



State of North Carolina Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

February 2, 2007

MEMORANDUM

TO: Agency Fiscal Officers
University Vice Chancellors
Community College Business Officers
Local Units of Government Finance Officers

FROM: Robert L. Powell, State Controller 

SUBJECT: Proprietary Cards Policy and American Express Card

As you are aware, the Office of the State Controller has a Master Services Agreement (MSA) with SunTrust Merchant Services (STMS). The MSA allows participating entities to accept credit and debit cards issued by both Visa and MasterCard, without the participant having to execute any additional agreements. The master agreement does not provide for the acceptance of proprietary cards, such as American Express or Discover, unless the State or the agencies were to enter into agreements directly with the proprietary card companies.

In response to the interest of several agencies desiring to accept proprietary cards, on December 15, 2006, the State Controller issued an E-Commerce policy entitled, "Types of Merchant Cards Accepted." The policy addresses how participants can elect, on an optional basis, to accept proprietary cards. The policy also allows the State Controller to negotiate master agreements with the various proprietary card companies, in order to obtain more favorable discount rates. The policy can be viewed at the following link: <http://www.ncosc.net/SECP/TypesOfMerchantCardsAccepted.pdf>

As permitted by the policy, the State Controller has successfully negotiated a master agreement with American Express Travel Related Services Company, Inc., to allow participants to begin accepting the American Express card. Enrollment in the American Express Card program is being made available to participants beginning February 1. Entities considering accepting the American Express card should make any determination based upon the criteria specified in the policy. Detailed information regarding the American Express Card acceptance program, including enrollment forms, can be viewed at the following link: http://www.ncosc.net/SECP/SECP_AmEx_Cards.html

For your information, negotiations are currently underway with other proprietary card companies. Information will be forthcoming should master agreements be made with other card companies.

Questions may be addressed to the OSC Support Services Center at (919) 875-4357, or to Amber Young, Central Compliance Manager, at (919) 981-5481.

Mark your calendar for the State Controller's E-Commerce Summit scheduled for May 7 at the McKimmon Center in Raleigh. Information on the summit will be forthcoming.

MAILING ADDRESS
1410 Mail Service Center
Raleigh, NC 27699-1410

Telephone: (919) 981-5454
Fax Number: (919) 981-5567
State Courier: 56-50-10
Website: www.ncosc.net

LOCATION
3512 Bush Street
Raleigh, NC