

Payroll Cards

Panel Discussion

Financial Management Advisory
Council
January 24, 2013

Panel Members

Steve Nielson

Office of Financial Management

Michael Zehner

Office of the State Treasurer

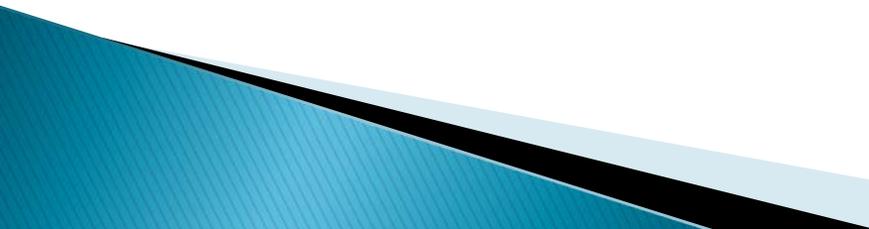
Steve Ketelsen

Department of Labor and Industries

Leanne Foster

Tacoma Community College

Who is using payroll cards?

- ▶ October 2010 – OST agrees to pilot the program
 - ▶ July 2011 – Payroll cards are added as a payment option in SAAM
 - ▶ September 2011 – L&I and Agriculture are added
 - ▶ October 2011 – Tacoma Community College and DSHS are added
 - ▶ 2012 – Olympic college, Peninsula College, Clark College, and Green River College are added
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Payment Options

- ▶ There are 3 ways to pay employees:
 - Direct deposit
 - Payroll card
 - Warrant

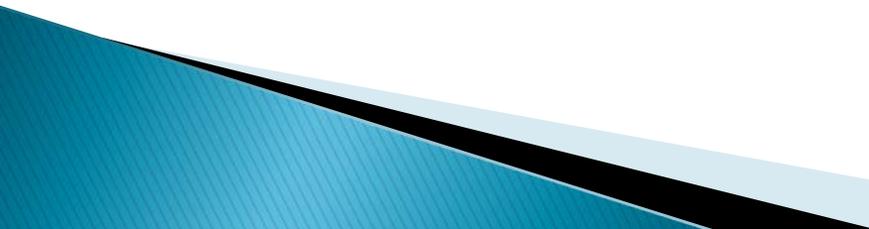
Employee requirements for deposit of net pay via payroll card

- ▶ The employee is paid through a payroll system participating in an approved program.
- ▶ The employee is paid on a regularly scheduled payroll.
- ▶ **The practice is voluntary on the employee's part.**
 - An employee–signed authorization must be on file at the agency.
 - The employee must agree to pay any fees associated with the use of a payroll card.
- ▶ **Employees contact the financial institution that issued the card in cases of loss or theft.**

Agency requirements for deposit of net pay via payroll card

- ▶ Unless specifically authorized by law, agencies wishing to disburse net pay via payroll card may require OFM approval.
 - OFM approval is not required for agencies using the B of A contract.
- ▶ Agencies must establish procedures that include internal controls.
- ▶ Agencies must provide the employee written notification that the payroll card arrangement can be cancelled at any time with reasonable notice.
- ▶ Agencies must give written notification of the mechanics of the payroll card plan, including costs and restrictions, before employees are enrolled.

Benefits to employees

- ▶ More secure than cash
 - ▶ No need to purchase money orders or cashiers checks for bill payment
 - ▶ Can be used at any merchant that accepts VISA
 - ▶ No credit check to qualify
 - ▶ Most everyday activity is free
 - ▶ No worries of warrants being lost/stolen
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Benefits to employees

- ▶ No need for a personal bank account
 - ▶ No more check cashing fees
 - ▶ Money is available 24/7
 - ▶ More private than a paper check
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Benefits to state government

- ▶ Reduced printing costs
 - ▶ Reduced lost/destroyed warrant replacement costs
 - ▶ Less staff time handling paper payments
 - ▶ Eliminates statute of limitations warrant cancellations
 - ▶ Less likelihood of fraud
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Common questions

- ▶ Is it a credit card?
 - No. Only funds that deposited onto the card are available.
 - ▶ How is the card used?
 - The card is used like a debit card.
 - ▶ Is there a cost to employees?
 - There is no annual fee. The contract with B of A is very generous to employees. It is very easy to avoid fees and use the card for free.
 - ▶ Once requested, how long does it take a card to get to the employee?
 - Within 7 – 10 business days.
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Common questions

- ▶ How is money deposited on the card?
 - The money is deposited just like any employee who has direct deposit. Payroll systems process the payment in the same way.
- ▶ Does the employee have to have a relationship with B of A or any other bank?
 - No.
- ▶ What if the card is lost or stolen?
 - The employee contacts customer service at B of A.

Common questions

- ▶ Does each card use a separate account number?
 - Yes, accounts are individually owned FDIC insured deposit accounts.
- ▶ Who should employees contact if they have questions?
 - For payroll questions, employees contact their payroll office. For all payroll card related questions, employees contact customer service at B of A.

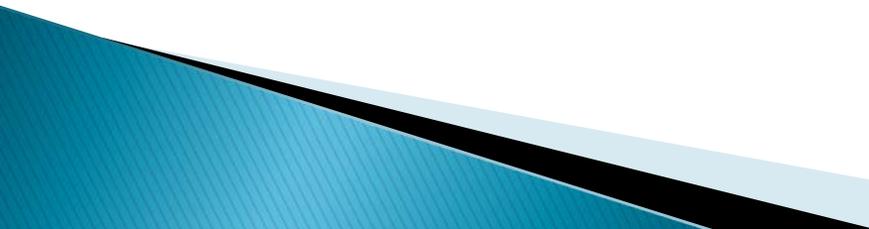
Resources

- ▶ SAAM 25.70.10 and 25.70.25
 - <http://www.ofm.wa.gov/policy/25.70.htm#25.70.10>
- ▶ Payroll resources site: Payroll card information
 - <http://www.ofm.wa.gov/resources/payroll.asp>
 - Benefits to employees and the state
 - Q&As for employees and employers
 - Fee schedule
 - Administration tips for employers

Getting Started

- ▶ Using Bank of America contract? Contact Michael Zehner at OST.
 - Can be funded from a bank account not at B of A
 - Requires no extra steps from OFM.
- ▶ Using a card offered by a different Financial Institution? Contact Steve Nielson OFM.
 - Economic feasibility study will need to be completed before moving forward.

Bank of America PayCard

1. Michael Zehner acts as liaison between agency and B of A
 2. Initial forms will be submitted to OST
 - Paycard Administration Tool Administration form
 - Additional Questionnaire
 3. Agency will be put in contact with B of A
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[P]ayCard [A]dmin [T]ool

- ▶ Agency determines administrator(s) for the PayCard program
 - ▶ Bank of America trains agency admins on using the PAT tool; a web based program
 - ▶ Admins will be responsible for registering new employees
 - ▶ Once new employees are registered the PAT tool issues banking information for that employee
 - ▶ Banking information is entered in to HRMS
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Admin Registration Form



Prepaid Administration Tool (PAT) Primary Administrator Authorization Form

All sections on this page are required to be completed.

A. BUSINESS OR ORGANIZATION INFORMATION

BUSINESS OR ORGANIZATION LEGAL NAME				FOR BANK USE ONLY	
[REDACTED]				Prepaid Program Company ID: [REDACTED]	
BUSINESS STREET ADDRESS	CITY	STATE	ZIP CODE	COUNTRY	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	

B. PRIMARY ADMINISTRATORS *NOTE: Two (2) Primary Administrators are recommended. If additional Administrators are necessary this form can be copied.*

Primary Administrator #1			
ADMINISTRATOR NAME	PHONE	EXT.	FAX
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
BUSINESS STREET ADDRESS			
[REDACTED]			
CITY	STATE	ZIP CODE	COUNTRY
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
E-MAIL			
[REDACTED]			
Primary Administrator #1 Signature:			
[REDACTED]			

Primary Administrator #2			
ADMINISTRATOR NAME	PHONE	EXT.	FAX
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
BUSINESS STREET ADDRESS			
[REDACTED]			
CITY	STATE	ZIP CODE	COUNTRY
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
E-MAIL			
[REDACTED]			
Primary Administrator #2 Signature:			
[REDACTED]			

~~BUSINESS OR ORGANIZATION AUTHORIZATION~~

~~The Business or Organization named above designates the named individuals as the Primary Administrator(s) for its CashPay® and/or Commercial Prepaid Card Programs. This authorization shall remain in effect until written notice is received and processed by Bank of America, or revised by the appropriate Primary Administrator(s). The undersigned represents and warrants that he or she has read the attached instructions and has the authority to sign this Authorization Form, which shall be binding on the Business. The Client Authorized Treasury Representative Signature below is required, in accordance with the Terms and Conditions on file with Bank of America.~~

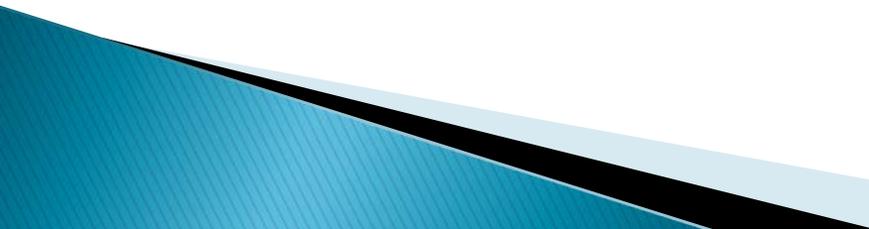
Business or Organization Legal Name:	[REDACTED]	Phone:	360-902-8909
Print Client Authorized Treasury Representative Name:	Shad [REDACTED]		
Signature:	[REDACTED]	Title:	Deputy Treasurer
		Date:	[REDACTED]

For questions related to this form please contact your Product Delivery Officer or Prepaid Client Support at 1.800.822.5985, option 4.

Questionnaire

- ▶ Will the funding be done from a B of A account?
 - If you are adding as part of your standard state payroll the answer is yes.
- ▶ Schedule
 - 10th and 25th unless your entity pays on an alternate schedule (i.e. Colleges).
- ▶ Number of Employees?
 - Number of employees that currently have Direct Deposit.
 - A rough estimate of the number of employees that you think will be using the PayCards.
- ▶ Delivery Address for supplies?
 - This will be the physical address of the administrator(s).

B of A Training

- ▶ Once forms completed and submitted to OST, B of A will begin implementation
 - ▶ Agency admins will be contacted by B of A and a time will be scheduled for training the admins on the PAT tool
 - ▶ Once training is completed the agency is ready to go live
 - ▶ Start to finish the process takes approximately 30 days
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OST Contacts

Michael Zehner
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Lesa Williams
ACH and Deposits Manager
360.902.8911

