

FACILITY ACKNOWLEDGMENT

By signing this Facility Acknowledgment or activating a Numi Prepaid MasterCard® card on behalf of a consumer, Facility hereby acknowledges and agrees to comply with the terms and conditions contained in this Facility Acknowledgment.

PURPOSE is to ensure the Card Program is distributed and administered in a manner that complies with the Financial Regulations. Capitalized terms used but not defined herein have the meaning set forth in the section of this Acknowledgment entitled "Definitions".

APPLICABILITY is to Facility, and all Facility's personnel, contractors, and agents that administer the Card Program for or on behalf of Facility.

BACKGROUND. By participation in the Card Program, Facility will be able to return inmate trust funds and other property to persons released from incarceration through the use of prepaid Network Branded (MasterCard/VISA) cards. Numi is required to ensure that all people and entities providing Cards or participating in the Card Program comply with the Financial Regulations. Facility wishes to participate in the Card Program. This Acknowledgment establishes the requirements and standards applicable to Facility in participating in the Card Program. Facility acknowledges that Numi has made alternative terms and conditions applicable to the Card Program available to Facility, including alternatives that involve Facility subsidizing all of or a portion of the total cost of the Card Program such that the Cardholders are charged minimal, if any, fees, and that Facility has chosen a Card Program with full knowledge of the alternatives.

MANDATORY CARD DISTRIBUTION GUIDELINES & PROCEDURES.

Operating Guidelines. Numi accepts Facility as an independent distributor of the Cards subject to the terms and conditions of this Acknowledgment. Facility will comply with applicable Financial Regulations, including but not limited to regulations set forth by the Office of Foreign Assets Control (OFAC). Facility will cooperate with Numi to the extent necessary in order to ensure continued compliance with the Financial Regulations. Facility acknowledges that Financial Regulations are subject to change, and should a material change to these regulations occur, Numi will notify Facility of that change and Facility will comply with the Financial Regulations, as changed.

Signature Receipts. Facility must have all inmates sign for their Card along with the Terms and Conditions, which must always accompany the Card, upon release. Facility must implement signature receipt as part of the process and incorporate through their Banking Software Providers or as part of their booking / release process when releasing inmates with their Card. To implement this receipt as part of the process you can i) Contact your Software Provider as they might be able to provide for you ii) Facility can implement and execute on their own as long as they are adhering to policy and are able to provide Numi with a copy of the signed Signature Receipt upon request. The Signature Receipt must contain the following language or language similar to the bolded language outlined here: ***"I understand and agree that I have received my funds on a Mastercard Prepaid Card and have also received the Cardholder Agreement. I understand that the use of the Card is optional and that I can immediately remove my funds from the Card without being charged, as stated in the Cardholder Agreement."*** Numi may request Signature Receipts from Facility at any point in time for proof of inmate release signatures. This policy is being instituted for legal coverage for both the Facility and Numi.

Mailing Cards. Treat activated Cards like cash. DO NOT mail activated cards. This is for your protection. Mailing activated Cards puts Facility and recipients at risk for potential fraud and security issues. Numi will not be responsible for any fraudulent activity or security issues as a result of mailing activated Cards. If Facility would like to mail Cards, please contact Numi directly to learn about our safe and compliant distribution options.

Load Limits. The Card Program allows Facility to disburse up to a total of \$9,500 per Cardholder in inmate trust funds upon the inmate's release from the Facility.

ODFI. Facility authorizes the Originating Depository Financial Institution (ODFI) designated by Numi on behalf of Issuing Bank to initiate a DAILY ACH debit entry for the entire balance of all daily Card load activity by Facility. The daily ACH will be debited from the bank account provided or designated by Facility in the separate ACH agreement between Numi and Facility.

Card Registration. When disbursing funds using Cards, Facility will collect and submit to Numi at least the following information:

- (a) Cardholder's full name and date of birth (required to be collected for all Cards);
- (b) Upon Numi's request, the Cardholder's Social Security Number and address may be required for disbursements in excess of \$5,000.

Facility will also collect and submit such additional information that Numi requires from time to time in order to ensure compliance with Financial Regulations.

Delivery of Terms & Conditions to Each Cardholder. Facility must distribute the Cardholder Terms and Conditions, and other supporting documentation required by Numi to every Cardholder immediately prior to Cardholder's release from Facility. Numi will provide to Facility written procedures and/or training materials regarding the distribution of the Cardholder Terms and Conditions and supporting documentation, and Facility will abide by such procedures to ensure that these materials are provided to the Cardholders as required. If required by Numi, the Facility will obtain the inmate's signature on supporting documentation and provide it to Numi upon request.

Card Ordering. Numi and Facility will be responsible for providing Card inventory, replenishment of Card inventory, and securing Card deliveries, such that there is always at least one week of estimated Card requirements on hand at each Facility location, based on a 90 day trailing activation rate.

Numi reserves the right to not deliver any additional Cards to Facility, and to cancel or lock any and all Cards at Facility, if Facility (i) fails to make any payment pursuant to the Card Program, including but not limited to reimbursing Issuing Bank for inmate funds loaded onto Cards, or (ii) otherwise fails to comply with the terms and conditions of this Acknowledgment.

Numi will periodically ship Cards to Facility's designated locations. Card orders must be signed for upon arrival. The Cards are financial instruments and, as such, Facility must utilize a reasonable standard of care to ensure that the Cards are placed at the time of receipt in a secure storage area and that proper physical and procedural security policies are implemented and followed to ensure the tracking and monitoring of the Cards.

Card Security. The Cards must be handled by Facility in accordance with security requirements established by Financial Regulations, including policies and guidelines of MasterCard®, the Issuing Bank, and industry best practices. These security requirements are incorporated into this Acknowledgment by reference and must be implemented by Facility at all locations that store and distribute the Cards.

System Security. Neither party will transmit or disseminate to the other party, the other party's service providers, or their respective networks or systems any viruses, Trojan horses, worms, time bombs, cancelbots, or other computer programming routines (collectively, "Viruses") that are intended to damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data, or personal information. Each party will use then-current industry standard security and antivirus tools to detect and eliminate Viruses.

Card Inventory. Facility will maintain physical security of the Cards at all times. Facility will store the Cards in a controlled environment, such as a safe or locked storage device, with access limited to employees who have successfully passed background screening checks. Card inventory is subject to audit by Numi or the Issuing Bank with at least 10 days advance notice. Facility will deliver a completed certified inventory report to Numi at least once per year, or any time upon Numi's request, that accounts for all Cards. Facility will maintain an inventory log of the number of Cards spoiled (e.g. cards that cannot be used due to damage, tampering or expiration). Facility will promptly report any inventory discrepancy to Numi via an electronic mail communication to corrections@numifinancial.com or by contacting Numi at 760-444-5525. Facility will produce any of the above-mentioned documentation upon Numi's request at any time during the audit.

Reimbursement of Loaded Funds. Facility, or Facility's assigned Fiduciary Banking Agent, must ensure that there are adequate funds available and accessible to Issuing Bank to cover the Facility's daily Card loading activity. If Facility chooses to have the obligations of this section performed by a Fiduciary Banking Agent, both the Facility and the Fiduciary Banking Agent must execute a copy of this Acknowledgment with Numi. In addition, Facility, or Facility's Fiduciary Banking Agent, must execute the separate ACH authorization agreement. The ACH authorization will remain in full force and effect until Numi receives written notice of termination as required in this Acknowledgment. Upon receipt of the notice of termination, Numi will inform the Issuing Bank that is performing the ACH activities of such termination. Facility understands that the unsuccessful collection of funds by Issuing Bank will result in the immediate suspension of the Card Program at Facility upon notice by Numi of the breach of this funding obligation, and Numi will have the unilateral right to suspend or terminate the Card Program at the Facility. The Facility, or Facility's assigned Fiduciary Banking Agent, agrees it will not initiate a return or stop pay, with their bank, for any ACH settlement item for the Card loading activity. If the Facility or Facility's assigned Fiduciary Banking Agent has any issues, objections or discrepancies regarding the amounts of the ACH items, the Facility should contact Numi directly to resolve.

Card Return or Destruction. Numi may request the return of unused Cards in inventory for destruction for reasons including, but not limited to, the following:

- (a) Cards are compromised or tampered with;
- (b) Card stock expired;
- (c) Cards are damaged or defective; or
- (d) Card Program is terminated

Upon receipt of a request from Numi, Facility will securely package any Cards to be returned and will include a completed inventory log with the shipment.

Alternatively, at the direction of Numi, Facility may destroy any defective or damaged Cards, and certify their destruction by any method specified in the MasterCard® guidelines (currently available at <http://www.mastercard.us/terms-of-use.html>). A template for certifying the Card's destruction is available upon request by electronic mail to compliance@numifinancial.com, or by contacting Numi at 760-444-5525.

Unauthorized Facility Activities. Numi has the unilateral right to suspend or terminate the Card Program if the Facility fails to properly store, register, or activate the Cards, deliver the Cardholder Terms and Conditions and/or supporting documentation required by Numi with the Cards, or otherwise comply with the Financial Regulations or the requirements in this Acknowledgment. If Numi determines such a failure exists, Numi will notify Facility in writing, and, if reasonably capable of being corrected, Facility will have 3 business days after the receipt of notification to correct the failure before Numi terminates the Card Program, unless elsewhere in this Acknowledgment, Numi has the right to terminate or suspend immediately.

Designated Card Program Use. In addition to inmate release Card programs, Numi provides Card programs designed for specific applications such as inmate transfers to ICE, trust fund disbursements to Friends and Family, Work Release programs, and for other agency disbursement activities. Use of the inmate release Card program for its unintended

purpose is a violation of this agreement. Please contact Numi if you are interested in using any of Numi's additional Card programs as listed above.

Training. Facility, with the assistance of Numi as needed, will provide sufficient training for all employees, representatives, contractors or other individuals conducting the Card Program to ensure compliance with the Financial Regulations and this Acknowledgment.

Customer Service. Numi is responsible for providing customer service for issues related to the Card Program to both Facility and the Cardholders. Facility will cooperate with Numi in providing customer service to Cardholders and will provide such information and documents in Facility's possession or control that Numi reasonably requests from time to time in connection with providing customer service to Cardholders.

Facility understands and acknowledges that Numi's Card Program is a complex combination of hardware and software that is hosted by and interfaced with other service providers, as such, operational failures, malfunctions and other errors may occur resulting in, among other things, Card access denials and/or delays, and periods of suspended service to Facility and Cardholders. Facility will notify Numi and/or terminal software provider of Card Program related operational issues immediately, and Numi will use commercially reasonable efforts to minimize such issues.

GENERAL PROVISIONS.

Press Releases/Publicity. Numi and Facility each agree not to issue any press release or public statements regarding Facility's participation in the Card Program without the other's prior consent.

Advertising and Marketing Materials. Facility will only use Program Materials provided by Numi in connection with its conduct of the Card Program. Facility will not alter or modify any Program Materials without the express prior written consent of Numi.

Confidentiality. Facility agrees to keep all information about the Card Program, the Cards and the Cardholders accessed, obtained or collected in connection with the Card Program (the "Information") confidential at all times except as required by law. In addition, Facility may not use or disclose the Information except to conduct the Card Program and to disclose the Information to those of its directors, officers, agents, and employees who have a reasonable need to know it in order to conduct the Card Program. Prior to disclosing this Information, however, Facility will inform the person to receive the Information of its confidential nature and the obligations of nondisclosure and confidentiality as defined herein and Facility will be responsible for any breach of such obligations by such person. Facility acknowledges that it is not authorized to retain any information. The foregoing does not apply to information that Facility accesses or receives exclusively in the ordinary course of its business of operating a jail, detention center, or correctional institution.

Subject to all applicable State and Federal banking regulations and except to the extent as required by law, subpoena, or court order, Numi shall keep all personally identifiable information about the Cardholders obtained or collected in connection with the Card Program (the "Personally Identifiable Information") confidential at all time.

Term of Non-Disclosure Obligation. The obligations of nondisclosure and confidentiality undertaken herein will continue for as long as Facility wishes to utilize Numi products for any purpose, or longer if required by Financial Regulations.

Mutual Indemnification. Facility agrees to the fullest extent of the law that except for the amount, if any, of damage contributed to, caused by, or resulting from the negligence or breach of this Acknowledgment by Numi, Facility will indemnify and hold harmless Numi, its officers, employees and agents from and against any and all liability, damage, claims, demands, costs, judgments, fees, attorneys' fees or loss arising directly out of the negligent acts or omissions, Card and/or Card Program misuse, and/or theft, or from breach of this Acknowledgment by Facility, Facility's personnel,

or third parties under the direction or control of Facility, and to provide defense for and defend, at its sole expense, any and all claims, demands or causes of action directly or indirectly arising out of the acts or omissions referred to in this paragraph and to bear all other costs and expenses related thereto.

Numi agrees to the fullest extent of the law that except for the amount, if any, of damage contributed to, caused by, or resulting from the negligence or breach of this Acknowledgment by Facility, Numi will indemnify and hold harmless the Facility, its officers, employees and agents from and against any and all liability, damage, claims, demands, costs, judgments, fees, attorneys' fees or loss arising directly out of the negligent acts or omissions or breach of this Acknowledgment by Numi, Numi's personnel or third parties under the direction or control of Numi, and to provide defense for and defend, at its sole expense, any and all claims, demands or causes of action directly or indirectly arising out of the acts or omissions referred to in this paragraph and to bear all other costs and expenses related thereto.

Termination. This Acknowledgment may be terminated by Facility with or without cause by providing ninety (90) days written notice to Numi. Numi may terminate the Card Program and this Acknowledgment immediately if Issuing Bank or any regulatory authority or governmental agency with jurisdiction over Issuing Bank or Numi requires such termination. Upon termination, Facility will return all unused card inventory and cardholder education materials to Numi.

Release Methods. Facility has the authority, in its sole and absolute discretion, to choose which method or methods are used to return inmate trust fund balances. To the extent Facility utilizes prepaid cards for this purpose, to limit consumer confusion and allow for Numi to provide proper customer support, so long as this Acknowledgment is in place, Facility will only use Numi as its exclusive payment solution provider with respect to such prepaid cards.

Audit Rights. Facility acknowledges that MasterCard®, Issuing Bank and any regulatory authority or any governmental agency with jurisdiction over Numi or Issuing Bank, to the extent required by such authority or agency, may perform an examination of Facility with respect to the Card Program and Facility's compliance with its obligations hereunder. Numi may perform one (1) on-site audit of Facility per calendar year, upon 10 days prior written notice to Facility. As Numi determines in its discretion, Numi may perform any additional audits of Facility without notice, provided that such audits do not unreasonably interfere with the Facility's operation of the jail, detention center or correctional facility. Facility will cooperate and provide any information that may be required in connection with any such examination or audit. Facility will also provide any information that MasterCard®, any regulatory authority or any governmental agency with jurisdiction over Numi or Issuing Bank requires in connection with an examination of Numi or Issuing Bank or that may be required from time to time with respect to the financial condition and security and business practices of Facility.

Public Records Request. Upon receipt by Facility of a public records request for a copy of this Acknowledgment or any other card program materials, Facility hereby agrees to inform Numi in writing of any such request prior to providing any of the requested materials to the party initiating the public records request.

Changes to Card Program. As between Facility and Numi, Facility agrees that Numi may in its sole discretion, due to regulatory, market, economic or other factors, modify any aspect of the Card Program including card program pricing, cardholder fees, cardholder education materials and cardholder identification requirements. Notice of any card program modification will be provided in writing to the Facility prior to any such modification taking effect. Upon receipt of written notice of a program modification Facility hereby agrees to abide by such modifications in connection with its obligations as outlined in this Acknowledgment.

Entire Agreement. This Acknowledgment supersedes any prior written agreement or other written correspondence between the parties and constitutes the entire agreement between Numi and Facility.

Definitions.

- "Acknowledgment" means this Facility Acknowledgment.
- "Card" means a Numi Prestige Prepaid MasterCard® card issued through the Card Program.
- "Cardholder Terms and Conditions" means the terms and conditions agreement that must be distributed to the Cardholder by the Facility in connection with Card use.
- "Cardholder" means a released inmate who receives a Card.
- "Card Program" means the Numi Prestige Prepaid MasterCard® program.
- "Facility" means the undersigned, which includes but is not limited to jail(s), detention center(s), or other correctional institution(s).
- "Financial Regulations" means the requirements of the Issuing Bank, and MasterCard®, financial industry standards, and State and Federal laws and regulations, as well as certain additional requirements Numi specifies from time to time to facilitate the proper operation of the Card Program.
- "Fiduciary Banking Agent" means a 3rd party such as a commissary provider or inmate banking software provider who manages the inmate trust fund on behalf of the Facility and who is responsible for reimbursing Issuing Bank for all card loading activity as set forth in this Acknowledgment.
- "Issuing Bank" means the bank issuing the Cards, as stated in the issuer statement on each Card.
- "Numi" means Stored Value Cards, Inc. d/b/a Numi Financial.
- "Program Materials" means the educational and marketing materials distributed by Numi in connection with the Card Program.

Facility

Facility Name: Lt. Col. Jim Gray
 Signature: [Signature]
 Print Name: Jim Gray
 Title: Mayor
 Date: SEP 14 2017

Program Manager

Company Name: Numi Financial
 Signature: [Signature]
 Print Name: Joann Torza
 Title: VP Finance
 Date: 8-17-17

MAYOR JIM GRAY



LEXINGTON


#17 0898-17

8-31 first
Not signed.
Emailed 8/16
to Gihra for sig.
STEVE HANEY
DIRECTOR
COMMUNITY CORRECTIONS

9-14 2nd

TO: Mayor Jim Gray
Members, Urban County Council

FROM:


Jeff Carter, Deputy Director
Division of Community Corrections

CC: Ronnie Bastin, Commissioner
Department of Public Safety

DATE: August 15, 2017

SUBJECT: **Request Approval to Sign Facility Acknowledgment for Numi Prepaid MasterCard program for the Offenders at the Division of Community Corrections**

Request

Authorization to: **Request Approval to Sign Facility Acknowledgment for Numi Prepaid MasterCard program for the Offenders at the Division of Community Corrections**

Why are you requesting?

Department needs this action completed because: **Request Approval to Sign Facility Acknowledgment for Numi Prepaid MasterCard program for the Offenders at the Division of Community Corrections.**



The Division utilizes this program to disperse funds to be returned to inmates upon their release from custody. There is no cost to government.

What is the cost in this budget year and future budget years?

The cost for this FY is: **no cost to Government**

The cost for future FY is:

Are the funds budgeted? **no cost to Government**

The funds are budgeted or a budget amendment is in process:

Account number:

File Number: 0898-17

Director/Commissioner: **Haney/Bastin**



Sharon A Jones

From: Andrea Brown
Sent: Friday, September 22, 2017 10:53 AM
To: Sharon A Jones
Subject: RE: NUMI Contract

Hi Sharon,

Thanks for pointing this out. The attached is fine. I don't recall making too many, if any, changes to the original contract.

Regards,

Andrea C. Brown, Esq.

Department of Law
200 East Main Street
Lexington, KY 40507
859.258.3500 (office)
lexingtonky.gov



LEXINGTON

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From: Sharon A Jones
Sent: Friday, September 22, 2017 10:37 AM
To: Andrea Brown
Subject: NUMI Contract

Good morning, Andrea – There is a problem with the contract on this resolution. Originally, the contract that was submitted (that you apparently approved as to form on 9-Aug-2017) was unsigned by the vendor. I contacted Gina Dulin in Corrections and she arranged to have the vendor send me a new contract that *is* signed by the vendor. The problem is that the new contract does not look like the old contract.

Can you take a look at this and let me know if you are ok with the changes to it? It appears that it is a standard contract and they just changed their standard. A scan of the new contract is attached. You can see the old contract in Legistar as attachment number 2.

Legistar 0898-17
Legislation R-553-2017

A Resolution authorizing the Mayor, on behalf of the Urban County Government, to sign a Facility Acknowledgment for Numi Prepaid Mastercard Program, for the inmates at the Div. of Community Corrections, at no cost to the Urban County Government. [Div. of Community Corrections, Haney]

Sharon A. Jones
Deputy Council Clerk
Council Clerk's Office

859.258.3242 office
lexingtonky.gov



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