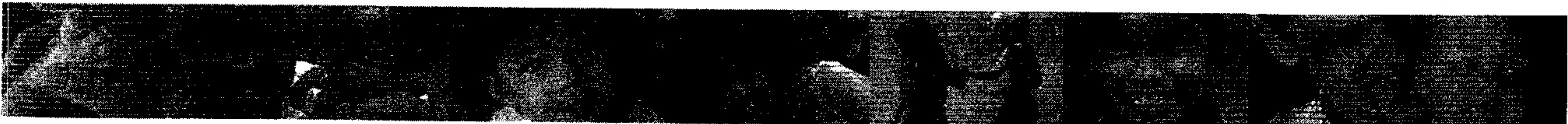


MasterCard RPPS Makes Child Support Collections Easier

Presented by
Michael Foye
Vice President - Sales and New Business Development
MasterCard RPPS
&
Troy Reiners
Director
Nebraska Child Support Payment Center





Agenda


Introductions:

- Who is NCSPC?
- Who is MasterCard RPPS?
- Why a Case Study?

Agenda:

- What was the problem?
- Implementation
- Ramp up
- Current Status
- Future Plans





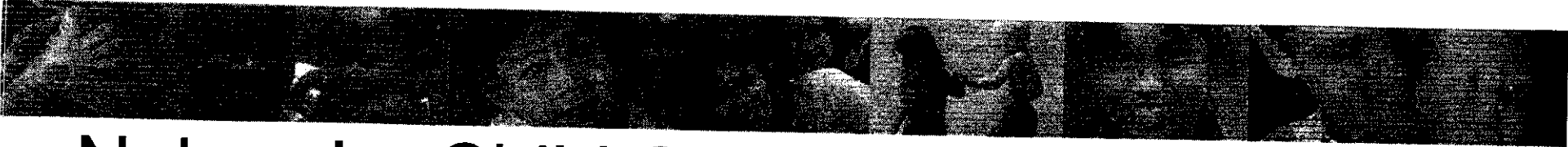
Nebraska Child Support Payment Center (NCSPC)

The NCSPC processes _____ payments for _____

We have ##### of employees involved with receipt and remittance

JUST LOOKING FOR A HIGH LEVEL STATEMENT AS AN INTRODUCTION





Nebraska Child Support Payment Center (NCSPC)

- Daily Processing Average
 - \$1,000,000.00 in child support daily!
 - Over 5,000 payments per day!
 - 2,100 checks
- Receipts for the NCSPC are up nearly 5% this year from last and last year at this time we were processing over 2,200 checks per day
- While the number of payments and dollars is rising; the number of checks is declining



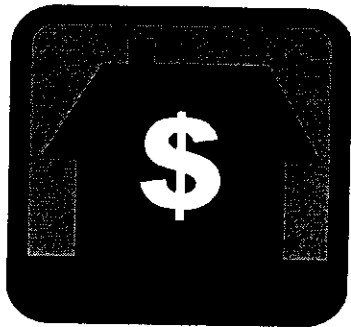
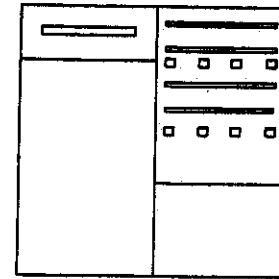
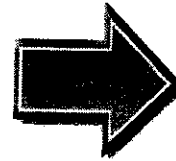
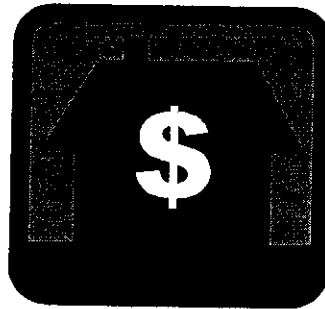


Nebraska Child Support Payment Center Milestones:

- August 2007 marks the 17th consecutive month of disbursing 20 million dollars!
- April 30, 2007 we disbursed 3.5 million dollars!
- March 29, 2006 One Billion Dollars Processed



The Money Flow





Some Additional Numbers

- While Nebraska does not mandate employers to remit electronically; presently 46% of the payments remitted are by an electronic means
- 99.9 % of first day receipts are identified and disbursed the very following morning
- Nebraska also accepts MasterCard and Visa payments over our web site and automated telephone system





An Unstoppable Trend


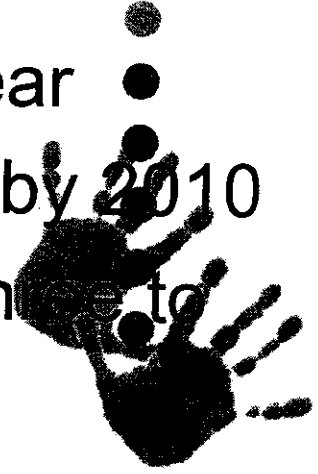
- More than half of U.S. households bank online¹
- Over 28% pay bills online²
- Consumer bills paid through bank website will double by 2008³

1 Gartner, Jupiter, and Forrester research reports
2 Celent Communications Report, 2005
3 Aite Group





Billions to Come

- 
- Headed for 384 billion e-payments per year
 - Electronic payments to double in volume by 2010
 - System capacity needs to double every three to five years or faster to support volume
- 

From an ACI Worldwide survey, as reported by ePaynews.com, May 2006

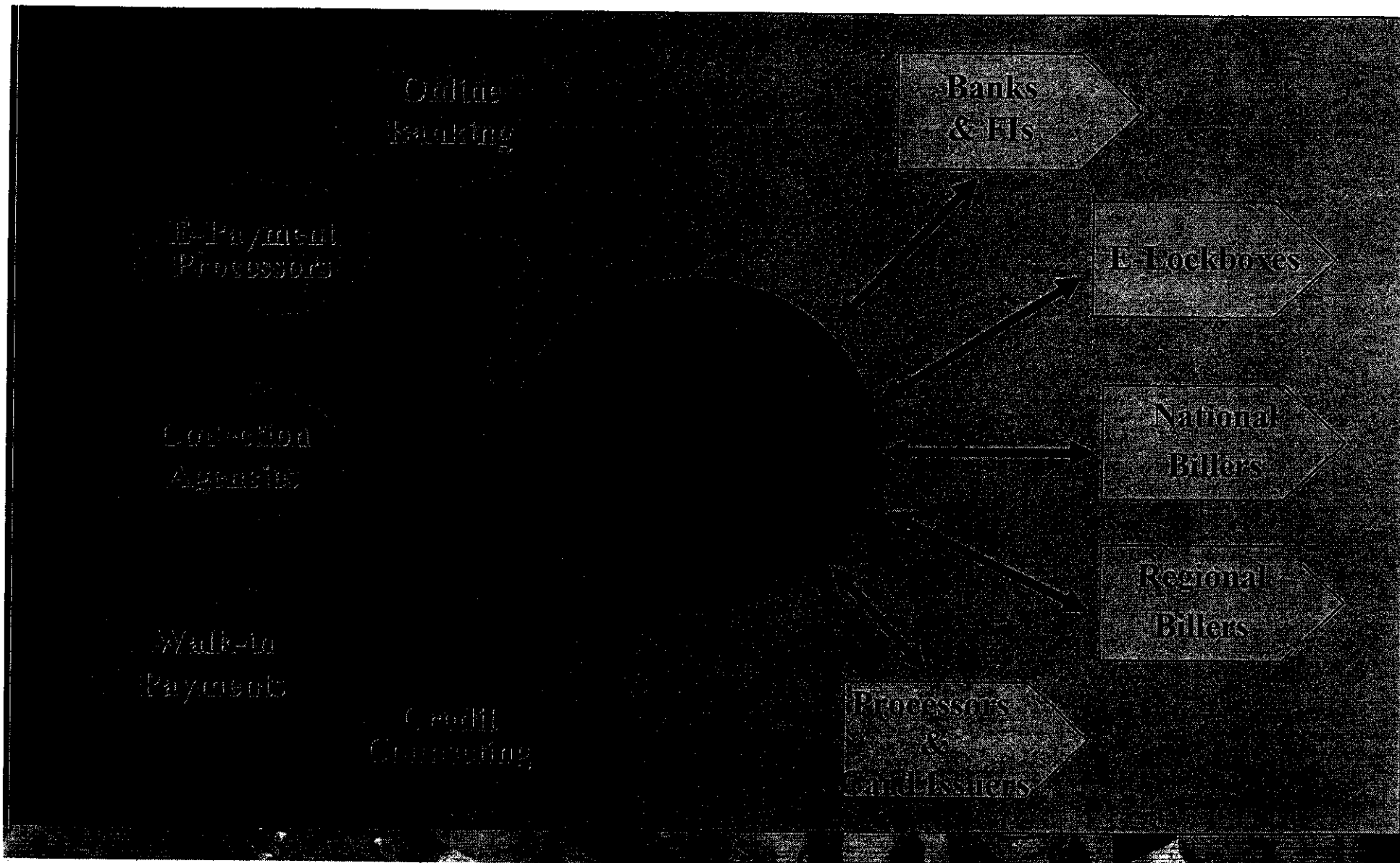


Who is RPPS?

- RPPS is a product offering within MasterCard Worldwide that moves bill payments
- Primarily focused on Consumer based bill payments
 - Auto Loans
 - Mortgage
 - Electric
 - Gas
 - Phone
 - Retail & Credit Cards
 - Newspaper
 - Insurance
 - Child Support
 - Any re-occurring payment
- Over 45 Million payments, 18 Billion dollars

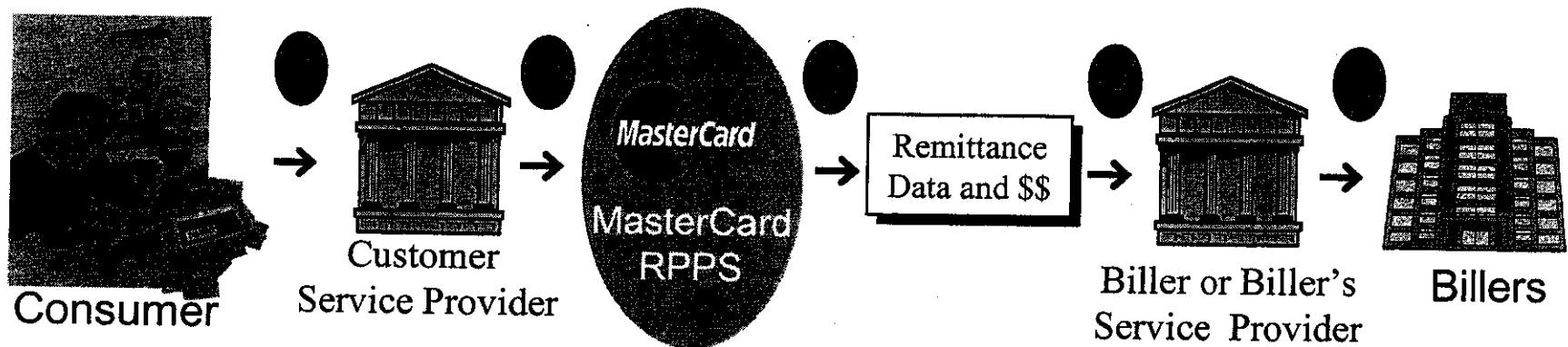


Who is RPPS?



Who is RPPS?

RPPS 24-Hour Payment Process Flow

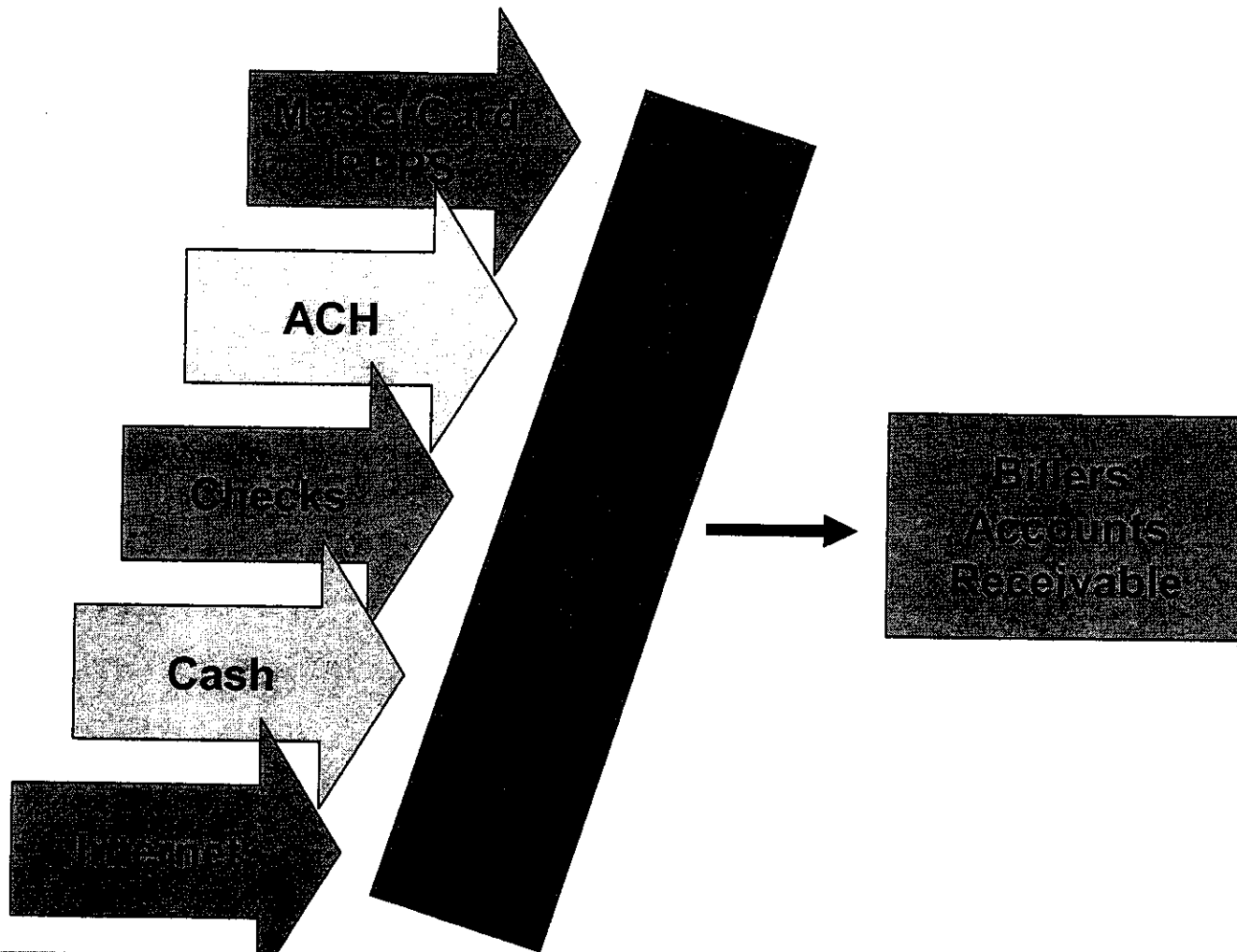


- 1) Consumer sends payment instructions to their bank/service provider
- 2) CSP splits file and sends e-payments to RPPS*
- 3) RPPS edits data and processes files
- 4) RPPS sends payment data and funds to BSP
- 5) BSP sends A/R detail to biller



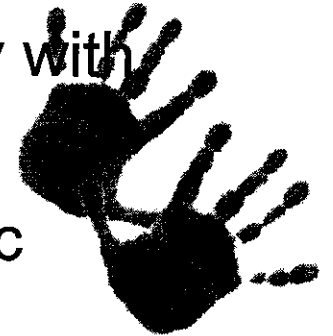
MasterCard
RPPS.

Who is RPPS?



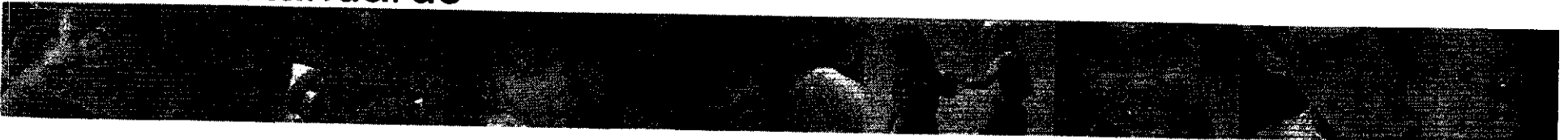
Who is RPPS?

- Single connection to virtually 100% of all bill payment services
- Perform routing and settlement of data and funds between all end points
- Good funds model ensures reliable funds usage
- Multiple daily processing cycles allow for speedy posting
- Edit checks ensure account number accuracy with every payment
- Provide biller directory services – all electronic payments



Who is RPPS?

- Biller directory reaches all consumer end-points with searchable daily updates, changes, additions and deletions of biller information
 - Account numbers
 - Biller names, including alternative names and AKAs
 - Remittance addresses
- Payment research tools for inquiry resolution
- Enable payment returns and reversal process
- Manage proprietary network operating rules and standards



I want to...

Add a Payee



Click here to add one of our [Merchant Directory](#).
OR

Enter your Payee's information below.

Payee Information

Payee Name*:	<input type="text" value="Care USA"/>
Payee Short Name*:	<input type="text" value="Care"/> <input type="text"/>
Account Number*:	<input type="text" value="123456"/> <input type="text"/>
Address line 1*:	<input type="text" value="151 Ellis St. NE"/>
City*:	<input type="text" value="Atlanta"/>
State*:	<input type="text" value="GA"/>
ZIP Code*:	<input type="text" value="30303"/> - <input type="text"/>
Payee Phone No*:	<input type="text" value="(404)"/> <input type="text" value="681"/> - <input type="text" value="2552"/>

AnyBank Checking
 AnyBank Savings

*Required Field



Pay Bills

STEP 3: Schedule Repeating Payment

Pay to Care USA

Pay From* Better Bkng Chk (...6539) \$3,540.83

Amount (\$ USD) 50.00 (e.g., xxx.xx)

First Send On Date 10/13/2007

First Deliver By Date 10/16/2007

Delivery Method 1 DAY

Frequency* Monthly

Number of Payments* OR Unlimited number of payments

Payment Description monthly donation

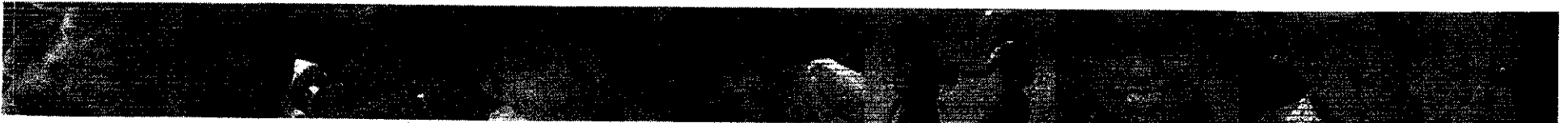
*Required field





Why a Case Study?

- Common experiences
- Common goals
- Issue facing many to simplify payment stream
- Explain a new and growing payment offering
- Payment industry issues





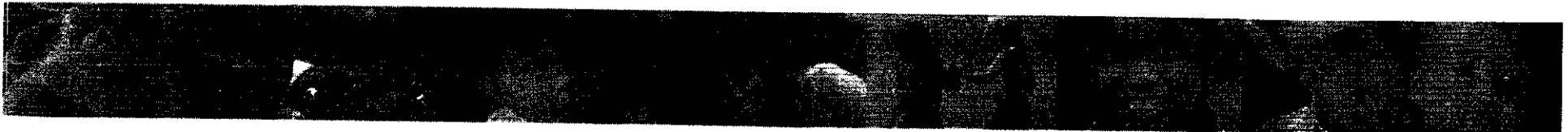
Payment Processing Goals

- Improve Operations

- Expedite Payment Posting
 - Mail slow
 - Manual processing
- Reduce Check Volumes
- Reduce trading partner contact lists
 - Small volume
 - No desire to adhere to national standards
- Minimize transaction conversions

- Reduce costs

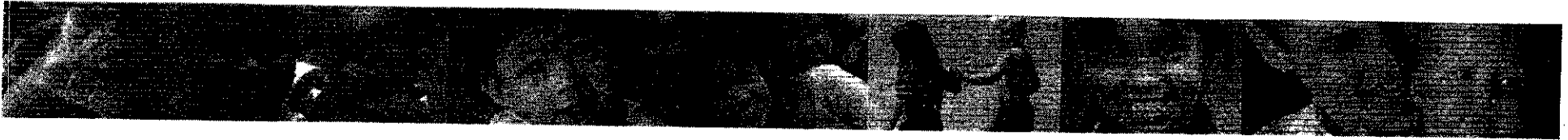
- Paper versus electronic
- Direct relationship-trading partners (introduction, testing, maintenance, support)



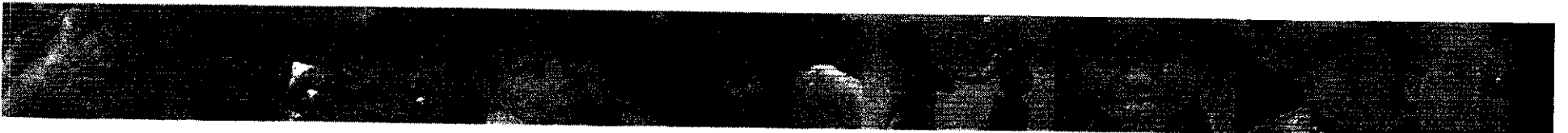
The Program

TERM	DEFINITION
Biller	Company providing services
BSP	Biller Service Provider
CIE	Customer Initiated Entry
Consolidator	Originator gathering payments from various front-ends for a single back-end distribution
Originator	Where consumer pays
CSP	Customer Service Provider
Customer	Person or Company paying Biller





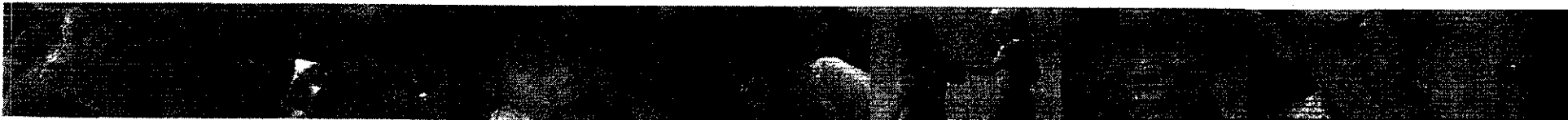
What was the Problem?





Identified Problems With Checks

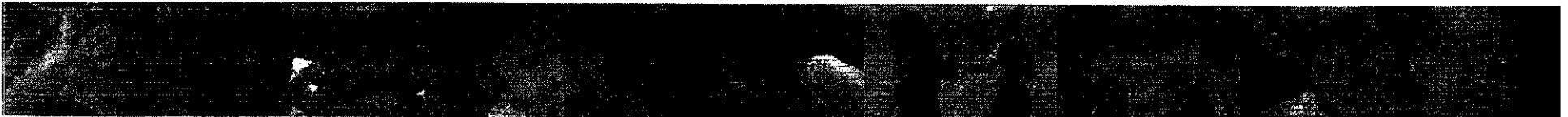
- May never reach us due to postal delays
- Labor intensive to process
- Cost of processing and imaging
- Funds not immediately available
- Identifying payor more difficult and susceptible to error
- Online bill pay checks drawn on the same routing and account number
- Not guaranteed funds – Costs of returns





Bank Return Items

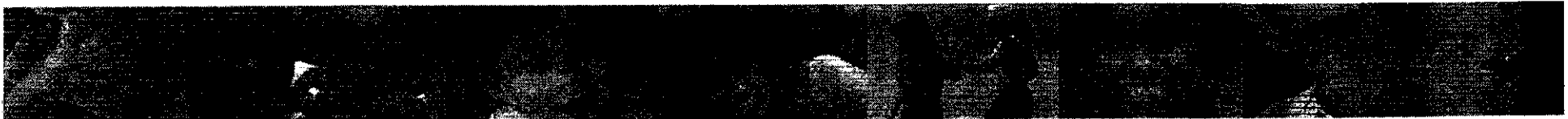
- The NCSPC has averaged nearly four returns per day
- Return reasons vary from NSF, Account Closed, Stop Pay, and Refer to Maker
- The Federal Government does not participate in any of the bad debt and allows requiring guaranteed funds
- Our solution became to pre-deposit known bad check writers

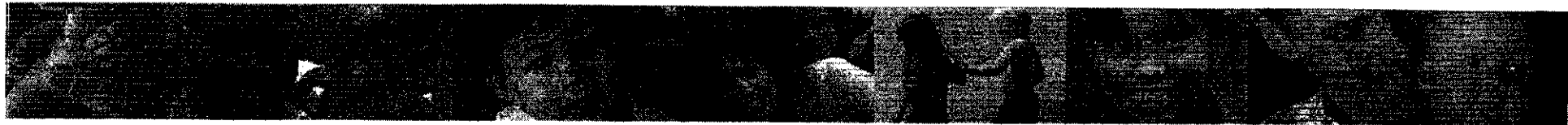




Online Bill Pay Checks

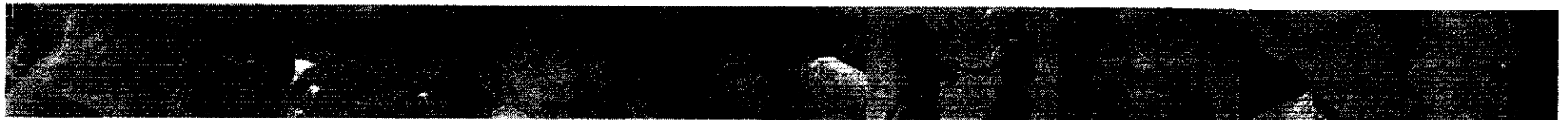
- Just as susceptible to being returned as any other check
- Multiple payor's checks are drawn on the same routing number and account number
- One bad check offender would cause our collections team to review all online bill pay checks from that financial institution





Our Question -

“How can we convert these paper checks into electronic guaranteed funds?”





Pilot Program With First National Bank of Omaha

- FNO interested in a MasterCard RPPS startup program and needed a customer
- The high check volumes of the NCSPC made for the perfect customer
- FNO worked with NCSPC and MasterCard
- Determined requirements and the file layout
- NACHA Customer-Initiated Entry (CIE) file format





CIE Format Meets NCSPC Requirements

- The NCSPC requires two unique identifiers when applying payments
 - SSN
 - Name
 - 13 Digit ARP (Agency Related Person) ID
 - Case number
- CIE file
 - Detail record allows for a 15 digit name field
 - Detail record allows for a 22 digit ID number
- CIE addenda record allows for an 80 character payment related information field
- Multiple masks
 - MasterCard RPPS allows for a multiple number of masks to be set up



Establish Masks To Identify Payors

- Established two initial masks
 - AR@@@@@@@@@@@@#####
 - AR@@@@@@@@@@@@####
- Added two additional masks later
 - #####
 - ###-##-####
 - While these last two only provide for one identifier; we can manually match to the name





Rolled Out Program Slowly

- NCSPC was not initially a public biller
- First payments were from FNO customers
- After several months of success, FNO turned us public allowing us to become a biller for all MasterCard RPPS participating financial institutions
- The longer you are a public biller, the more customers you grow

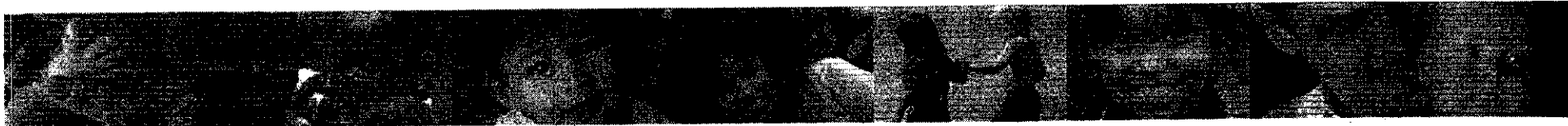




Employer Outreach Roadshows

- Child Support Program
- New Hire Reporting
- Income Withholding
- Medical Support
- Payment Remittance

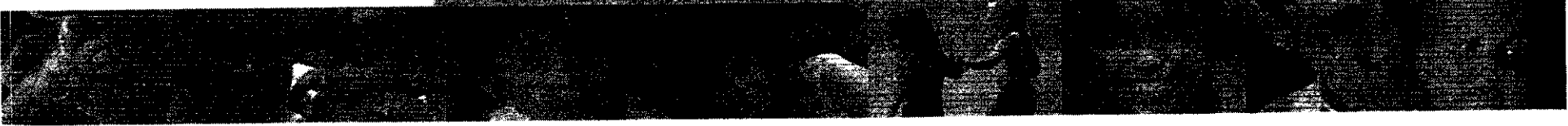




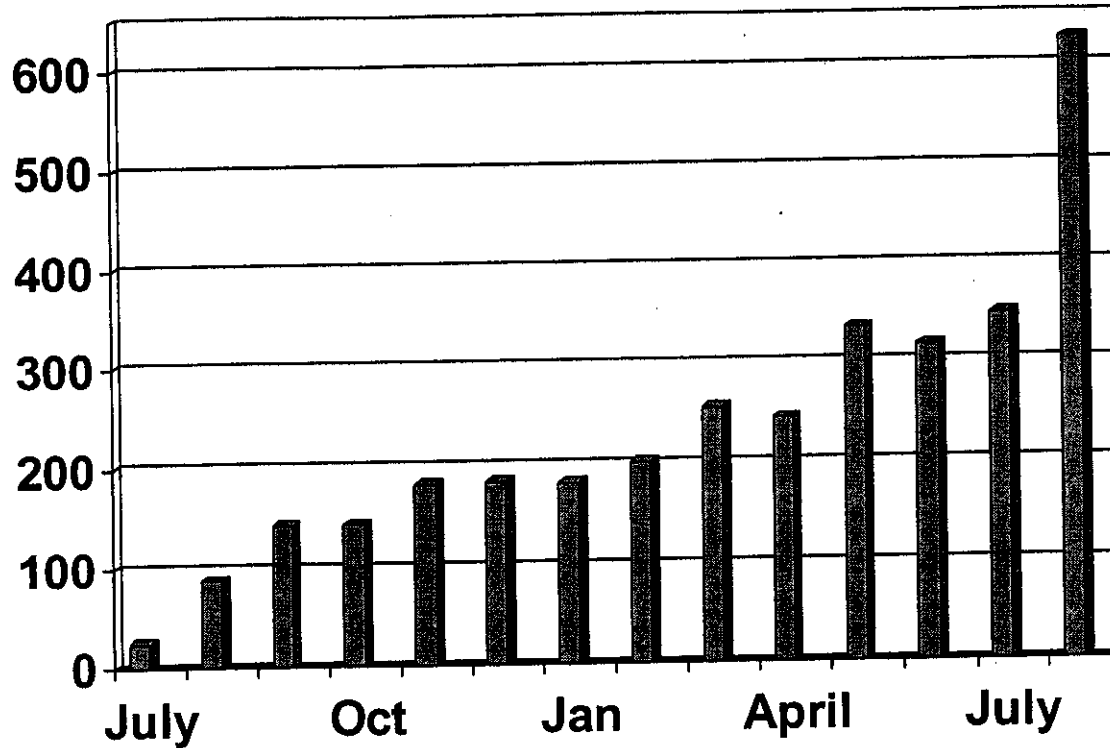
Employer Remittance Form

A document titled 'Nebraska Child Support Payment Center' at the top. It features a logo of two stylized figures on the left. The form contains several sections with headings and fields, though the text is mostly illegible due to low contrast. At the bottom of the form, there is a large rectangular area with a grid pattern, likely for recording payment data.

Nebraska Child Support Payment Center



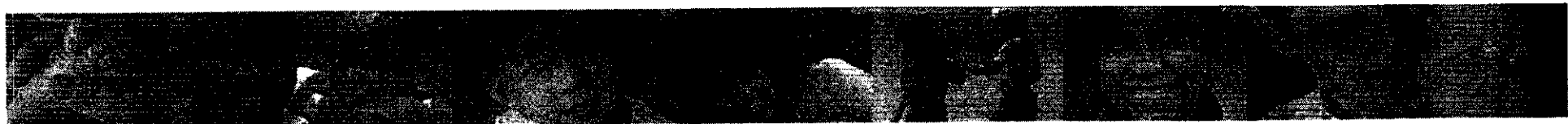
RPPS Transaction Volume





Growing Our MasterCard RPPS Customers

- We continue to receive bill pay checks and record what banks are mailing them to us
- We contact banks and ask if they have heard of the MasterCard RPPS program to see if we can convert these checks to an electronic means
- We also see payments come in with case numbers populating the ID field
- These customers are contacted by phone and via their monthly billing statement



NCSPC on the MasterCard RPPS Biller Directory

1470491233 - Nebraska Child Support Payment

[Customize Display](#)

 [Printer-Friendly Format](#)

[Back to Search Results](#)

Viewing biller information as of: 2007-08-30

Biller 1470491233: Nebraska Child Support Payment [View Full Details](#)

Web Data	2007-08-30
Agency Name	Nebraska Child Support Payment
Biller ID	1470491233
Biller Name	Nebraska Child Support Payment
Biller Class	State
Biller Type	Child
Private Biller	No
Check Draft Routine	No
Accept Prenotes	No
Accept Guaranteed Payments Only	Yes
Requires Addenda with Reversals	No

Biller Contacts (1 Total) [View Full Details](#)

Biller Updates	Chris Petala TREASURER ncs@ncspc.org Phone 402-471-1349
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NCSPC on the MasterCard RPPS Biller Directory

Remittance Address (3 Total) [View Full Details](#)

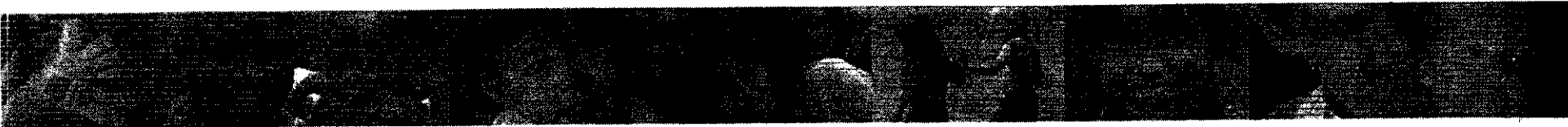
Standard	PO Box 82600 Lincoln Nebraska 68508-2600 United States
Standard	PO Box 82690 Lincoln Nebraska 68508-2690 United States
Standard	PO Box 82600 Lincoln Nebraska 68508-2600 United States

Masks (5 Total) [View Full Details](#)

Length	Account Format / Mask Mask Character(s)	Descriptor	Check Digit
16	9900000000000000		
17	99000000000000000		
22	9900000000000000000000		
9	999999999		
11	99999999999		

[↑ TOP](#)





The NCSPC shares a global message field on our billing statements with Health and Human Services; we use messages to assist in educating our non-custodial parents

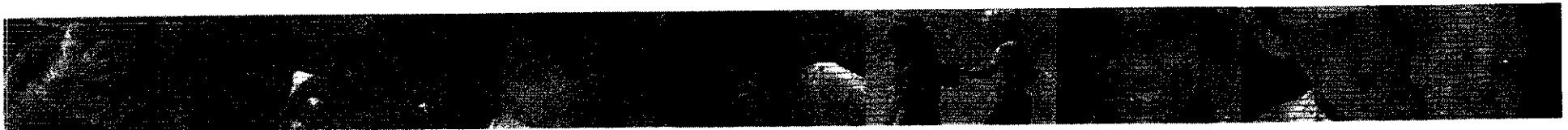
IF YOUR EMPLOYER WITHHOLDS SUPPORT PAYMENTS FROM YOUR CHECK, THIS STATEMENT IS FOR INFORMATIONAL PURPOSES ONLY.

Automatic bill pay is a great way to pay your child support. When setting up automatic bill pay through your bank please use your 13 character ARP ID and the last four digits of your SSN as the Account Number. For example: an ARP ID of AR23456789012 with a SSN of 555-55-5555 has an Account Number of AR234567890125555. If you have questions please contact 877-631-9973 option 3.

**How to Contact the Nebraska Child support Payment Center (NCSPC): Outside of Lincoln: 877-631-9973; Lincoln: 402-441-8715;
On the Internet: www.nebraskachildsupport.com; By Mail: PO Box 83306 Lincoln, NE 68501-3306**

**The NCSPC reserves the right to re-present any payments electronically that were returned insufficient or uncollected funds.
In addition, your account may be charged a collection fee allowed by State law.**

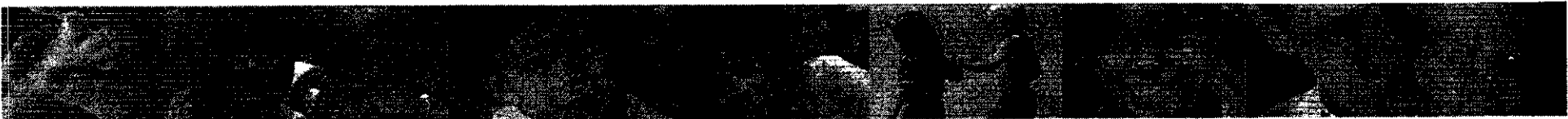
Per Federal requirements personal payments will be applied as of the date the payment is received by the NCSPC.





Realized Advantages of the MasterCard RPPS Program

- Eliminates manually processing checks and performing the associated data entry
- Reduces the amount of errors
- Saves time as the payor is immediately identified when the file is received
- We have never lost an electronic payment in the mail
- Fewer resources are required (no imaging and electronic storage)



Biggest Advantages

- Funds are backed by MasterCard RPPS thereby being viewed as guaranteed funds
- The NCSPC does not even have to accept charge backs
- Previous bad check writer's payments which come in via MasterCard RPPS no longer have to be pre-deposited or even scrutinized
- Since the NCP initiates the transaction, they feel safer then having their account debited





Where to get more information

- Internet:

Nebraska Child Support Payment Center
www.nebraskachildsupport.com

Nebraska Child Support Enforcement
www.hhs.state.ne.us/cse/cseindex.htm

MasterCard RPPS
www.mastercardintl.com/rpps





Where to get more information

•Phone:

Nebraska Child Support Payment Center
1-877-631-9973, option 3

Nebraska Child Support Customer Service Call Center
1-877-631-9973, option 2

MasterCard RPP Sales
1-800-535-2130





Questions?

