



LOS ANGELES UNIFIED SCHOOL DISTRICT REFERENCE GUIDE

TITLE: Use of Credit Card and E-Wallet Vendors

NUMBER: REF-113301.0

ISSUER: Joy Mayor, Controller
Accounting and Disbursements Division

DATE: August 30, 2021

ROUTING

LD Superintendents
LD Administrators of Operations
Community of Schools
Administrators
Principals
Financial Managers
Central Office Division Heads

PURPOSE: To inform and provide guidance to schools, parents, community stakeholders and representative District administrative offices regarding the option of using credit cards and *e-wallets*¹ as modes of payment for external parties to pay LAUSD for the following select transactions: donations, recreation ticket sales, developers’ fees, fundraising activities, and student store sales.

The use of credit cards and *e-wallets* have several advantages. They are convenient, easy to use, do not require the use of paper products such as checks and money orders, reduce staff time involved in processing payments and refunds, provide the ability to track payments more easily, and avoid the receipt of counterfeit money or checks with insufficient funds. The District wants to encourage our school communities, students, parents and community stakeholders engaging in transactions with the District to avail themselves of the advantages of using credit cards and *e-wallets* whenever practical and reasonable.

Schools and District offices using credit card and *e-wallet* products should be aware that the vendors the District has selected to provide these services charge processing fees or transaction fees per transaction. Processing/transaction fees charged by credit card and *e-wallet* vendors are to be passed on to the customer and not absorbed by the school or District office. **The recurring fees charged by credit card vendors such as the monthly fees as well as equipment and set-up fees remain the responsibility of the District office or school.**

To highlight, one of our contracted credit card-processing vendors, JP Morgan Chase, charges a processing fee of approximately 1.8% of the transaction value per transaction. TSYS Merchant Solutions, the other contracted credit card-processing vendor, charges approximately 2.5% processing fee per transaction. Attachments A and B provide summaries of the various processing and transaction fees for the use of credit card and *e-wallet* services, respectively.

¹ *e-wallet* stands for electronic wallet. It is a type of electronic card. It functions similar to a credit card or debit card that is typically linked to an individual’s bank account to make payments.



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GUIDELINES: Credit card merchant services are available for the District through the following contracts:

1. JP Morgan Chase Bank, N.A.- Contract # 4400007813
2. TSYS Merchant Solutions- Contract # 4400007793

Be advised that the use of credit cards and e-wallets are subject to privacy rules and must comply with Payment Card Industry Data Security Standard (PCI DSS). Please ensure to read the corresponding reference guide as mentioned in the related resource section of this document labeled as Attachment C.

In addition to the two credit card vendors, the following *e*-wallet vendors are also available for use:

1. Apple Pay
2. Edlio LLC (Edlio Pay)
3. Google Pay
4. PayPal
5. Square
6. Stripe

Below are the guidelines for the application, fees, and pricing associated with using credit cards and *e*-wallet:

A. How to Apply

Use of Credit Cards:

1. School or office chooses which credit card vendor to use.
2. School or office should have an account with Bank of America to accept all credit card transactions.
3. The school or office completes and submits the ACH Authorization Implementation form to Bank of America to allow electronic payment withdrawal from their bank account for credit card charge-back/refunds and monthly fees.

Use of *e*-wallets

1. School or office may contact the *e*-wallet vendor to apply directly.
2. School or office that plans to enter into an agreement with a vendor outside of this list should consult with Procurement Services Branch for guidance.
3. School or office should consult with Procurement Services Branch if the cost of the project is \$25,000 or more.

B. Equipment and Fees

School or office will arrange directly with the selected vendor for the delivery and set-up of equipment at site.

Schools and offices who opt to avail themselves of the use of credit cards or



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e-wallets should obtain and review the services, fees, and price offerings to determine which best meets their needs. Processing/transaction fees that are to be passed on to a customer should be itemized on the customer's remittance advice or invoice.

See Attachment A for equipment pricing and schedule of fees for both JP Morgan Chase Bank, N.A. and TSYS Merchant Solutions. For equipment pricing related to *e*-wallet vendors, school or office needs to directly contact the vendor.

Note: Information indicated on Attachment A includes the calculated fees for both credit card vendors for a sample credit card payment of \$10,000.

C. Whom To Contact

For questions with regard to onboard application process with credit card vendor and Bank of America ACH Authorization Implementation form, please contact Tess Pineda at tess.pineda@lausd.net.

RELATED RESOURCE: PCI-DSS 3.2.1 The Payment Card Industry Data Security Standard

ASSISTANCE: For assistance or further information please contact Tess Pineda, Student Body Finance Support at tess.pineda@lausd.net.



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ATTACHMENT A

Credit Card Processing Fees

	CHASE	TSYS
For Every Transaction		
Interchange Fee (pass-through)	1.43% + \$0.05	x%*
Assessment Fee (pass-through)	0.14%	0.13%
Processing Fee	0.23%	0.10%
Authorization Fee	\$0.23	\$0.05
Example: \$10,000 payment		
Payment	\$10,000.00	\$10,000.00
Interchange Fee	\$143.05	NA
Assessment Fee	\$14.00	NA
Processing Fee	\$23.00	NA
Authorization Fee	\$0.23	NA
Total fee for transaction	\$180.28	\$250.00 **
Monthly Fees:		
per Merchant ID	\$4.00	\$5.00
Equipment:		
Stand-alone terminal (hard-wired)(one-time)	\$300	\$499
plus monthly fee	\$0	\$0
Wireless terminal (one-time)	\$399	\$635
plus monthly fee	\$15	\$0
Virtual Terminal (hosted page):		
Setup Fee	\$50	\$0
Monthly fee	\$20	\$5

*TSYS does not have a fixed interchange rate; rates will vary depending on the type of card

**TSYS estimates 2.5% fee per transaction



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ATTACHMENT B

E-Wallet Transaction Fees

(Terms and Transaction Fees indicated below are effective as of publication date of this reference guide.)

E-wallet Vendor	Terms of Service/Privacy Policy	Transaction Fee
Apple Pay (for merchants) https://support.apple.com/en-us/HT204274	When you pay with a debit or credit card, Apple Pay doesn't keep transaction information that can be tied back to you. And when you use Apple Cash, information is stored only for troubleshooting, fraud prevention, and regulatory purposes.	No merchant fees
Edlio LLC (Edlio Pay) www.edlio.com	Contact PSD for access to negotiated agreement	4% plus \$.35 per transaction
Google Pay for Business	https://payments.google.com/payments/apis-secure/get_legal_document?ldo=0&ldt=buyertos Must be 18 (or 16 with parent) https://policies.google.com/privacy	No merchant fees
PayPal	https://www.paypal.com/us/webapps/mpp/ua/pocpsa-full?locale.x=en_US https://www.paypal.com/us/webapps/mpp/ua/privacy-full?locale.x=en_US	https://www.paypal.com/us/webapps/mpp/merchant-ees?locale.x=en_US 2.90% + fixed fee (avg.)
Square	https://squareup.com/legal/ua https://squareup.com/us/en/legal/general/privacy-no-account	Card present: 2.6% + \$0.10/transaction Card not present (manually keyed in): 3.5% + \$0.15/transaction Square Online: 2.9% + \$0.30/transaction
Stripe www.stripe.com	https://stripe.com/legal https://stripe.com/privacy	2.9% + .30/successful card transaction In-person 2.7% + \$.05/ per successful card transaction

***The Privacy Policy will describe the types of personal information that the vendor collects, such as Usernames and payment methods, and how the information is used, such as for advertising and marketing.**