



Office of The State Campaign Manager

Square Reader Usage Policy September 2022

The State Employee Charitable Campaign (SECC) State Campaign Manager’s office has received approval from the State Policy Committee to purchase one or more Square readers for each of the 17 Texas SECC regions in Texas. The goals of this initiative are:

- Continue efforts to modernize the SECC operations, per Sunset Commission feedback;
- Provide state agencies and institutions of higher education with a secure electronic payment method at special fund-raising events;
- Promote and increase charitable giving;
- Boost awareness of the campaign;
- Offer donors easy- to- use alternative methods to contribute;
- Reduce security challenges and operational expenses associated with processing cash or checks.

This policy governs the use of Square readers and the authorization to use Square readers expires on December 1, 2022. This policy may be renewed at the discretion of the State Policy Committee.

Definitions:

- **State Campaign Manager (SCM)** – The nonprofit organization contracted by the State Policy Committee to manage the day-to-day statewide operations of the State Employee Charitable Campaign (SECC). Currently, United Ways of Texas serves as the SCM.
- **Local Campaign Manager (LCM)** – The nonprofit organization recommended by the Local Employee Committee and approved by the State Policy Committee, which manages the day-to-day local operations of the SECC within a specific SECC region. Currently, the following organizations serve as LCMs:

SECC Region	Nonprofit Serving as Local Campaign Manager	SECC Region	Nonprofit Serving as Local Campaign Manager
Amarillo	United Way of Amarillo	Houston	United Ways of Texas
Brazos Valley	United Way of the Brazos Valley	Laredo	United Way of Laredo
Capital Area	EarthShare of Texas	North Texas	United Way of Denton County
Coastal Bend	United Ways of Texas	Rio Grande Valley	United Way of South Texas
DFW Metroplex	United Ways of Texas	San Antonio	United Way of San Antonio and Bexar County
East Texas	United Ways of Texas	South Plains	Lubbock Area United Way
El Paso	United Way of El Paso County	Texas Pine Belt	Boys & Girls Club of Walker County
Galveston	United Way of Galveston	Waco	EarthShare of Texas
Greater West Texas	United Ways of Texas		

- **LCM Authorized Representative** – The staff member of a LCM organization, with the responsibility of managing the financial set-up of the Square devices. The representative typically is a person in leadership, such as a CEO, CFO, or Finance Director.
- **State agency/ Higher Education Employee Campaign Coordinator (ECC)** – This is the employee responsible for leading the annual SECC within a given State agency or institution of Higher Education. This position might be filled by the same person for multiple years or may change annually.

How Square Readers Work:

Square reads a donor's credit card information and securely communicates the transaction data to the bank and credit card networks. There are three steps involved when swiping a credit card using the Square - authorization, capture and settlement.

- **Authorization:** After a credit card is swiped, the payment request is sent by the Square. The transaction is then passed on to a financial institution (the acquiring bank or merchant bank). The acquiring bank acts as a go-between and sends the request to the issuing bank (the employee's credit card company). The issuing bank checks for the appropriate credit card limit. The issuing bank also uses fraud detection software to check if the transaction is legitimate. If the transaction is deemed legitimate, it is authorized and a hold is put on the funds, and the transaction then shows as pending.
- **Capture:** Moves the funds from the credit card company to the acquiring bank. All credit card information is encrypted at the moment the card is swiped. Square does not store card data on any device after a payment has been processed.
- **Settlement:** The credit card transaction is settled through the Square's system and funds are transferred into the bank account. Funds are received within two business days. The fee is 2.6% + 10 cents per swipe for Visa, Mastercard, Discover, and American Express.

Local Campaign Managers (LCM) should visit squareup.com/help for instructions on how to set up their Square reader device(s). Square readers are only compatible with either iOS or Android devices. Only a designated LCM authorized representative may set up and link a bank account to the Square reader device(s). LCMs must link their individual SECC region's SECC bank account to the Square reader device(s). Linking to other bank accounts is not permitted. During initial set up Square will transfer and withdraw a small amount to verify the linked bank account.

LCM authorized representative will use Square's Team Feature to grant device use permission to State agency/ Higher Education Employee Campaign Coordinators (ECC). The LCM is responsible for setting up user access for ECCs prior to a special event and are also responsible for deactivating user access upon event completion. ECCs will not have the ability to change the linked bank account or add additional accounts that is associated with the Square reader they check out from the LCM.

Regarding transaction receipts: The ECC must provide a receipt either by email or text message based on the preference of the donor after processing a transaction via the Square device. For technical support, Local Campaign Managers are directed to contact Square via the help channels available on their website.

Local Campaign Manager(s) (LCM) understanding and responsibilities:

- 1) Square readers are a one-time purchase made by the State Campaign Manager (SCM) and are the property of the State Employee Charitable Campaign. The SCM will distribute one or

more Square readers to each LCM. If an LCM wishes to opt-out, it shall notify the SCM in writing and return the Square reader promptly to the SCM.

- 2) Square readers can only be used at special fund-raising events during the months of September through October 2022. During the remainder of the year, Square readers must be stored securely by the LCM or returned to the SCM.
- 3) The LCM authorized representative should set up and link the LCM's SECC bank account to the Square reader. Linking to other bank accounts is NOT permitted. LCMs shall read and review the information available on the Square website regarding Payment Card Industry compliance: <https://squareup.com/us/en/townsquare/pci-compliance>. LCM must stay in fiscal compliance as required by the SECC statute and understand that their local SECC records are subject to audit upon request by the State Policy Committee. The LCM must include Square usage data when submitting their annual campaign report to the State Campaign Manager.
- 4) LCMs should check out Square reader devices to ECCs that are hosting a special event by using the authorized web sign-up form, managed by the SCM and accessible by LCM authorized representative. The ECCs should be set up as an authorized team member on the LCM Square account. The LCM must ensure all authorized users review and sign this policy and agree to abide by the terms of this policy prior to accepting the loaned device, downloading the Square app or using the Square reader. When the special event is complete, the ECC will return the Square reader to the LCM. The LCM must change passwords regularly, but at a minimum, after the return of each Square device.
- 5) The LCM may not charge a fee or pass the cost of using Square readers on to state employees. All transaction fees and costs associated with the use of Square are the responsibility of the LCM and should be listed as an expense item in its annual SECC budget.
- 6) Lost or stolen devices should first be reported by the ECC to Square, then to the LCM that loaned the device to the ECC and then to the SCM. The lost device would then be locked by the LCM, so that anyone attempting to access the app will need a password to log-in. The LCM will replace a lost or stolen Square reader from funds from its annual SECC budget.
- 7) In the event that the LCM suspects a potential data breach or any type of malfeasance, a written Incident Report must immediately be reported by the LCM to the State Campaign Manager who will then notify the State Policy Committee, which could lead to further investigation by the appropriate law enforcement entities.

Campaign Coordinator(s) understanding and responsibilities:

- 1) Square devices can be used only at special events during the months of September through October 2022.
 - a. It is strongly encouraged for Campaign Coordinators to use special events to promote payroll deductions as the preferred means of giving to the SECC.
- 2) ECCs must review and sign this policy, agreeing to abide by the terms of this policy before accepting the loaned Square reader, downloading the Square app or using the device. ECCs who utilize the devices shall read and review the information available on the Square website regarding PCI compliance: <https://squareup.com/us/en/townsquare/pci-compliance>.

- 3) ECCs shall ensure that the Square reader and Square app are password protected and that only users authorized by their LCM have access to the device for the special event. ECCs shall safely store and secure the Square readers at all times.
 - a. Please refer to the following guidance when creating secure passwords: [Create and use strong passwords \(microsoft.com\)](#)
- 4) ECCs will submit a completed SECC pledge form (www.secctexas.org/resources) for each special event, noting whether contributions received by the Square reader will be undesignated or designated to a specific SECC-participating charity(ies).
- 5) When state-owned devices are used, the ECCs must abide by their respective employer's information security policies.

By signing below, I agree to the above guidelines that will take effect immediately upon receipt of my Square device.

Authorized Representative

Date

Local Campaign Site