



CHARGEBACKS

FARE WEB/IVR PAYMENT PROCESSING

FOCUS

- Understanding Chargebacks as it relates to the courts
- Processing a Chargeback effectively and efficiently
- Cleaning up Chargebacks in the case management system
- Recommendations/Resources



COMMON TERMS

- **ACH Chargeback:** Court has a hold/block on court's bank account; different AOC procedures than a standard chargeback
- **Standard Chargeback:** Court does NOT have a hold/block on court's bank account
- **Conduent:** Vendor FARE is contracted with to assist the courts.
- **TSYS (Total System Services, Inc):** Vendor Conduent uses to assist with Chargebacks.
- **Customer Dispute:** When a customer questions a transaction to an account
- **Court NOT Disputing:** Agree or Accept Chargeback
- **Court Dispute:** Court does not agree with the Chargeback and Arbitration may occur.
- **Conditional Credit:** TSYS provides a conditional credit back to the cardholder, pending reimbursement from merchant "court".
- **Rebuttal:** a form of evidence presented to contradict other evidence that has been presented by another party



THIS PROCESS IS CALLED A “CHARGEBACK”



Customer looks
at his bank
statement



Customer
does not recognise
a transaction



Customer
calls his bank to
dispute the transaction



Bank
initiates
a chargeback

- A consumer “card holder” can dispute ANY credit card charge for ANY reason and 100% of the transaction amount is seized from the merchant's bank account and returned to the consumer.
- This money can only be returned after the merchant “court” can PROVE that the transaction was 100% authorized.

WHY DO CHARGEBACKS OCCUR?

- Chargebacks occur for many different reasons
- Examples include:
 - Unrecognized charge
 - Unauthorized charge
 - Payment made to the wrong case
 - Incorrect payment amount
 - Double payment/multiple transactions



HOW LONG TYPICALLY DOES A CHARGEBACK TAKE?



- Once a chargeback is received by Conduent, we have **10 days** to answer it.
- Chargebacks are usually resolved in a few weeks but can take **75 days** or more in some instances.

HOW ARE WE INFORMED?

- Conduent receives information of the dispute inquiry from the card holder's bank and forwards that information to court and FARE Team



HOW DO WE PROVE A PAYMENT?

- Court reviews payments in CMS
- Provides evidence from Transaction Express

The screenshot displays the Transaction Express interface. At the top, there is a header with 'TRANSACTION EXPRESS' and navigation links for 'HELP' and 'LOGOUT'. On the left side, there is a vertical menu with options: 'IN', 'CES', 'ACT', 'CH', 'DIT', 'D', 'RTS', and 'P'. The main content area is titled 'Transaction Details' and contains the following information:

Merchant DBA : AZ FARE-Phoenix Municip **User ID** : lazcanoR
Gateway ID : 9016548079 **Terminal ID** : 0003
Date Time : 11/21/2017 9:06:21 AM

Transaction ID: 1606254032
Account Holder Number: 474488*****5716
CV2 Response Code: M
Authorization Date: 10/13/2017 1:46:24 PM
AVS Response Code: Y

Card Type: Visa
Transaction Amount: 100.00
Authorization Code: 104362
Authorization Response Message: Approved or completed successfully
Extended Response Code:
Extended Response Code Message:

A red arrow points to the 'Authorization Code' field.

Auth Data

Approved Authorization Amount: 100.00
Credit Amount:
P.O. Number:
Authorization Response Code: 00
Goods Sold Code:

Authorization Reversal Amount:
Authorization Reversal Date:
Credit Date:
Authorization Status: Approved
Authorization Date: 10/13/2017 1:46:24 PM

- Conduent will research payment related to case

TRANSACTION EXPRESS

- <https://vt.transactionexpress.com/>

TRANSACTION
EXPRESS

WELCOME TO TRANSACTION EXPRESS

Your comprehensive secure online enterprise solution.

Transaction Express™ puts control of your business's payment acceptance into your hands, wherever you are – in your store, at your office, in your favorite coffee shop. And no matter how you access the Internet – desktop computer, laptop, tablet or smart phone – you'll have the power to grow your business right at your fingertips.



The login form features a blue and white color scheme with a keyboard icon. It includes a 'login' label, a 'Forgot Password?' link, and two input fields: 'username' containing 'FARE0741' and 'password'. A small 'x' icon is visible in the top right of the username field, and a right-pointing arrow is in the bottom right of the password field.

- By clicking on Forgot password, an email will be sent to your courts FARE Mailbox in Outlook
- Remember: One Username and Password per court, not per user

HOW DOES THIS IMPACT THE COURT?

- FAREWEB/IVR payments are **temporarily** or permanently debited from the court's bank account
 - Due to timing the court may notice more than one transaction on bank account if a electronic debit **temporarily** occurs (depending on final rebuttal)
- If a payment satisfied the case balance, a chargeback could affect:
 - **TTEAP holds**
 - **Driver's license suspensions**
 - **Warrants**
 - **Debt Set-Off (tax intercepts)**
 - **FARE noticing**
- Debits must be adjusted out of the CMS (clean up case)
- The process can take months and may impact end-of-month balancing

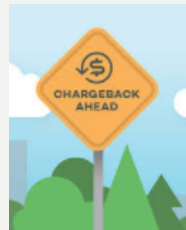


ROLES AND RESPONSIBILITY



- **Conduent:**
 - Works directly with TSYS (FARE merchant vendor) to process chargebacks
 - Communicates when the initial chargeback occurs
- **AOC FARE staff:**
 - Acts as the liaison between Conduent and the court for debit processing
 - Provides assistance to FARE courts for case management system (CMS) case cleanup and general questions

PROCESSING A CHARGEBACK



STANDARD CHARGEBACK VS. ACH CHARGEBACKS

Standard Chargebacks:

- More common
- No block on court's bank account
- No form required
- Electronic debit

ACH Chargebacks:

- Not as common
- Block on court's bank account
- Form is required
- Disburse check



STEP 1



- A representative from Conduent will contact the court directly regarding the chargeback to:
 - Verify if the cardholder/payor is or is not the defendant
 - Confirm if the cardholder has contacted the court regarding the chargeback (**eliminates duplicate requests**)
 - Fax dispute documentation over to the court

STEP 2



- Conduent will advise the court when the funds will be electronically debited from the court's bank account
- **Automatically attempt to debit the funds from the court's bank account**

Note: ACH Chargeback or Standard Chargeback procedure may vary depending on court's bank account
- Notify (fax) AOC FARE staff of the chargeback to ensure assistance will be provided for CMS clean up

STEP 3

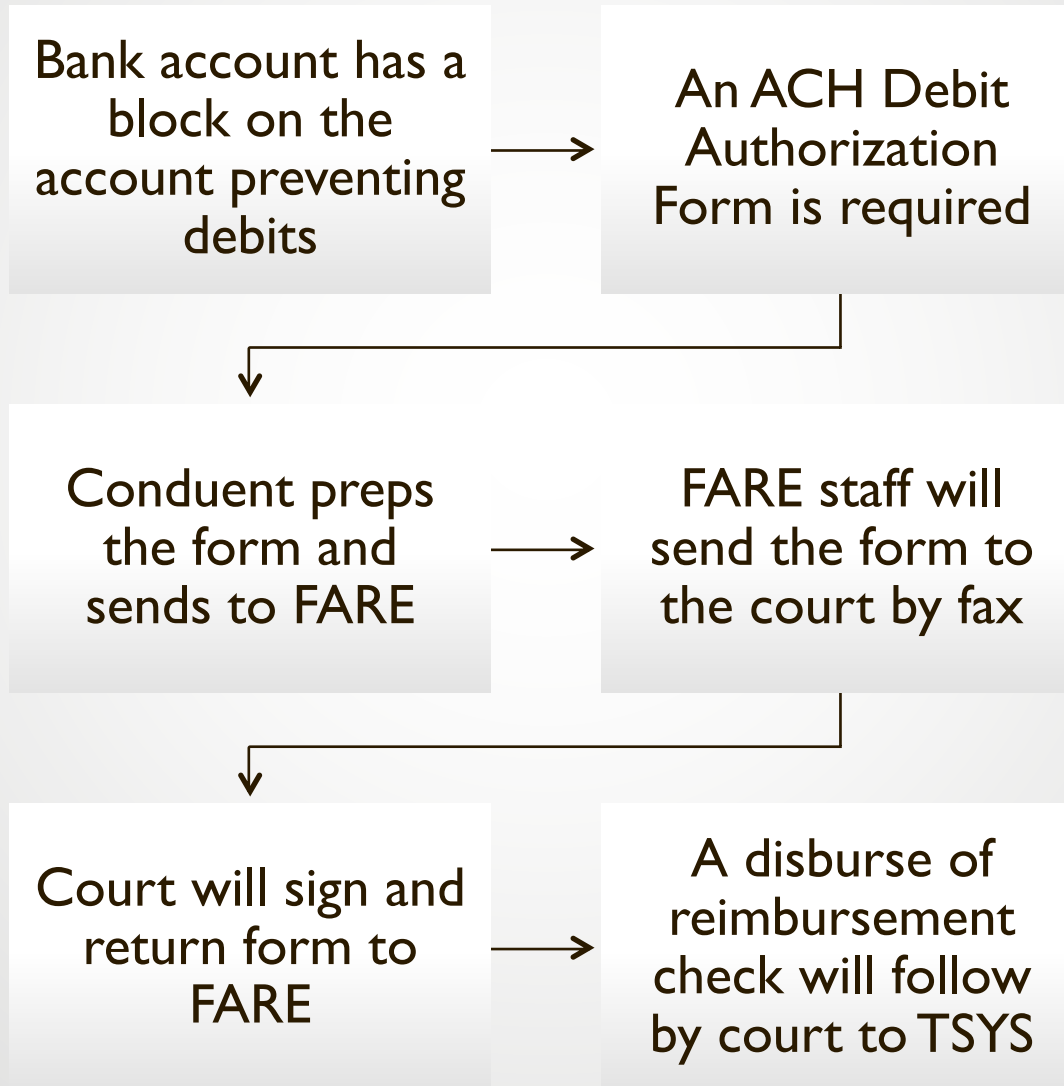


- AOC FARE Staff will follow up with an email to the court regarding the chargeback
- Provide assistance for:
 - Case clean up in the CMS, if needed (AJACS courts only)
 - The court will **confirm** that the funds have been successfully debited from the court's bank account
 - All documentation is completed



**ACH DEBIT
AUTHORIZATION**

ACH DEBIT AUTHORIZATION



ACH CHARGEBACK E-MAIL

Good day,

Attached is the following chargeback information, please review and return.
The document is password protected by your court ID # - Format: "####"

- Invoice from TSYS **(Please reference Invoice # on disbursement check)**
- The Chargeback ACH Debit Authorization form has case information along with the chargeback details. **Please return the ACH form signed by (date).**
- Please provide a copy of the check being sent to TSYS by fax, scan or via email.

The check should be mailed out as follows:

TSYS Merchant Solutions, LLC
c/o Global Payments Inc.
PO Box 720497
Atlanta, GA 30358



- **Invoice #ARINV with the total of \$ regarding case #/defendant name payment made on 01/01/2021.**

Should you have any questions or concerns, feel free to contact me.

Please provide the mailing date when the check has been sent.

(Signature)

- ACH Chargebacks will contain information to assist courts when disbursing the reimbursement check to TSYS
- The mailing address and invoice # that will be referenced on the check

EXAMPLE ACH DEBIT AUTHORIZATION FORM



FARE Program
 Arizona Supreme Court, Administrative Office of the Courts
CHARGEBACK ACH DEBIT AUTHORIZATION

An ACH debit was attempted by the FARE merchant vendor TSYS (Total System Services, Inc) to fulfill a web/IVR chargeback assessed to the [Court Name]. The ACH debit was returned by [Bank Name] as 'Customer Does Not Authorize.'

The ACH debit return was the result of a **block** on the court's bank account restricting account debit activity.

Court Name: _____

Case Number: _____

Defendant Name: _____

Payment Transaction **Amnt**: _____

Payment Transaction Date: _____

Web/IVR Confirmation #: _____

Payor Name: _____

Card Type: _____

Card Number (Last 4): _____

Chargeback Date: _____

The following information relates to the original debit request. This should be provided to the applicable Court bank account Representative(s) to identify and acknowledge **block** on account:

Name:	TSYS (Total System Services, Inc)	Amount:	_____
Originator ID:	1752598308	Chargeback Number:	_____
Merchant Number:	_____	Address:	12202 Airport Way, Ste 100 Broomfield, CO 80021
Merchant Name:	AZ FARE-		

By signing below, the [Court Name] acknowledges a block on the court's bank account restricting account debit activity.	By signing below, [Finance/Treasurer] confirms the block on the court's bank account and a check will be processed to vendor.
X	X
Court Bank Account Signatory	Finance/Treasurer Representative
Date:	Date:



FARE Program
 Arizona Supreme Court, Administrative Office of the Courts
CHARGEBACK ACH DEBIT AUTHORIZATION

Thank you in advance for your assistance with this resolution and if there are any questions please contact us for further assistance.

AOC FARE Contact Name:	_____
Phone Number:	_____
Email Address:	_____

To fulfill this chargeback obligation the Court's Bank Signatory will need to:

- 1) Contact the court's City Finance or County Treasurer for notification of the chargeback. Determine who will contact the bank and provide the Chargeback ACH Debit Authorization form.
- 2) Contact the bank ACH/Treasury Management Department.
- 3) Instruct the applicable Court bank account Representative(s) to acknowledge the **block** following the attempted electronic debit from Courts bank account.
- 4) Notify the AOC FARE contact of official mail date for check.
- 5) Make the appropriate case management system (CMS) adjustments after confirmation that check has been mailed. Questions for CMS adjustments should be directed to the AOC FARE contact.

The Court's Bank Signatory will need to instruct their Finance/Treasurer representative(s) on the above steps in order to fulfill this obligation. If there are questions beyond this process **please contact AOC FARE contact** for additional assistance.



**CLEAN UP
STEPS**



CLEAN UP STEPS...

➔ The court should make the proper financial adjustments in the CMS to reflect the debit of funds

★ **Reminder:** Chargeback CMS adjustments are likely to occur in a different month, which will affect the State Remittance reporting

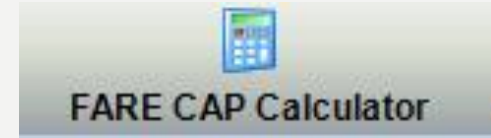
AJACS

The screenshot displays the AJACS software interface. The top navigation bar includes 'AJACS', 'Manage', 'Citation', 'Accounting', 'Scheduling', 'Bond', 'Utilities', 'Administration', 'Interface', 'Queues', and 'System Help'. Below this, a secondary menu contains 'Journal Voucher Entry', 'Disbursement Search', 'Check Register', 'Bank Reconciliation', 'Receiving', 'Contracts', 'Receivables', 'Interest Accruals', 'Cash Drawer', 'End of Day Process', 'Escheat Management', and 'Surcharge Aggregation'. The 'Check Register' window is open, showing a toolbar with 'Refresh', 'Save', 'Send Notice', 'Print', 'Export', and 'Close'. The window title is 'Check Register'. Below the toolbar, there are filters for 'Show Checks Dated' (From: 12/1/2017, To: 12/1/2017) and 'Bank: Cash in Bank (Deposit Account)'. The main area has tabs for 'Checks' and 'Deposits'. Below the tabs, there are 'Apply' buttons and a table with the following columns: Date, Check/CC Num, Receipt Num, Payer, Amou, Dishonor Date, Chargeback Date, Redeemed Date, Due Date, User, and Tender Type. The table contains several rows of data, with the last row highlighted in red. A yellow arrow points to the 'Chargeback Date' column of the last row.

Date	Check/CC Num	Receipt Num	Payer	Amou	Dishonor Date	Chargeback Date	Redeemed Date	Due Date	User	Tender Type
12/01/2017	91439217	F0000894	,	50.00					INTERFACES	CREDIT CARD
12/01/2017	91439190	F0000893	,	210.00					INTERFACES	CREDIT CARD
12/01/2017	91438942	F0000892	,	100.00					INTERFACES	CREDIT CARD
12/01/2017	91438635	F0000891	,	100.00					INTERFACES	CREDIT CARD
12/01/2017	91438567	F0000890	,	220.15					INTERFACES	CREDIT CARD
12/01/2017	91438266	F0000889	,	737.00		12/15/2017		12/15/2017	INTERFACES	CREDIT CARD

Do not void or reverse receipt

FARE CAP – INITIAL PAYMENT



- Case is removed from FARE CAP
- FARE Cap Revoked event
- FARE Special Collection Fee is reassessed
- Collection activities resume
- Case may re-enter into the FARE Cap Program

FARE CAP – FINAL PAYMENT

- Case will reflect on the FARE CAP Completion w/ Balance Report
- Next step will be determine by the court's policy
- Possible next step: Defendant is placed back into FARE CAP if contact with defendant is made **OR** place case back into collections if the court cannot get in touch with defendant.

REBUTTALS

REBUTTALS

- Conduent will inform the court if the rebuttal is **successful** or **unsuccessful**
- **If the rebuttal is successful, the court will be given a conditional credit to their bank account:**
 - A date the conditional credit was issued will be provided

NOTE: This is a conditional credit because the cardholder still has the right to dispute the charge and push it into pre-arbitration

 - The funds will be electronically deposited into the court's bank account within 7-10 business days from date the credit was issued
 - If the rebuttal is **unsuccessful**, the chargeback is completed and the money is returned to the cardholder

SUCCESSFUL REBUTTALS

- If pre-arbitration occurs:
 - It is up to the court to determine if they wish to further contest the chargeback

NOTE: Arbitration is costly and should be discussed with court management to determine if the court will contest the chargeback further.

WHAT IS A PRE-ARBITRATION?



- Pre-Arb is an escalated phase in a chargeback. Basically, the cardholder is not satisfied and is seeking an appeal. Cardholder does not accept response from Merchant (court)
- Merchant must respond within 25 days with NEW information.
- **Arbitration is the final step...**
 - 1) Merchant's favor (keep the credit)
 - 2) Cardholder's favor (Merchant account debited)
 - 3) Split Decision (each liable)
- Conclusion – loser will have to pay the filing fees that come with this process, which can vary up to \$600.

PREVENTION

CHARGEBACK PREVENTION

Courts have the option to remove WEB/IVR functionality.

- AJACS - Check the box in the FARE Status screen for WEB/IVR Removal
- NON-ACAP - Follow the court's internal process



QUESTIONS?