

# Electronic Disbursements – Direct Deposit and Debit Cards



---

## Iowa's Presentation

Terri Pollard

Program Planner

[tpollar@dhs.state.ia.us](mailto:tpollar@dhs.state.ia.us)



# Topics of Discussion

---

## Reviewing your disbursement structure

How do you currently disburse payments

## Outreach and offering options

Using both direct deposit and debit cards

## Possible system enhancements

Supporting electronic disbursement

## Initial case selections

The biggest impact in the shortest time

## On-going issues

Loss of location, adding new cases, updating case information, closing cases



# Reviewing your disbursement structure

---

How many payments have you sent out

Payments sent out per case in last three, six, nine, and twelve months

Current business practices

Incarcerated custodial parents, international custodial parents, private enforcement agencies, payment errors



# Outreach and Offering Options

---

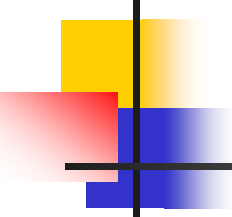
## Direct Deposit

Initial mailings offering direct deposit and information on additional electronic payment options

## Debit Cards

Send custodial parent a notice they are eligible for debit card and offer exemption if allowed

Send a reminder notice prior to receipt of card



# Possible System Enhancements

---

## Recording financial institution information

A specific record or other area of your system to record bank information including routing number, account number, electronic payment type (checking, savings, debit card), start date, end date, and possibly a unique identifier

## Cash process

Daily allocation and disbursement process to use the financial information instead of creating checks/warrants

## Outgoing EFT files

Follow NACHA approved format to create the outgoing file. Work closely with disbursing state agency or your own financial institution.



# Initial Case Selections

---

Cases without other electronic payment options

Case is not already using direct deposit

Cases without exemptions or exceptions

Allowable exceptions disabilities, location, literacy, language

Unique exceptions low payment level or low balance amount



# On-Going Issues

---

## Loss of location

Less incentive for custodial parent to keep address current

## Switching from debit card to direct deposit

Parents switching back and forth

## Updating case information

Keeping names, addresses, demographic data in synch

## Dealing with new cases

When do you initiate the debit card process

## Closing cases

Proper notification



# Administrative Rule Authority

---

**97.6(5) Warrants.** The collection services center may authorize generation of a warrant if any one of the following conditions applies:

- a.* Generation of a warrant is necessary to meet federal requirements to disburse a payment to an obligee within two working days when electronic transfer is not feasible.
- b.* The obligee has not requested automatic deposit to a designated account of the obligee, and payment is from a source that is nonrecurring or is not expected to continue in a 12-month period.
- c.* The obligee has not requested automatic deposit to a designated account of the obligee and has asserted in writing on Form 470-3972, Electronic Support Payments, that one of the exemptions listed in this paragraph applies. To claim an exemption, the obligee must return Form 470-3972 to the collection services center within ten days of the date the form was issued. An exemption granted under this paragraph is subject to periodic review by the collection services center. When the collection services center reviews an exemption, it shall issue Form 470-3973, Review of Electronic Transfer Exemption, to the obligee for completion. The exemptions available under this paragraph are:
  - (1) A physical disability imposes a hardship in accessing an electronically transferred payment.
  - (2) A mental disability imposes a hardship in accessing an electronically transferred payment.
  - (3) A language barrier imposes a hardship in accessing an electronically transferred payment.
  - (4) A literacy barrier imposes a hardship in accessing an electronically transferred payment.
  - (5) The obligee's home and work addresses are more than 30 miles from an automated teller machine and more than 30 miles from a financial institution where the account funds can be accessed.
- d.* The representative payee, court appointee, or trustee notifies the collection services center or unit in writing that one of the following applies:
  - (1) The obligee is under a court-ordered guardianship or conservatorship.
  - (2) The obligee is involved in other legal proceedings, including bankruptcy, which require payments to be sent to a trustee or other representative payee.



# Initial Notice (First Page)

IOWA DEPARTMENT OF HUMAN SERVICES  
ELECTRONIC SUPPORT PAYMENTS

April 28, 2005

| Payee Name |  
| Address Line 1 |  
| Address Line 2 |  
| City, State, & ZIP Code |

Case #	Case #

Dear | Payee Name |:

\*\*\*\*\* SOON YOUR CHILD SUPPORT PAYMENTS WILL BE SENT ELECTRONICALLY! \*\*\*\*\*

Why is this change being made?

Sending support payments electronically saves money and gets your payment to you quickly and reliably.

What does this mean for me?

You will no longer receive a paper check in the mail. Your support payment will be sent to the bank of your choice through direct deposit or you will receive an electronic access card called the ReliaCard from U.S. Bank.

What is an electronic access card?

An electronic access card is a type of debit card. You use the ReliaCard at automated teller machines (ATMs) or businesses that accept Visa cards. You can get cash or buy goods and services.

Will I get the card?

Yes, the ReliaCard will be sent to you if you do not sign up for direct deposit or ask for an exemption WITHIN 10 DAYS OF THE ABOVE DATE.

How do I sign up for direct deposit?

If you have a bank, savings and loan, or credit union account, complete the enclosed authorization for automatic deposit and return it WITHIN THE NEXT 10 DAYS OF THE ABOVE DATE with proof of your account. Or you can get the form from <http://childsupport.dhs.state.ia.us>.

How is the card different from direct deposit?

- \* With direct deposit, you choose the bank where you want your payments sent. It is your savings or checking account which you control.
- \* With the ReliaCard, the account is only for support payments. We deposit your support into a special account from which you can make withdrawals. The account cannot be used for any other purpose.

470-3972 (05/05)



# Initial Notice (Page 2)

Will it cost me anything to use the card?

NO, if you use the ReliaCard to pay for purchases at the grocery store or other retail business that is a part of the Visa network. You may also make two free withdrawals per month at any US Bank ATM, VISA/PLUS branded ATM, or at any participating Visa network bank teller window. YES, if you use other ATMs or bank tellers or if you make more than two cash withdrawals per month. These charges may be similar to check cashing fees you may be paying now to cash a support check. Fees and services will be explained when you receive your card.

How will I get the card?

U.S. Bank will issue a ReliaCard and maintain an account for your support payments. The bank will also send you information about your account and customer services available to you.

How do I get more information?

Call the Specialized Customer Services Unit at either 515-242-5530 or 1-888-228-5223 (toll-free nationwide) between the hours of 8:00 AM and 6:00 PM (Iowa time) Monday through Friday, except state holidays.

Important Reminder --

So that you continue to receive important case information and documents please notify the Specialized Customer Services Unit immediately if you change your address. Please include your case number in any correspondence.

How do I ask for an exemption?

If there is a reason that prevents you from using the ReliaCard, complete the exemption request on the following page and return it within 10 days to the address on the bottom of the last page.

---

#### Policy on Nondiscrimination

By law, DHS will not discriminate against you on the basis of:

Age Color Creed Disability National Origin  
Race Religion Sex Political Beliefs

If you feel we have discriminated, you can ask for a Discrimination Complaint form from any DHS office or the DHS Diversity Program Unit.

To file a complaint of discrimination, you may also write to any of the addresses below. If you need help, you may call your county DHS office.

Iowa Department of Human Services  
Diversity Program Unit 1st FL  
1305 E Walnut  
Des Moines IA 50319-0114

Iowa Civil Rights Commission  
400 E 14th St  
Des Moines IA 50319-1004

U.S. Department of Health and Human Services  
Office for Civil Rights Region VII  
601 E 12th St RM 248  
Kansas City MO 64106-2802

# Initial Notice (Page 3)

IOWA DEPARTMENT OF HUMAN SERVICES  
EXEMPTION REQUEST

Obligor Name:  Date: 04/28/2005

Case Number(s):

NOTE: Do not complete this form if you are choosing Direct Deposit.  
Direct Deposit is voluntary. Only fill out this form if there is a  
reason you can't use the ReliaCard.

- I have a physical disability.
- I have a mental disability.
- I have a language barrier.
- I have difficulty reading.
- There is no Automatic Teller Machine (ATM) or bank branch that  
allows Visa cash advances within 20 miles of my home and work.
- The custodial parent has a court-ordered guardian or conservator  
(who has signed below).
- The custodial parent is involved in legal proceedings, such as  
bankruptcy, which require payment to be sent to a trustee or  
other representative payee (who has signed below).

The statements made and the information given in this exemption request are  
true and correct to the best of my knowledge and belief.

Name (Print) \_\_\_\_\_ Case Number \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_ Signature \_\_\_\_\_

Please return this form to:  
Collection Services Center  
Attn: RAC Coordinator  
PO Box 9125  
Des Moines, IA 50309-9125



# Initial Notice (Page 4)

Iowa Department of Human Services  
AUTHORIZATION FOR AUTOMATIC DEPOSIT

The Iowa Collection Services Center (CSC) is authorized to initiate deposits of child support to my account at the financial institution below:

Financial Institution (print): \_\_\_\_\_

Branch Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Account Number: \_\_\_\_\_

**ACCOUNT TYPE (Mark One):**

**Checking:** Attach a voided blank check from the checking account to which the direct deposit will be made on a letter from your financial institution with your name, address, bank routing number, and account number. The letter must be on financial institution letterhead and signed by a financial institution representative. **YOUR NAME MUST APPEAR ON THE ACCOUNT.**

**Savings:** Attach a letter from your financial institution with your name, address, bank routing number, and account number. The letter must be on financial institution letterhead and signed by a financial institution representative. **YOUR NAME MUST APPEAR ON THE ACCOUNT.**

If the same payment has been deposited more than once into your account, CSC will immediately correct the mistake AND notify you of the removal of the duplicate funds from your account.

This authority remains in effect until CSC has received written notification from me of its termination in such time and manner to give CSC a reasonable opportunity to act on it.

Your Name (print): Last: \_\_\_\_\_ First: \_\_\_\_\_ MI: \_\_\_\_\_

Your Address: \_\_\_\_\_

Your CSC Case Number(s): \_\_\_\_\_

Your Phone Number: \_\_\_\_\_

Your Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Please complete and mail this form and attachment to Collection Services Center, AIFM Accounting, PO Box 9125, Des Moines, IA 50306-9125. Be sure to enclose your voided check or letter from your financial institution. Please do not send a deposit slip.

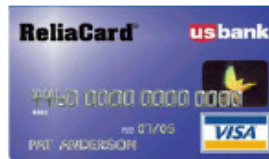
# Reminder Notice

Iowa Department of Human Services – Electronic Access Card Reminder

## You will no longer receive your child support by check!

Instead of sending paper checks,  
Iowa Child Support Recovery  
will now send all your  
support payments to a U.S. Bank®  
ReliaCard® Visa® account.

## To get your child support, you must use your ReliaCard!



When you receive your ReliaCard,  
do NOT throw it away!

To be ready for your next payment,  
activate your new ReliaCard  
by calling 1-866-276-5114  
as soon as the card arrives!

If you do not activate your ReliaCard, you cannot get your money.

## Getting information about your payments is easy!

### Has the Child Support Recovery Unit received my payment?

To check on payments,  
call our automated payment information system  
or speak to a customer service representative at  
1-888-229-9223.

Use our secure Iowa Child Support website at:  
<https://childsupport.dhs.state.ia.us>

### Is the payment on my ReliaCard? What is my balance?

To find out, call U.S. Bank's  
automated payment information system or  
speak to a customer service representative at  
1-866-276-5114.

Go to U.S. Bank's website at:  
<https://www.reliacard.com>

To check for payments on Child Support's website or our automated payment system, please call us weekdays 8:00 AM to 5:00 PM  
at 1-888-229-9223 to get your secret code (also called a Personal Identification Number or PIN).

Payments will be in your ReliaCard account approximately three business days after posting to the child support system.



# PAYEEEEFT Screen

---

D479HR13

IOWA COLLECTION AND REPORTING SYSTEM  
PAYEE EFT AUTHORIZATION

DATE: 09/05/06

TIME: 07:46:14

CASE NUMBER.....:	PAYEE'S ID NUMBER..:
PAYEE.....:	
PAYOR.....:	
BANK NUMBER.....:	BANK NAME:
ACCOUNT NUMBER..:	ADDRESS..:
ACCOUNT TYPE.....:	EAC/DD NOTICE: 00 00 0000
START DATE.....: 00 00 0000	REQUEST DATE.: 00 00 0000
STOP DATE.....: 00 00 0000	ISSUE DATE...: 00 00 0000
GENERATE NOTICE.: Y	EXEMPTION....: LOW 00 00 0000
REQUIRE NOTICE..: N	EAC ID.....: 0000000000

PRENOTIFICATION.:

PF2=ADD, PF3=MODIFY, PF4=DELETE EFT, PF5=INQUIRE, PF6= HISTORY  
PF7=PAGE BACKWARD, PF8=PAGE FORWARD, PF9=REFRESH, PF22=NEW  
NEXT SCREEN: NOTES:  
PAYEE EFT NOT FOUND, ENTER INFORMATION AND USE PF2 TO ADD