

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

May 24, 2022

FROM

DIANE RUNDLES, Director, Human Resources

SUBJECT

Electronic Payment Transactions for Employee and Retiree Benefits

RECOMMENDATION(S)

1. Authorize the Human Resources Department to implement an online payment option and accept payments via credit card and electronic check for benefits of active and former employees.
2. Authorize the Auditor-Controller/Treasurer/Tax Collector to approve procedures and oversee the implementation of the new credit card merchant account.

(Presenter: Diane Rundles, Director, 387-5570)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Improve County Government Operations.

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The Human Resources Department (Human Resources) anticipates \$1.3 million will be collected annually via credit card or electronic check (e-check) for payments of benefits. Active and former employees (Employees) who choose to pay online with a credit card will incur a fee of 2.25% of their total payment amount (\$1.95 minimum) per credit card transaction. Additionally, Human Resources will incur a fee of \$0.50 for each first-time validation of a customer's bank account when a customer pays via e-check. Adequate appropriation to cover expenses associated with the first-time validation is included in the Human Resources 2021-22 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Human Resources is requesting approval to implement an online payment option that will allow employees to pay for various benefits via credit card and e-check.

San Bernardino County provides active employees various employer-paid and employee-paid benefits, including, but not limited to: medical, dental, vision, life insurance, and accidental death and dismemberment. Additionally, the County offers former employees the opportunity to elect an extension of benefit coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA), and retired employees are offered various medical and dental plan options. Human Resources invoices employees for their portion of costs for these benefit premiums that cannot be deducted from their paycheck, retirement warrant, or retirement medical trust account. Currently, approximately 300 employees make their bi-weekly or monthly benefit payments via

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cash, check, or money order. The addition of electronic payments will provide employees a more convenient payment option since online payment services will be available to employees 24 hours a day, 7 days a week. It is anticipated that this online payment option will help increase collection rates. Electronic payments will also result in more efficient and fiscally responsible accounting.

Human Resources intends to utilize the existing Board of Supervisors approved (September 15, 2020, Item No. 53) countywide Purchasing Department contract with Grant Street Group for the required electronic payment processing services.

Recommendation no. 2 would authorize the Auditor-Controller/Treasure/Tax Collector to approve procedures and oversee the implementation of the new credit card merchant account pursuant to Government Code 6159 and the County Internal Control and Cash Manual.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Jose Mendoza, Deputy County Counsel, 387-5455) on May 10, 2022; Auditor-Controller/Treasurer/Tax Collector (Ali Chemkhi, System Accountant II, 382-7035) on May 5, 2022; Finance (Jessica Trillo, Principal Administrative Analyst, 387-4222) on May 9, 2022; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 9, 2022.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Janice Rutherford
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 24, 2022



cc: File- Human Resources
LA 06/1/2022