

Virginia Master Gardener Association
Bimonthly Director's Meeting June 23, 2017
Blacksburg, VA

The meeting was called to order at 5:00 pm by President Joe Kelly. He stated that normally all business is conducted at the annual meeting (tomorrow night), but stated that our treasurer had some pressing matters that she wished to bring to the board now instead of at the annual meeting.

The following VMGA members attended this meeting:

Joe Kelly (President)	Marilyn Riddle (JCC/Williamsburg)	George Graine (Fairfax)
Joan Richards (Vice President)	Nelda Purcell (Franklin County)	Pat Waring (Bedford)
Diane Keane (Treasurer)	Jody Purches (Appomattox)	Bill McCaleb (Southside)
Wanda Gerard (Secretary)	Harriette Frost (Norfolk)	Deb Straw (Hill City)
	Pat Lust (Heart of Virginia)	Elizabeth Brown (Bedford)

Before hearing what Diane Kean (treasurer) had to present, Deb Straw made a motion that all bimonthly reports be tabled until the annual meeting (June 24, 2017). Joan Richards seconded. All were in favor.

Diane Kean then explained the problems we experienced with Williamsburg Graphics this year, and based on that, she would like to recommend we consider using a credit card instead of a debit card for purchases. [Please refer to the draft April 2017 bimonthly meeting minutes for all of the details.] Diane has done extensive research into this and provided the following information:

This was taken from an article in Consumer Compliance Outlook Newsletter:

What are the card issuer's compliance obligations under federal law for merchant disputes?

The answer depends on whether the consumer paid the merchant with a debit or credit card because the consumer protections for these payment cards derive from different federal laws – the Truth in Lending Act (TILA) for credit cards and the Electronic Fund Transfer Act (EFTA) for debit cards. Under Regulation Z, TILA's implementing regulation, credit card issuers have two separate legal obligations that could apply to merchant disputes. By contrast, under Regulation E, EFTA's implementing regulation, debit card issuers only have obligations if a consumer alleges an error with the fund transfer underlying the purchase.

A credit card issuer's compliance obligation under §1026.13(a) is triggered when the consumer sends a written notice to the issuer within 60 days after the issuer provides the periodic statement that reflects the alleged billing error.⁴ The consumer is not required to notify the merchant and attempt to resolve the dispute, assuming the consumer did not accept the goods.⁵ The card issuer must provide a written acknowledgment to the consumer within 30 days of receiving the billing error notice and investigate and resolve the alleged error within two complete billing cycles (but in no event later than 90 days) of receiving the billing error notice. Until a billing error is resolved, the consumer is entitled to withhold payment to the card issuer for the amount owed the merchant and any associated finance charges.

Under the FCBA, as implemented in Regulation Z, credit card issuers have two separate obligations that may apply to merchant disputes. First, under 12 C.F.R. §1026.13(a), issuers must investigate and resolve certain billing errors, including a transaction reflected on a periodic statement involving goods or services that the consumer (or representative) did not accept or was not

delivered or was not delivered as agreed. Comment 13(a)(3)-1 of the official staff commentary (commentary) for Regulation Z provides these examples for this type of billing error:

- *the appearance on a periodic statement of a purchase when the consumer refused to take delivery of the goods because the goods did not comply with the contract;*
- *delivery of property or services different from that agreed upon;*
- *delivery of the wrong quantity;*

ELECTRONIC FUND TRANSFER ACT (REGULATION E)

The EFTA was enacted in 1978 to provide consumer protections for electronic fund transfers (EFTs), including debit card transactions, and is implemented through Regulation E.¹¹ Among other provisions, the EFTA provides consumers with the right to dispute "errors" related to their debit cards. The regulation defines an error as:

- *an unauthorized EFT;*
- *an incorrect EFT to or from the consumer's account;*
- *the omission of an EFT from a periodic statement;*
- *a computational or bookkeeping error made by the financial institution relating to an EFT;*
- *the consumer's receipt of an incorrect amount of money from an electronic terminal;*
- *an EFT not identified on an electronic terminal receipt, a periodic statement, or in connection with a preauthorized transfer to the consumer's account as required by regulation; or*
- *the consumer's request for documentation required by the regulation or for additional information or clarification concerning an EFT.¹²*

Unlike Regulation Z, Regulation E does not define an error to include the right to dispute a transaction with a merchant because of a problem with goods or services. While a consumer may assert an error with respect to the EFT underlying the purchase of goods or services, a merchant dispute about an issue with the goods or services would generally not qualify.

Diane stated that although we submitted all information requested by Sun Trust as a "Fraud Claim", the end result was that the credit card company that received the EFT did not return the funds and the Sun Trust Bank withdrew the temporary deposit of the disputed amount. She has requested a copy of the documentation used for them to reach this decision as stated in the email they sent, but have not received a reply after three phone calls.

Sun Trust offers cash rewards credit cards for both consumer and small business use with no annual fee. Of course, the APR is ridiculous, but there is no reason for not paying the balance each month.

She explained that she had updated the treasurer's handbook with information as a result of this situation.

We did not lodge a complaint immediately against the Debit Card. Had we used a Credit Card, we would have had until the first bill was received to file a complaint. She then motioned that we pursue obtaining a Credit Card to use for any purchases VMGA might need to make in the future instead of using the Debit Card. Deb Straw seconded. All were in favor.

Some discussion took place on this topic and keeping VMGA well organized:

The Williamsburg/James City County Master Gardener Association sold almost \$700.00 of the wrongly printed merchandise (VMGA logos with Williamsburg/JCC beneath it) to their members and forwarded that money to us. President Joe Kelly sent a hand written thank you note to them after this happened, and unit representative Marilyn Riddle reported that the note was well accepted by their members.

Jody Purches (Fundraising Chair) and Diane are developing a handbook for fundraising (note each officer has such guidance, but now we are encouraging all committee chairs to have one as well). These handbooks should be used as supporting documentation to govern our organization. They can be stored in our dropbox file. We should make those running for office or committee chairs aware of these documents prior to their taking those positions.

George Graine (Fairfax unit representative) stated that we should have an operations manual, and it should contain a list of what the President should do by month so that nothing is overlooked.

Bill McCaleb (Halifax unit representative) stated that we used to have a Standard Operating Procedure (SOP) – and it was linked to Google calendar.

Wanda Gerard (Secretary) stated that she would check the secretary's box and the thumb drive of historical items for anything to share at the August meeting.

Marilyn Riddle, Scholarship Chair brought the following situation to the attention of the board and wanted to give the recommendation that their committee has to solve it: One of the 2017 winners fell within the last 10 days and broke her foot badly (four places) and cannot attend MG College this year. Marilyn stated that her name will be announced as one of the winners, and the reason she is not here. Her scholarship will be held for the 2018 MG College.

Since there was no further business to address, President Joe Kelly adjourned the meeting at 5:25.

Respectfully submitted
Wanda Gerard, Secretary