




ADMINISTRATIVE DIRECTIVE

DIRECTIVE NO: 2026-05	ISSUE DATE:
ISSUED BY: D. McClary	SIGNATURE: 
VILLAGE COUNCIL APPROVAL DATE: 00/00/2026	
REVISION DATES:	
RESCINDS/REPLACES:	
CATEGORY: FINANCIAL MANAGEMENT	
SUBJECT: Financial Transaction Device Payments Policy	

LEGAL AUTHORITY CITATION

This administrative directive is issued by the Village Manager pursuant to the following legal authority:

- Village Charter – Sec. 3.12 – Duties of administrative officers; performing such duties as are provided for such officers by state law, this Charter, the village ordinances, and the administrative directives of the Village Manager
- Michigan Financial Transaction Device Payments Act, Public Act 280 of 1995, as amended
- Village Council Resolution adopted on _____.

PURPOSE

The purpose of this policy is to facilitate the Village of Lake Orion’s acceptance of the payment of certain fees by credit card or other financial transaction device to ensure that the Village complies with all applicable laws, including the Michigan Financial Transaction Device Payments Act, Public Act 280 of 1995, as amended. For the convenience of the public, the policy of the Village of Lake Orion is to permit the payment of Village taxes, assessments, fees, charges, fines, and other costs through the use of financial transaction devices in accordance with this policy.

POLICY

Section 1. Authorization to Accept Payment by Financial Transaction Device.

The Village of Lake Orion hereby authorizes the Village administration to accept payment by the public through the use of a credit card or debit card (financial transaction device) of fees, charges, fines, and other costs levied by the Village. Credit or debit card payments shall only be accepted online or through credit card scanning devices. The Village is not authorized to accept credit or debit card payments over the telephone or by email.

Section 2. Responsibility for Determination of Types of Financial Transaction Devices.

The Village Clerk/Treasurer is responsible for determining the types of financial transaction devices that may be accepted and the locations and methods of acceptance, with the approval of the Village Manager. The Clerk/Treasurer and Village Manager shall only authorize those nationally recognized financial transaction devices that allow for a convenience fee to be passed on to the customer. The determination of the financial transaction devices that may be accepted shall comply with any resolution for the deposit of public money under Section 2 of Michigan Public Act 140 of 1932 (First Extra Session), MCL 129.12, applicable to the Village of Lake Orion.

In deciding whether to accept financial transaction device payments, the Clerk/Treasurer and Village Manager shall review whether potential applications are justified in light of the impact on customer service, cash management gains, and administrative costs.

The Village Manager may direct any Village department or agency to accept financial transaction devices when the Manager determines that such requirement results in a benefit to the Village and the public.

Section 3. Third Party Processors.

The Village of Lake Orion shall provide financial transaction device payment processing services utilizing a third party processing vendor. The Clerk/Treasurer, with the approval of the Village Manager, shall determine the vendor(s) who will provide third party financial transaction device payment processing services to the Village. The Village Manager is authorized to enter into an agreement with any third party processor, wherein the third party processor will pass all transaction costs and other application costs associated with the acceptance of financial transaction devices payments on to the customer via a convenience fee. Payment guarantees removing the Village of Lake Orion from potential liabilities due to lost or stolen cards or “charge-backs”, should be included in the agreement whenever possible. The Village Attorney shall be responsible for reviewing and approving such agreements prior to execution by the Village Manager.

Section 4. Costs for Services.

The costs for the purchase of financial transaction device scanners, software, phone lines, or other costs necessary to provide credit card payment services to the public may be included in a departmental budget request. Whenever possible, the Clerk/Treasurer should attempt to have equipment, software, phone line, and other expenses covered by the third party processor.