

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

U.S. Debit Card

Presented by: Richard A. Haug

---

National Payment Management Customer Conference

Denver, Colorado

August 24 - 25, 2010





# Agenda

- Federal Reserve check processing evolution
- 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
- OST - Margaret Williams
- Questions



Did you know?

The first check was processed by a London businessman in Great Britain in 1659

United Kingdom Payments Council  
has recently announced

U.K. and Northern Ireland will be  
"Checkless" by October 31, 2018





# Federal Reserve System

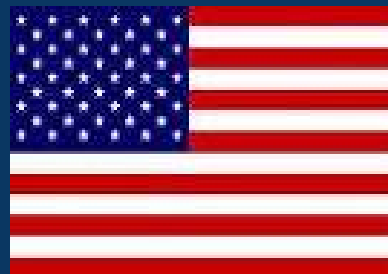
## Check Processing Evolution

Number of locations in 2003? **31**

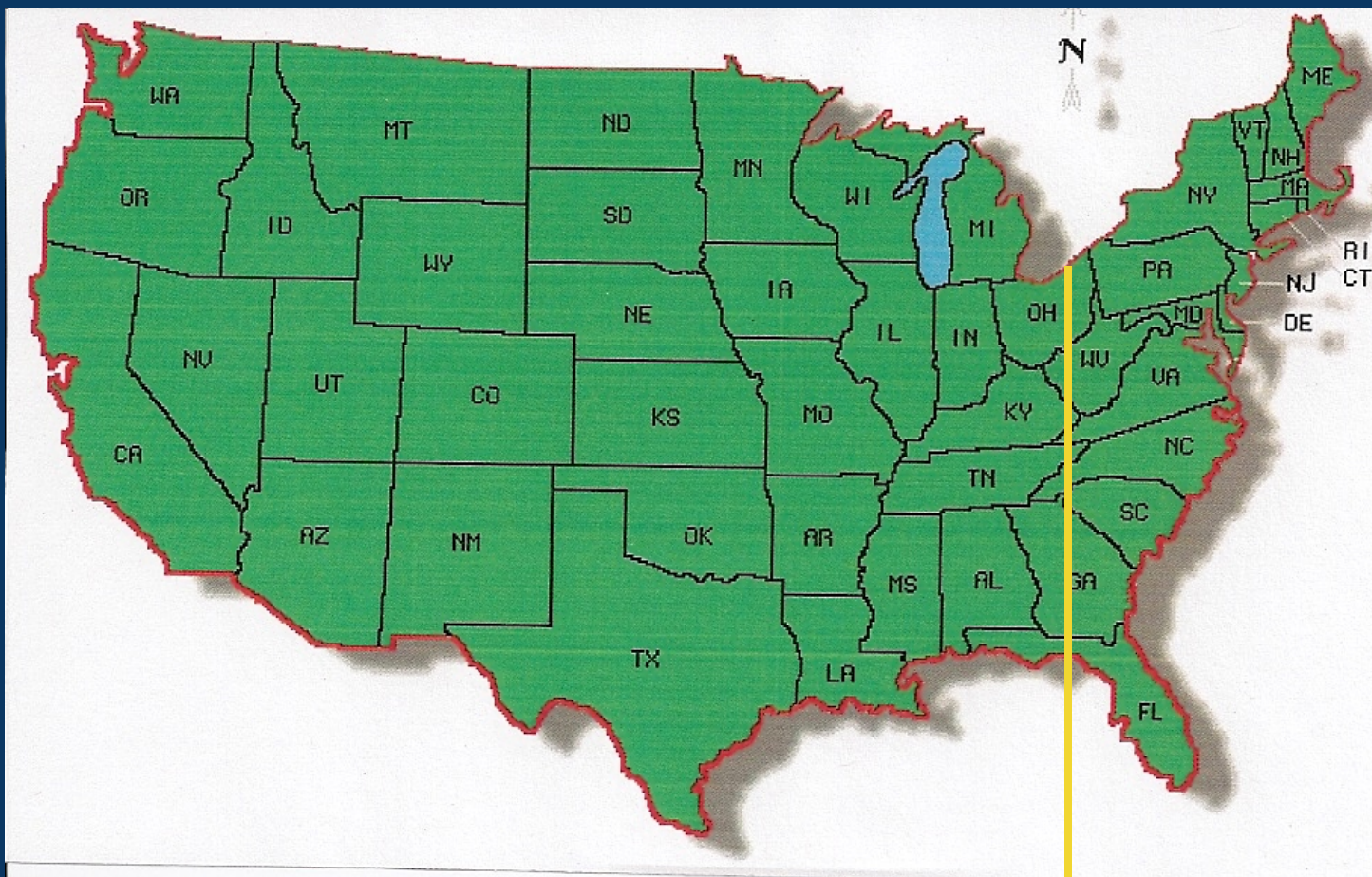
Number of locations in 2005? **25**

Number of locations in 2007? **12**

Number of locations today?



# Number of locations today?



One location: Cleveland, Ohio



# 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





Launched on April 23, 2008 to help the millions of American's receiving Social Security benefits payments who do not have access to traditional bank accounts.

Highlights:

Collaborative effort between:

Treasury, our financial agent Comerica  
& Social Security Administration

As of June 2010

Enrollments: 1 million+

\$ Deposits to Cards: \$4.3 billion





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**

**Account Information:** [submit account](#)

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

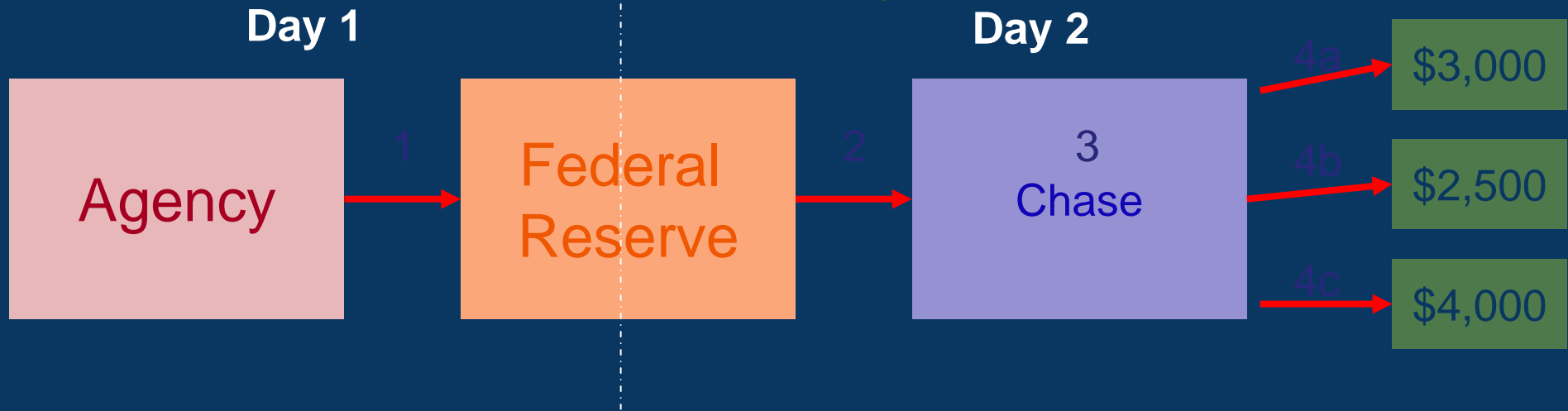
\*Last Name:  \*First Name:  MI:   
Title:  \*SSN:   
\*DOB: Jan 1 \*Mother's Maiden Name:   
Employee #:  \*Cost Center:   
\*Day Phone:  Evening Phone:   
Fax:  Email:   
\*Statement Type: Mail-Standard \*Allowance Amount:   
\*Card Type: ATM \*Withdrawal Limit: 1000.0  
Temp Card Life Span: 2 Months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

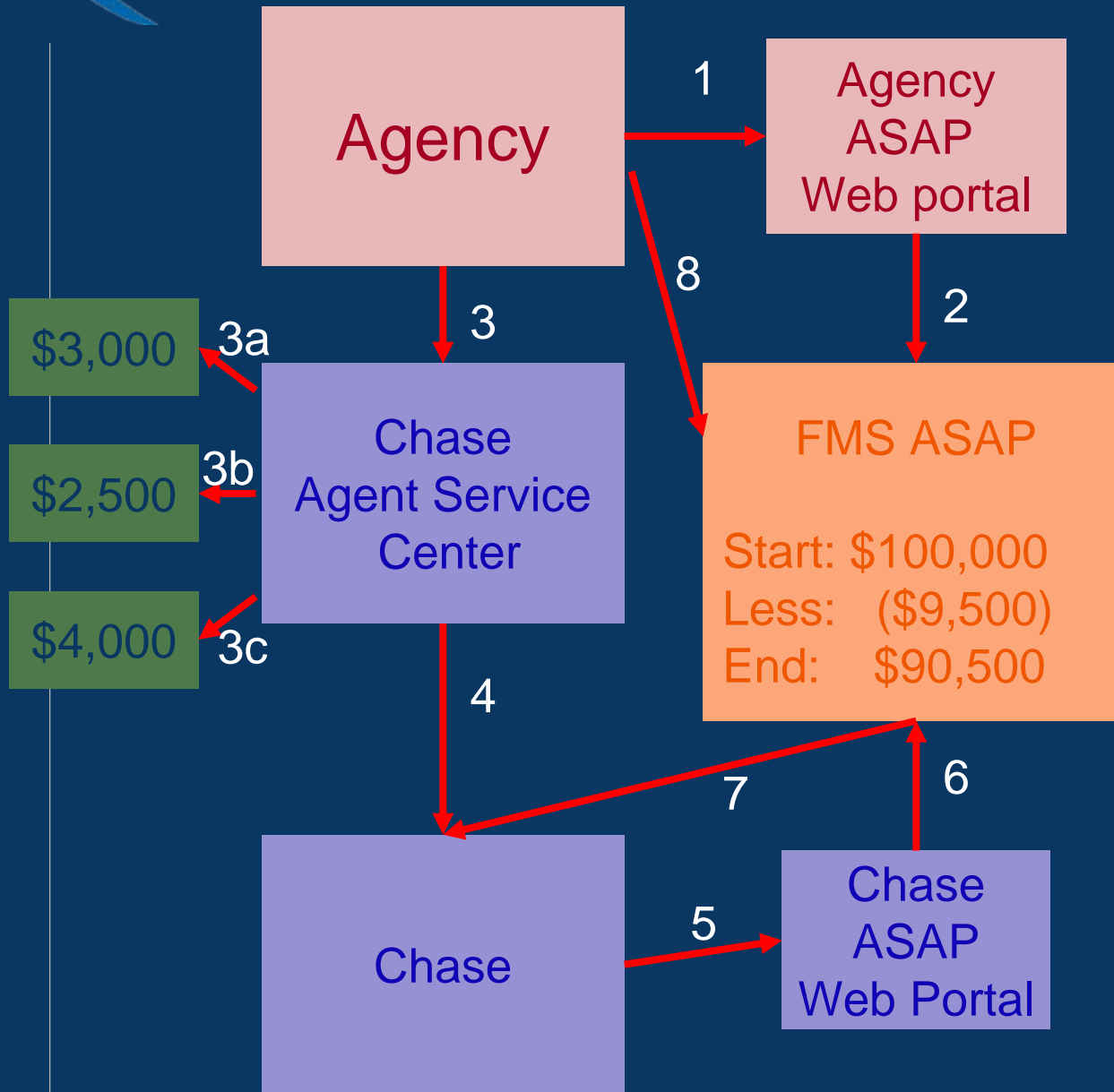
## Automated Clearing House Network ACH funds flow process



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



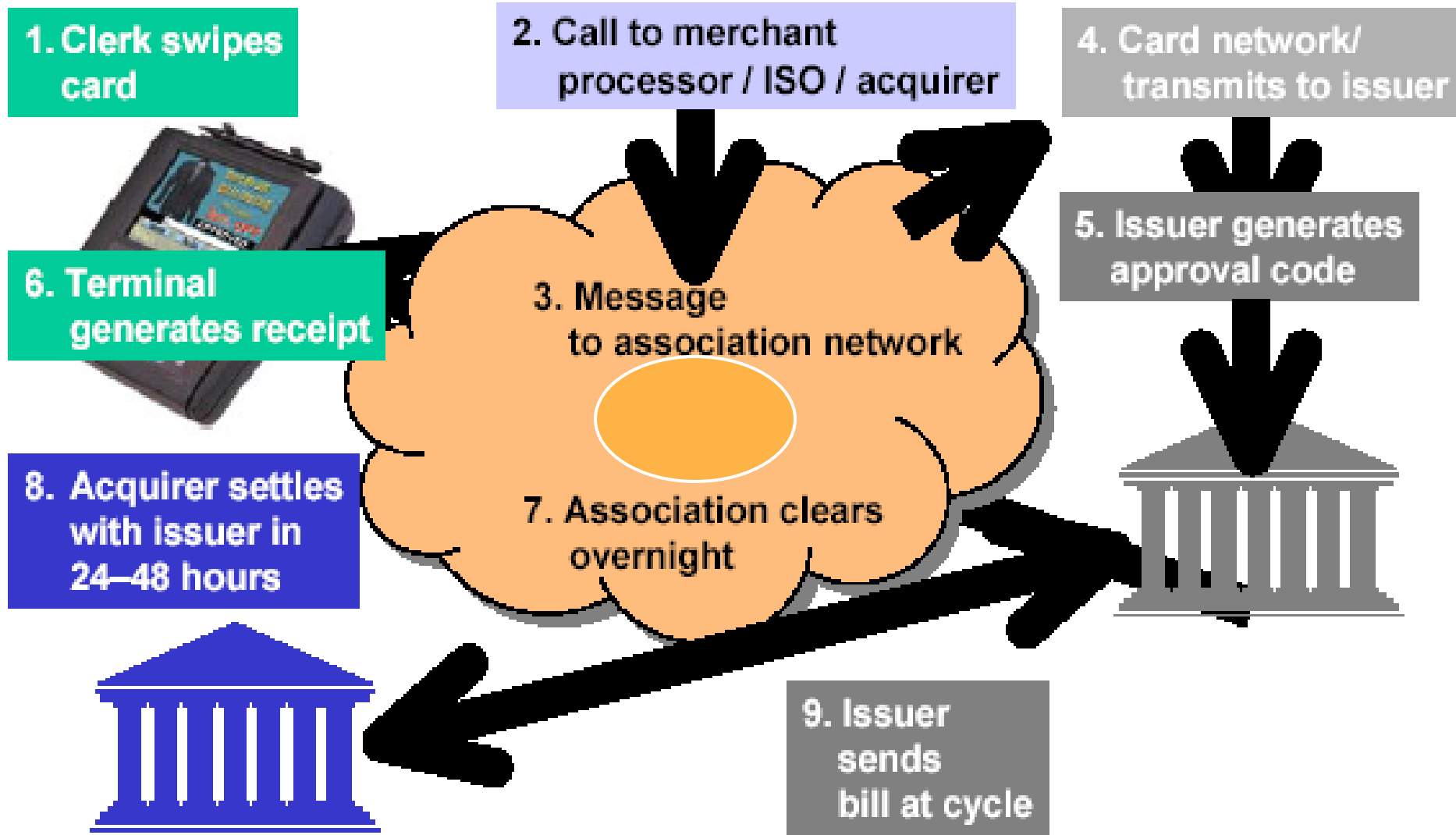
1. Agency establishes ASAP account
2. Agency preauthorizes ASAP spending authorization (ex. \$100,000)
3. Agency loads amounts on cards (a \$3,000 + b \$2,500 + c \$4,000)
4. Chase is notified of load amounts
5. Chase accesses ASAP nightly settlement
6. Chase requests net amount from ASAP (\$9,500)
7.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



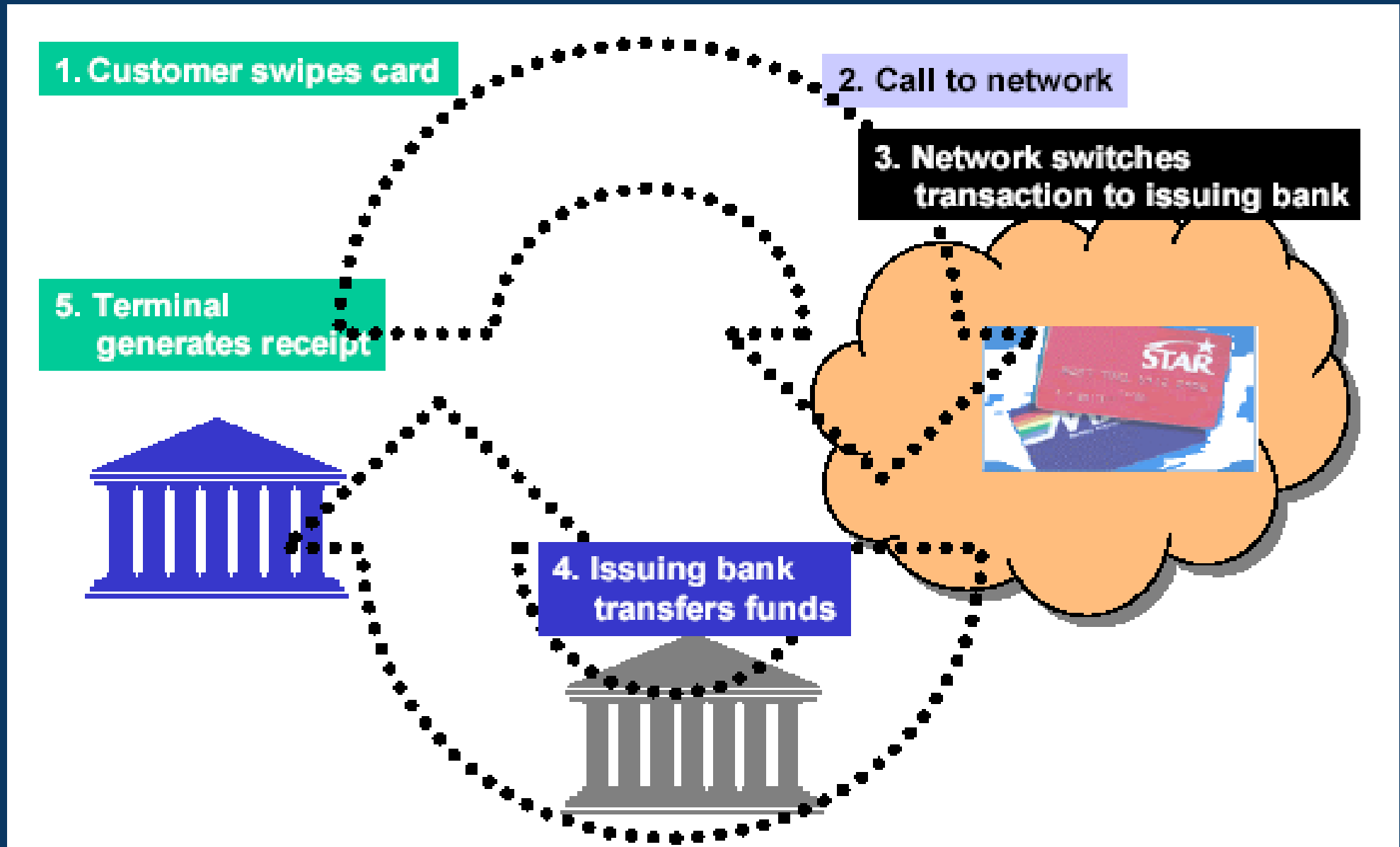
How does the money move from my account when used as a MasterCard/Visa at the merchant?

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



**DEFENSE INTELLIGENCE AGENCY**

COMMITTED TO EXCELLENCE IN DEFENSE OF THE NATION



United States  
**Southern Command**  
Partnership for the Americas

An interagency oriented organization seeking to support security and stability in the Americas



**Homeland Security**

U.S. Department of the Interior

**OFFICE OF THE SPECIAL TRUSTEE  
FOR AMERICAN INDIANS**



# An agency's story



# Office of the Special Trustee for American Indians

- OST manages 384,000 Individual Indian Monies (IIM) accounts
- Nearly 180,000 IIM accounts are eligible for the debit card program
- OST prints over 500,000 checks annually
- FY 2009, receipts to IIM fund totaled approximately \$355 million
- Since its inception, 3,800 IIM beneficiaries have enrolled in the program
- FY 2010, over \$5,000,000 has been disbursed via debit card

U.S. Department of the Interior

**OFFICE OF THE SPECIAL TRUSTEE  
FOR AMERICAN INDIANS**

Margaret Williams

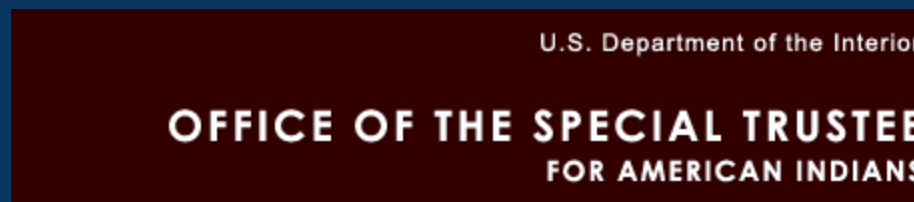
Deputy Special Trustee - Trust Accountability

Margaret\_Williams@ost.doi.gov



# Office of the Special Trustee for American Indians

- Selling points are safer, easy to use, and OST check processing check loss costs are reduced
- OST participation in E-Government and Going Green!
- OST is working to build beneficiary trust, bring down fees, expand ATM access in remote locations
- March 2010 survey found debit card holders to over 80% "very satisfied" or "extremely satisfied" with their debit card experience
- Exciting enhancements on the OST horizon are broadcast messages and electronic statements



Margaret Williams

Deputy Special Trustee - Trust Accountability

[Margaret\\_Williams@ost.doi.gov](mailto:Margaret_Williams@ost.doi.gov)



Questions?



# U.S. Debit Card contact person



**Richard A. Haug**

**U.S. Debit Card Program Manager**

**U.S. Department of the Treasury**

**Financial Management Service**

**Washington, D.C.**

**(202) 874-6955**

**[richard.haug@fms.treas.gov](mailto:richard.haug@fms.treas.gov)**

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

# Thank You for Attending

---

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

