

# e - Disbursements

A GUIDE TO ADDRESSING FREQUENTLY ASKED QUESTIONS

## WHAT ARE e-DISBURSEMENTS?

### GENERAL E-DISBURSEMENT OVERVIEW

#### What will the electronic disbursements program be called?

- e-QuickPay is the short name for Ohio's electronic disbursements program.

#### Why is e-QuickPay a good thing?

- e-QuickPay is good for parents because they will receive child support payments in a safe, convenient, and efficient manner. The option is a good example of government using technology to save money and improve services.

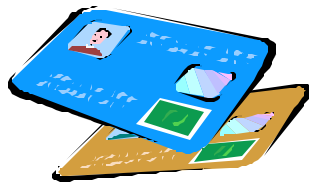
#### When will the option be available for pilot counties?

- The first enrollment forms will be available by June of 2004. In July of 2004, the first cards will be activated.

#### When will the option be available statewide?

- The state is targeting 2005 for full implementation.

The state of Ohio began a pilot program in May that gives child support recipients the option of getting their payments by way of "debit-like" cards instead of a check in the mail.



The Ohio Department of Job and Family Services will test the program in six counties: Clermont, Fairfield, Franklin, Greene, Holmes and Richland.

The service will be faster, cheaper and more convenient for many recipients, and the program could save taxpayers millions of dollars in postage and other costs associated with paper transactions.

The card will work like any debit card, allowing holders to make purchases or obtain cash from

With Direct Deposit, one owns a bank account:

1. funds are available within 1-3 days
2. the consumer is entitled to other banking services

With e-Disbursements, the

banks or ATM machines.

The agency already offers direct deposit to parents who have bank accounts. The new service is primarily aimed at those without bank accounts.

The new service would also be valuable to those who wish to keep record of child support transactions separate and apart from the records of an existing bank account.

About one-quarter of the million payments processed statewide each month are deposited directly into the bank accounts of custodial parents. The direct deposit option will still be available.

"We think if 60 percent of our current check people convert, we could save \$2.5 million a year," said Joe Pilat, deputy director for the state agency's child-support office.

The state currently pays ACS State and Local Solutions 55 cents to process each paper transaction of child support - and electronic transactions cost 34 cents.

Additional savings will be seen through reduced postage costs and lower costs to stop payments on lost checks.

If the pilot project is successful, it will be expanded to five more counties in September, with a goal of statewide implementation, possibly next year.

Kimberly C. Newsom Bridges, Director of the Ohio CSEA Directors Association said, "This program is a great opportunity for Ohio to offer a more effective and efficient service for disbursement of child support payments."

## WHAT IS THE DIFFERENCE BETWEEN e-DISBURSEMENTS AND DIRECT DEPOSIT?

consumer may be unbanked:

1. funds are available the same day as disbursement
2. one does not own an individual account
3. the consumer is not eligible for other banking services

without a separate application



## HOW WILL THIS BENEFIT CHILD SUPPORT CUSTOMERS?

1. Obligees will have access to funds faster, from 2 to 4 days sooner than checks.
2. There are purchase point options at thousands of access points.
3. Thousands of MasterCard® banks will give cash with *no fee* at teller windows.
4. The process is less expensive “to cash” than paper checks.
5. Balance information will be available 24 hours per day every day via the telephone and the Internet.
6. Lost or stolen checks are eliminated.
7. Ohio will save costs associated with check printing and mailing.
8. The process will eliminate work and costs associated with returned checks, which are more than 10,000 monthly.
9. Check fraud is eliminated.
10. The process eliminates specific disbursement-related reconciliation activities – saving additional costs.



e-Disbursements are a way to provide debit-like access to child support, without the requirement of a bank account. Funds are associated with a brand, like MasterCard®.

MasterCard® is the favored brand, given it has more than 160,000 locations of acceptance in Ohio.

## WHAT CUSTOMER SUPPORT AND CARD SERVICES WILL BE AVAILABLE?

While sometimes referred to as a debit card, the e-Disbursement card is not technically a debit card; it does not come with overdraft protection, and one cannot add to the account.

With the project, Local Client Support is envisioned.

The state is open to the many suggestions received from counties regarding marketing

and outreach. Pilot counties will be part of this effort in the beginning.

An advantage of the MC® brand is the acceptance at many locations. The total locations nationwide number 4,686,645.

Looking at cash access, one can acquire cash at no charge at tellers of participating MC® Banks. If charged by a teller,

ACS (the state's vendor) will cover the costs. Certain Point of Sale locations will provide cash back with a purchase. ATM charges to the consumer will be dependent on state-specific requirements.

The card will be either signature or PIN based.

There are improved services for Ohio and for Parents.

## HOW WILL THE e-DISBURSEMENTS PROGRAM BE IMPLEMENTED?

Implementation will be on a pilot county basis prior to statewide implementation.

Statewide implementation will be phased in to handle demand on a timely basis.

The idea is to be completed statewide by January 2005.

To achieve participation there will be formed an *Advisory Council of the six initial pilot counties, ODJFS, and ACS, the state's vendor.*

The project will be a good example of collaboration.

The pilot counties are Fairfield (7,600 cases), Franklin (metro

county with 88,000 cases), Holmes (1,300 cases), Clermont, Richland, and Greene Counties (between 10,000 and 30,000 cases). July is the target for the initial implementation.