

United States Department of the Treasury  
Financial Management Service  
Agency Enterprise Solutions

U.S. Debit Card

Presented by: Seth I. Rodin

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Philadelphia Finance Center Agency Meeting

Washington, D.C.

June 8-9, 2011





# Agenda

- Treasury All-Electronic Initiative
- Debit Card agency benefits
- Why the U.S. Debit Card
- GSA SP2 vs. U.S. Debit Card
- Our Card Programs
- How to load the card
- Card funding options
- How the money flows
- Agencies participating in U.S. Debit Card
- Want the U.S. Debit Card?
- Questions?



# Treasury's All-Electronic Initiative

- Require Social Security, SSI, VA, Railroad Retirement, OPM benefits disbursed electronically
  - Estimated savings \$300+ million in first five years
- Federal Tax Deposits must be made electronically
  - Estimated savings \$65 million in first five years
- Eliminate purchase of savings bonds through payroll deductions
  - Estimated savings \$50 million in first five years
- Anticipated savings \$400+ million and 12 million pounds of paper in first five years



# Treasury's All-Electronic Initiative

"Treasury must lead the way in developing methods to deliver payments that are safe and secure in a manner that is efficient and reliable. By moving to all-electronic payments, Treasury will save hundreds of millions of dollars and substantially reduce our environmental impact, making this a win-win for all Americans."

Tim Geithner  
Secretary of the Treasury



# Why Debit Card – Agency Benefits

- Treasury cost to process/issue check: \$0.99
- Treasury cost to process ACH: \$0.10
- Reduces agency's dependence on "cash" or checks
- Enhances agency's financial control (audit trail)
- Operational efficiencies and cost savings
- Potential EFT reassignment / reduction
- Supports and enhances agency mission



Why did the Treasury create  
the U.S. Debit Card and under  
what legal authority?



# US Debit Card Program

**Program launched to** provide Federal agencies with the ability to deliver Federal payments through debit cards, as an alternative to checks, drafts, cash, and other non-electronic mechanisms

The program is administered by FMS, with the assistance of our financial agent

**JPMorgan Chase Bank**





# US Debit Card Program

## Legal Authorities

Authority to provide debit card and other payment, collection and cash management services to agencies:

**31 USC 321, 3301-3343**

Authority to designate financial institutions as financial agents for this purpose:

**12 USC 90 and 31 CFR Part 208**





What is the difference between the  
GSA SP2 Card  
and the  
U.S. Debit Card?



# GSA SP2 **vs.** U.S. Debit Card

## GSA SP2 Card **usage**

- **Government purchase**
  - Office supplies
  - Copy machine
- **Government travel**
  - Official trips
  - Airlines, hotel, meals
- **Government fleet**
  - Gasoline
  - Oil changes

## U.S. Debit Card **usage**

- **Beneficiary disbursement**
- **Survey encouragement**
- **Criminal investigation**
- **Education reimbursement**
- **Disaster relief**
- **Research compensation**
- **Per diem expenses**



# Our Card Programs





How does my agency load money on to  
the debit card?



# Load the U.S. Debit Card

- Web-based platform that enables agencies to:
  - Assign various roles
  - Activate / deactivate cards
  - Fund cards
  - Track card usage (optional)
  - Access online reporting
- Immediate in person or mail distribution
- Instant issue or batch file activation
- Access to customer service online or via toll free number

CHASE Home | Contact Us | Site Directory | International Sites | Privacy/Security

Welcome, User

Logout  
Change Password

Signon  
Client Signon  
EZPAY Signon

Client Profiles  
Client Profile Summary  
Client Profile Update

Client Accounts  
Client Account Summary  
Client Account Update  
Card Profile Setup  
Client Account History  
Setup Merchant IDs

Cardholder Accounts  
Cardholder Account Search  
Open Cardholder Account

Card

## Open Cardholder Account

submit account

Account Information:

Client Name: PENNZOIL Client Account #8000000001729 22  
Client Account Name: PENNZOIL - EAST Account Type: PAYROLL

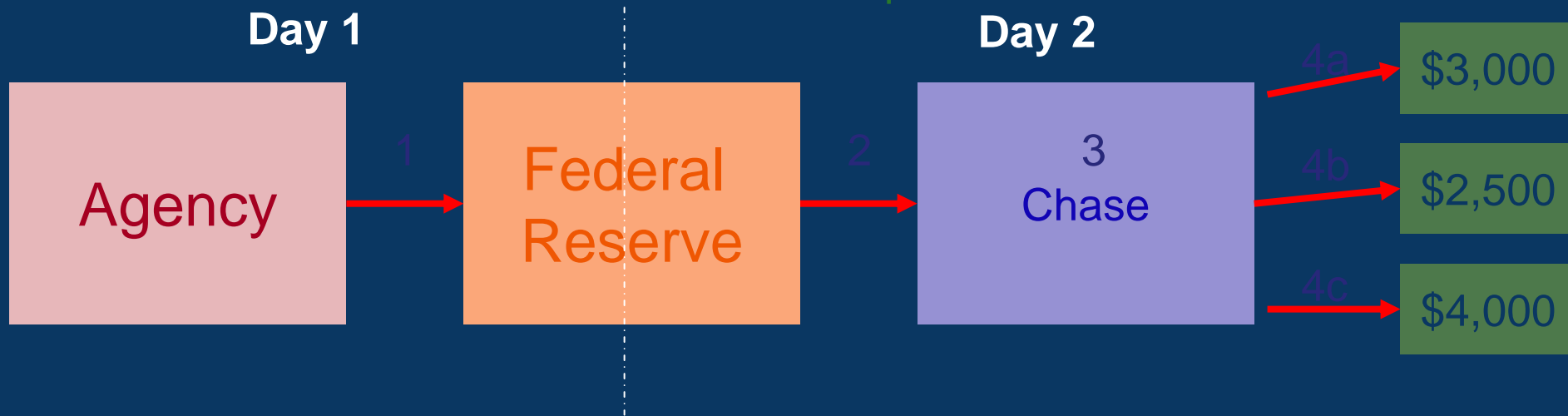
\*Last Name:  \*First Name:  MI:   
Title:  \*SSN:   
\*DOB: Jan 1 \*Mother's Maiden Name:   
Employee #:  \*Cost Center:   
\*Day Phone:  Evening Phone:   
Fax:  Email:   
\*Statement Type: Mail-Standard \*Allowance Amount:   
\*Card Type: ATM \*Withdrawal Limit: 1000.0  
Temp Card Life Span: 2 Months Max Active Cards: 2  
Transportation Amount:  Parking Amount:

\*Account Address:  
 Business Address PRIMARY ADDRESS



How does the money move from my agency account on to the debit card?

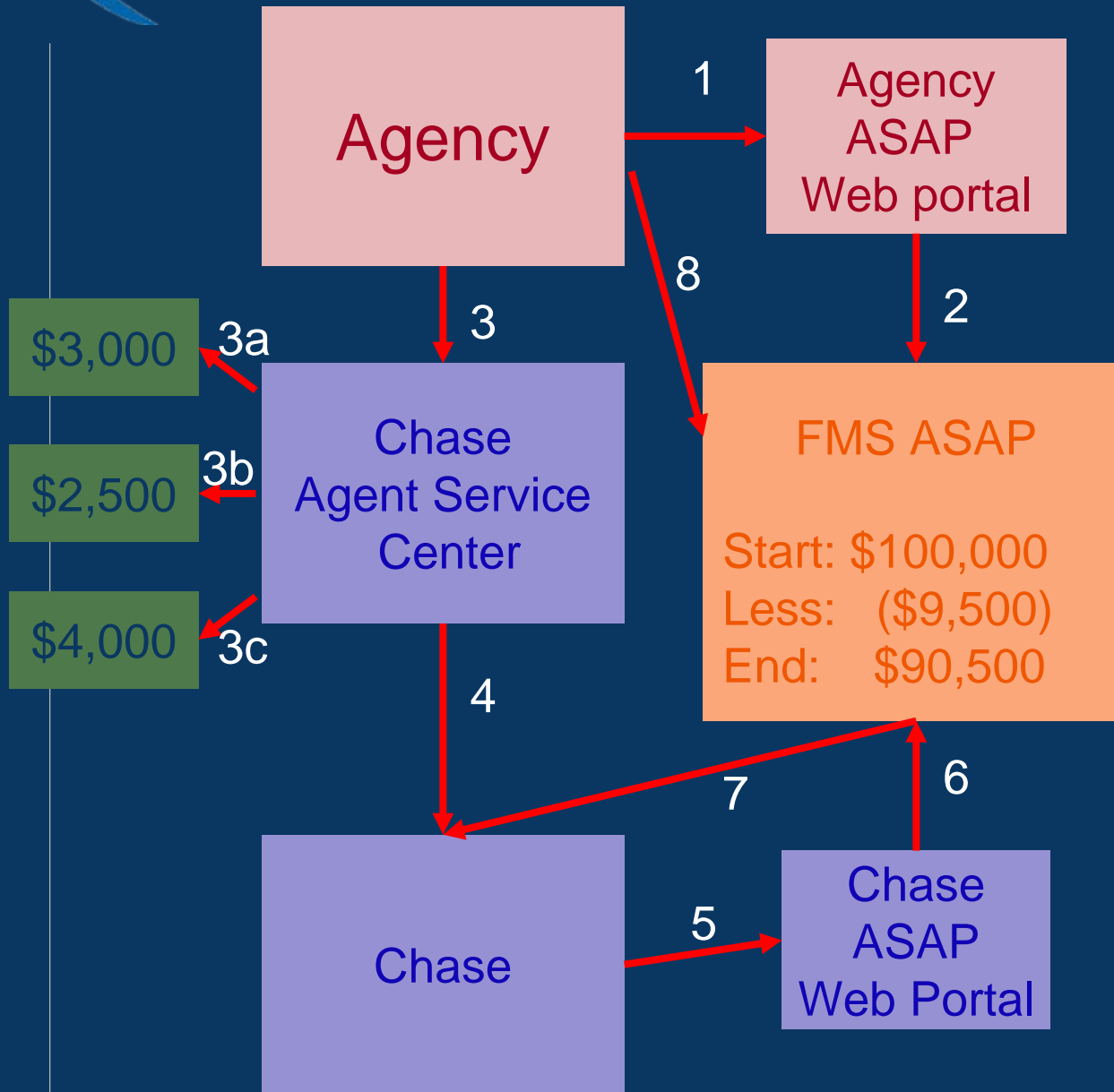
## Automated Clearing House Network ACH funds flow process



1. Agency sends a \$9,500 ACH batch file to Federal Reserve
2. Federal Reserve processes ACH batch file and forwards to Chase
3. Chase obtains ACH batch file
4. Chase loads amounts on cards ( a \$3,000 + b \$2,500 + c \$4,000)

Note: process takes between 2-3 business days

# FUNDS FLOW PROCESS



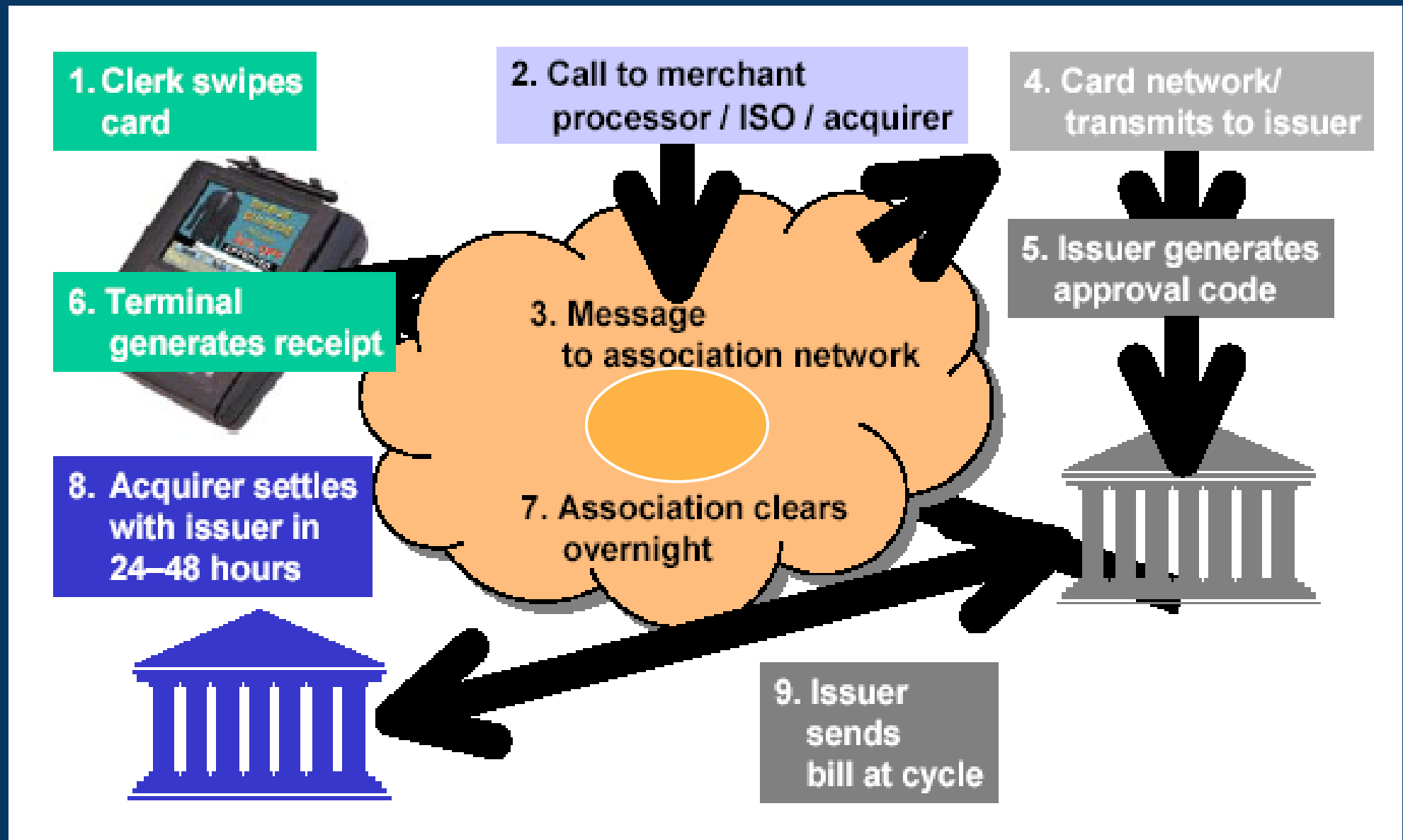
1. Agency establishes ASAP account
2. Agency preauthorizes ASAP spending authorization (ex. \$100,000)
3. Agency loads amounts on cards (a \$3,000 + b \$2,500 + c \$4,000)
4. Chase is notified of load amounts
5. Chase accesses ASAP nightly settlement
6. Chase requests net amount from ASAP (\$9,500)
7. FMS verifies amount and forwards funds to Chase
8. FMS settles with Agency



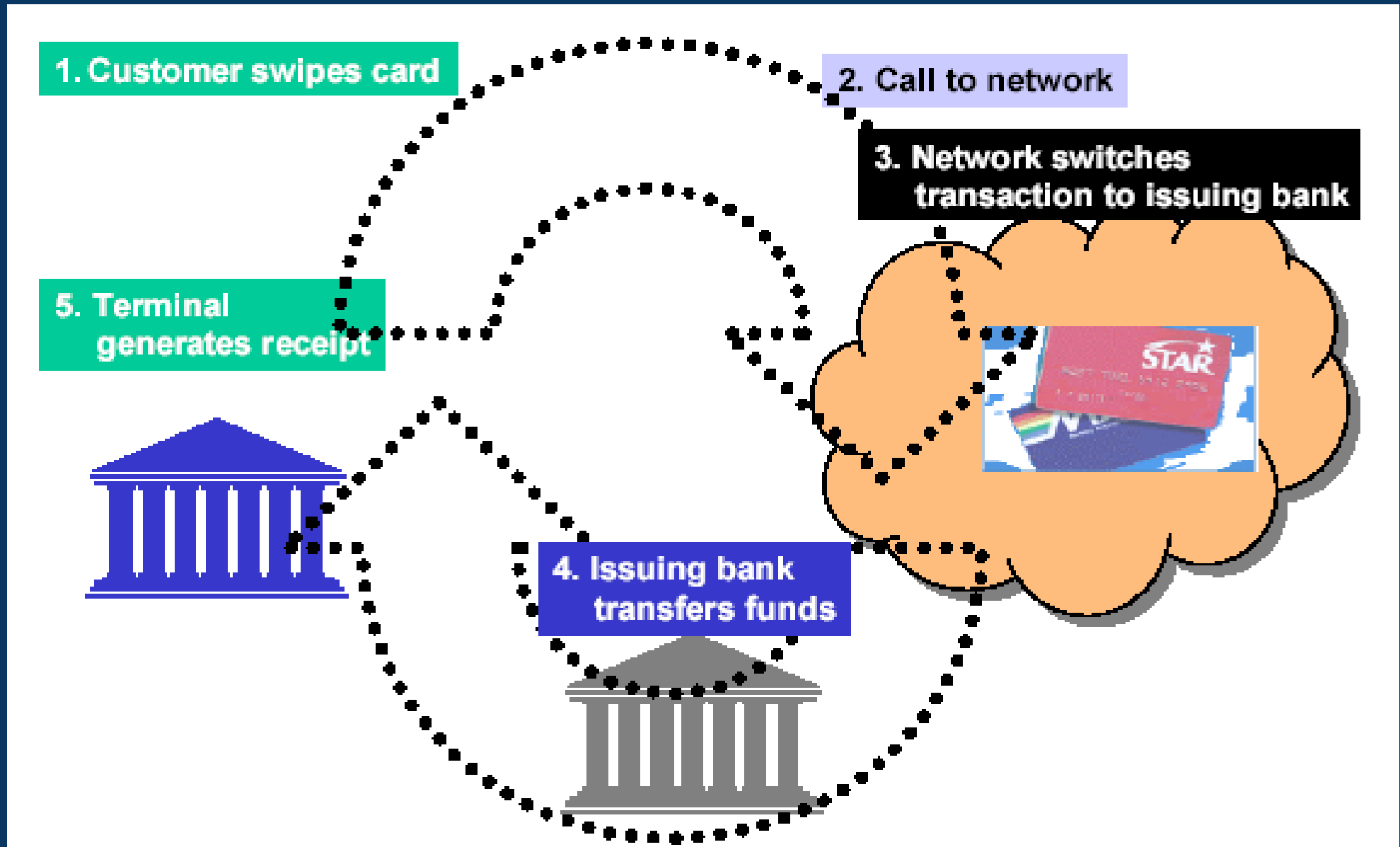
How does the money move from my account when used as a MasterCard/Visa at the merchant?

How does the money move when I use my PIN?

# Signature-based Transaction Flow



# PIN-based Transaction Flow





What agencies are using the  
US Debit Card?

# What do we have in common?

U.S. Department of Health & Human Services

**HHS.gov**



**USDA** United States Department of Agriculture  
National Agricultural Statistics Service



**U.S. Census Bureau**

 **Smithsonian**

 **National Institutes of Health**  
*The Nation's Medical Research Agency*

 **United States Coast Guard**  
U.S. Department of Homeland Security



**GEORGE C. MARSHALL**  
European Center for Security Studies



**AO** The Administrative Office  
of the United States Courts

 **Homeland Security**



 **United States Southern Command**  
Partnership for the Americas  
An interagency oriented organization seeking to support security and stability in the Americas



 **TRANServe**  
- business in motion -

U.S. Department of the Interior  
**OFFICE OF THE SPECIAL TRUSTEE  
FOR AMERICAN INDIANS**



# Want to add U.S Debit Card?

## Agency Next Steps:

- Sign Memorandum of Understanding between FMS and your agency
  - DoD agencies must obtain DFAS approval
- Coordinate card program implementation between agency and JPMorgan Chase
- Implementation "Go Live" date TBD



Questions?



# U.S. Debit Card contact person

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**[www.usdebitcard.gov](http://www.usdebitcard.gov)**

# Thank You for Attending

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U.S. Department of the Treasury  
Financial Management Service  
U.S. Debit Card Presentation

