comments:			