

# PENDING APPROVAL

## OKLAHOMA COUNTY BOARD OF COUNTY COMMISSIONERS

### AGENDA ITEM REQUEST SHEET

FOR THE \_\_\_\_\_ 4/13/2011 \_\_\_\_\_

AGENDA

2011 MAR 31 P 4: 27

DEPARTMENT: Finance & Payroll REQUESTED BY: Carolynn Caudill, Oklahoma County Clerk

REQUISITION NO.: \_\_\_\_\_ REQUISITION SHEET ATTACHED: \_\_\_\_\_ YES \_\_\_\_\_ N/A

NAME OF FUNDS: \_\_\_\_\_

FUND NUMBERS: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

DOES THE AGENDA ITEM CONTAIN PRIVACY-PROTECTED OR SECURITY INFORMATION? \_\_\_\_\_ YES  NO

AGENDA ITEMS CONTAINING PRIVACY-PROTECTED OR SECURITY INFORMATION WILL NOT BE HYPERLINKED TO THE AGENDA.

NUMBER OF ORIGINAL DOCUMENTS TO BE RETURNED TO YOUR DEPARTMENT: \_\_\_\_\_ 10 \_\_\_\_\_

AGENDA ITEM READS AS FOLLOWS: \_\_\_\_\_ Discussion and possible action to convert all County employees to Payroll Direct Deposit or Paycards and eliminating payroll checks, providing a three month implementation to become effective July 1, 2011, as approved by the Budget Board on March 17, 2011. This item requested by Carolynn Caudill, Oklahoma County Clerk.

APPROVED BY DA  
(If Applicable)

APPROVED BY ENGINEER  
(If Applicable)

APPROVED BY PURCHASING  
(If Applicable)

\_\_\_\_\_  
ASSISTANT DISTRICT ATTORNEY

\_\_\_\_\_  
COUNTY ENGINEER

\_\_\_\_\_  
PURCHASING AGENT

Please initial that document has been reviewed for privacy-protected or security information

DISTRICT ATTORNEY: \_\_\_\_\_ YES \_\_\_\_\_ N/A

COUNTY CLERK: \_\_\_\_\_ YES  \_\_\_\_\_ N/A

Indicate any privacy-protected information that exists \_\_\_\_\_

**(NOTE: THE CHAIRMAN/CHIEF DEPUTY MUST APPROVE ALL EMERGENCY REQUESTS FOR ANY ITEM SUBMITTED AFTER THE DEADLINE)**

DATE OF REQUEST: \_\_\_\_\_ APPROVED BY: \_\_\_\_\_

CHAIRMAN

# PENDING APPROVAL

Oklahoma County Payroll Disbursements issued in February 2011

Department	Pay checks	Direct Deposit	Disbursements
Defined Benefit	45	122	167
Law Library	0	4	4
Public Defender	6	66	72
Assessor-general	4	33	37
Assessor-revalue	5	45	50
<b>Assessor sub-total</b>	<b>9</b>	<b>78</b>	<b>87</b>
County Clerk-general	6	47	53
County Clerk-ROD	0	6	6
County Clerk-UCC	1	10	11
<b>County Clerk sub-total</b>	<b>7</b>	<b>63</b>	<b>70</b>
Court Clerk	35	101	136
District #1	5	28	33
District #2	10	28	38
District #3	6	33	39
Commissioners	0	5	5
Community Sentencing	5	19	24
Community Service	5	14	19
Election Board	22	10	32
Emergency Mgmt	0	4	4
Engineering	1	6	7
Excise Equalization Board	3	0	3
Facilities	8	15	23
Health Safety HR	0	6	6
Juvenile Justice	62	91	153
MIS	5	23	28
Metro Parking	0	6	6
OSU Extension	0	1	1
Planning	2	4	6
Purchasing	0	5	5
Retirement Board	1	1	2
Social Services	5	11	16
<b>BOCC sub-total</b>	<b>119</b>	<b>221</b>	<b>340</b>
Sheriff	21	4	25
Sheriff-detention	345	240	585
Sheriff-law enforcement	46	146	192
Sheriff-detention support	14	33	47
Sheriff-law enforcement sup	23	53	76
<b>Sheriff sub-total</b>	<b>449</b>	<b>476</b>	<b>925</b>
Treasurer-general	0	9	9
Treasurer-resale	5	26	31
<b>Treasurer sub-total</b>	<b>5</b>	<b>35</b>	<b>40</b>
<b>Totals</b>	<b>696</b>	<b>1255</b>	<b>1951</b>

# PENDING APPROVAL

## Oklahoma County Payroll Disbursements issued in February 2011

Paychecks printed in February 2011	696
Reduced bank fees	0.15
Savings per month	104.40
Number of pay cycles	<u>12</u>
Annual savings	<u>1,252.80</u>

Avg cost to produce paychecks per mo	2,088.00	\$	3.00 per check
Annual savings	<u>25,056.00</u>		12
Total immediate savings annualy	<u>26,308.80</u>		

<u>Additional cost to reproduce a lost check</u>	
stop payment fee	18.50
avg cost to produce the check	3.00
Bank processing fee	<u>0.25</u>
Total	<u>21.75</u>

<u>Initial cost to implement paycards</u>	
Per kit fee for the paycards	\$ 2.00
Estimated cards needed	300
	<u>\$ 600.00</u>

### Additional benefits to consider:

- Eliminate replacement checks
- Eliminate searching for employees that do not pick up last check
- Eliminate lines to pass out checks
- Eliminate reprocessing for inclement weather
- Allow underbanked employees opportunity to cash pay without a fee

## Subcommittee Works to Clear Up Muddled Message on Paycards

BY WILLIAM DUNN, CPP

In February, two stories on paycards ran in major news outlets that sent shudders down the collective spine of APA's Paycard Subcommittee.

The first was a story from the Associated Press, "Jobless Hit With Bank Fees on Benefits," which ran in a number of newspapers. In Richmond, Virginia, this article nearly derailed a progressive state bill that would allow electronic wage payments. Industry specialists managed to convince Virginia lawmakers to postpone what was expected to be a negative vote on the legislation, so they would have a chance to put the article in proper context.

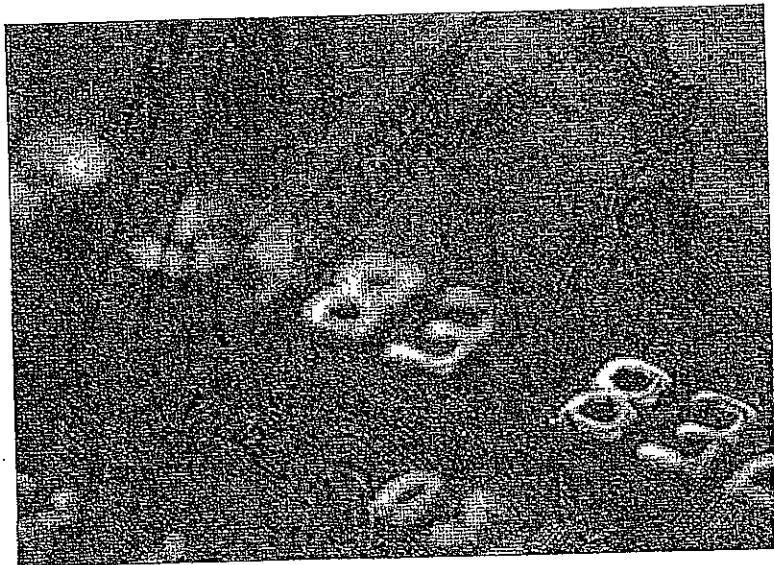
The second story was a commentary in *The Houston Chronicle*, "Protecting Pay Against Fees." This article received notice from the Texas legislature, which also happened to be considering a bill on the topic, introduced a week earlier by Rep. Scott Hochberg (D-Houston).

Both articles discussed the use of debit cards to pay unemployment benefits, and mentioned that banks appear to be enriching themselves on fees related to ATM use, balance inquiries, and point-of-sale purchases paid by individuals—the same individuals put out of work by the financial crisis spurred, in part, by those very banks.

Cathy Beyda, Chair of APA's Government Affairs Task Force Paycard Subcommittee, spoke with Hochberg's office to see how the articles affected the representative's thinking, and to learn how this related to wage payment. She learned that the office was very concerned with unbanked individuals being charged excessive fees by payday lenders.

Employers offering paycards are being wrongfully associated with banks and other outlets that earn money from employees' transactions. APA members I speak with who are considering implementing paycard programs certainly do not fit this mold. Payroll professionals typically work hard to ensure that paycard programs give employees fee-free options.

*William Dunn, CPP, is Manager of Government Relations for the American Payroll Association.*



Payroll debit cards should not be tarred with the same brush being used on payday lenders and government benefit card programs.

Sometimes it makes sense to draw a connection between payroll debit cards and cards used to pay government benefits. Too many states think it is acceptable to mandate electronic payments to state employees, child support recipients, and those on unemployment, but deny that power to employers who would prefer not to offer paper paychecks to employees. It's useful to point out the inconsistency in this stance.

APA supports the ability of employers to mandate electronic payments. APA has never called for the ability to mandate paycards alone. Most employers would prefer to pay by direct deposit. Where an employee fails to provide his employer with information that would enable direct deposit, APA believes employers should be able to provide the employee with a paycard instead of a paper paycheck, as long as the employee can withdraw the funds with reasonable ease, and without incurring a fee for at least one withdrawal.

**DEDICATED, MOTIVATED, EDUCATED**

Our members pay America's employees in the most efficient method possible, while complying with federal, state, and

local tax laws, minimum wage and overtime laws, and wage payment laws.

Employers are required by law to provide employees their full pay without discount. For employers offering paycards, this means that employees must have a way to get their complete pay—down to the penny—without incurring a fee.

The 15 states that have codified the use of paycards agree with APA that providing employees with a single free transaction every pay period complies with the law. APA argues that requiring more free transactions would call for more than is required of payments made by other means. So while there may be fees associated with the use of paycards, those fees need to be compared to the fees employees pay when paid by direct deposit or paper paycheck.

An employee who does not have a bank account must find a way to cash their check. Check cashers charge 2-3% of the value of a check for their services. An employee who is paid twice a month and receives checks of \$500 would pay a check casher up to \$30 a month for its services. A paycard user might visit an ATM or make point-of-sale purchases every other day and not pay that much in fees.

Those who use banks pay fees. I receive my pay by direct deposit. I do not pay a fee to access my wages when I use my bank's ATM, but if I use a competitor's bank, I get charged by both that bank and my own bank. Am I a victim of the banking industry? Maybe so. But I know I can avoid those fees, and I choose to accept them as a convenience for being able to access my money when I want it. I also understand that ATM fees are not imposed by my employer.

#### THE STORY NOT BEING TOLD

There is a tremendous upside to using paycards that doesn't seem to get enough attention. For employees, paycards have considerable benefits over paper paychecks and can be more cost-effective than conventional checking accounts.

The Federal Reserve noted in 2005 that paycards are actually the most cost-effective transaction accounts available. They are generally less expensive than checking accounts, generally less expensive than stored-value cards, and 80% less expensive than check-cashing services.

Safety also provides value. There is considerable risk related to carrying home one's entire pay. A February 15 article in *The New York Times*, "Day Laborers Are Easy Prey in New Orleans," referred to workers who were paid in cash every day as "walking ATMs" for criminals.

For an employee who cannot get a bank account, the

paycard offers a safe method of storing funds. With banks collapsing around us, it is worth noting that the Federal Deposit Insurance Corporation (FDIC) insures the deposits underlying payroll cards for up to \$250,000. So even if the bank holding the account goes under, the cardholder is unlikely to lose anything.

Paycards can also open up opportunities that would otherwise be unavailable to some people. Individuals using the cards can shop and pay bills online, for example. These are not credit cards, so there is little worry of falling into debt by using them.

The Paycard Subcommittee finds that the biggest "problem" with paycards is ignorance of how they work.

It is recognized that employers are interested in paying wages electronically in order to reduce the administrative cost of producing and distributing paper paychecks.

According to the Office of the Comptroller of the Treasury, on average, it costs about \$3 to produce a paycheck and it costs employers \$8-10 to replace a lost check. The Comptroller says that

about four million paychecks are lost every year.

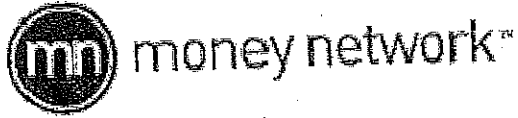
Employers also have a compliance incentive to pay wages electronically. Delivering paychecks on a regularly established payday (as required by law) can be disrupted by any number of things. Most often it is due to bad weather (i.e., floods, fires, blizzards, etc.).

In 2008, the Federal Emergency Management Agency (FEMA) recognized 93 natural disasters in the United States, any of which could have disrupted business operations on someone's payday. Employees who are paid by direct deposit or paycard usually do not suffer from such delays.

The savings an employer might realize by implementing paycards is dependent upon the size of the payroll and the number of employees currently receiving paper paychecks. For some companies it amounts to hundreds of thousands of dollars, which could be reallocated to improve facilities or employee benefits. In this economy, it could literally save jobs.

The Paycard Subcommittee finds that the biggest "problem" with paycards is ignorance of how they work. Some employees do not know how to avoid ATM and other fees. State lawmakers, departments of labor, and attorneys general sometimes confuse payroll cards with payday lenders. Payroll professionals should work toward better educating their employees, and APA will continue to inform the rest. ■

# PENDING APPROVAL



Cardholder Support Center  
7000 Goodlett Farms Parkway  
Second Floor  
Cordova, Tennessee 38016

First Financial Bank, Englewood, CO  
(Member, FDIC)  
ABA Routing Number: 084003997

Card Number:  
Account Number:  
ABA Routing number:  
John Doe  
Street Address  
City, State, ZIP Code

Here is your new Visa® Debit Payroll Card!

To start enjoying the benefits of your new Visa Debit Payroll Card, please sign the back of your card and then follow the instructions below.

To view your account on the web, go to <https://www.moneynetwork.com> and select Access Your Paycard Account.

### EMPLOYEE FEE STRUCTURE

Domestic ATM Transactions	\$0.00
International ATM Transactions	\$0.00
PIN-based POS Transactions	\$0.00
Purchase of a TransCheck	\$0.00
Monthly Account Maintenance	\$0.00
Insufficient Funds	\$0.00
Signature Debit Bank Counter Withdrawal (Cash Advance)	\$0.00
Lost/Stolen Card Replacement (Additional charge for overnight delivery)	\$0.00
ACH Stop Payment	\$0.00

### FREE TRANSACTIONS

Automated Customer Service	\$ 0.00
ACH Account Transfers	\$ 0.00
Monthly Statement (via Internet)	\$ 0.00
Signature-Based POS Transactions	\$0.00

### OPERATOR ASSISTED FEES

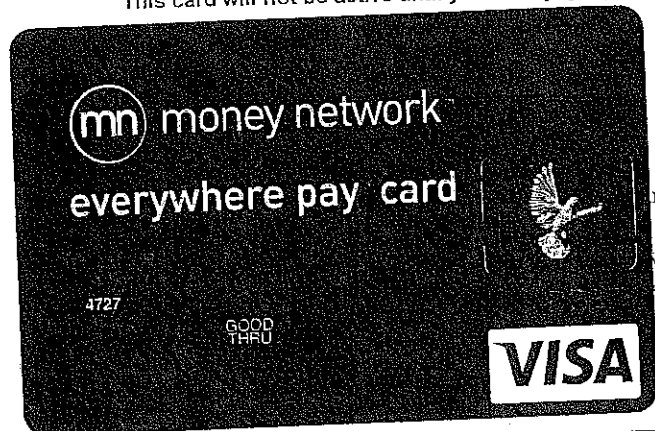
Live Operator Assistance (per call)	\$ 1.00
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### DAILY LIMITS

ATM Daily Withdrawal Limit	\$400.00
POS Daily Transaction Limit	\$600.00
TransCheck Limit	\$10,000.00 per check

(DEMO)

This card will not be active until your first payday.

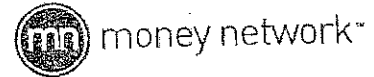


### Authorized Electronic Signature and Money Network Card Agreement

I request the opening of a direct deposit account with, and the issuance and activation of the enclosed banking card by, First Financial Bank. I agree to be bound by the enclosed Terms and Conditions, Electronic Transfers, Funds Availability and Truth in Savings disclosures relating to the account and card (the "Agreement") and agree that by retaining, activating or using the card, I consent to and accept the terms of the Agreement and that use of the account access code number in connection with the card shall constitute my electronic signature indicating such consent and acceptance. I acknowledge that by my consent and acceptance of the Agreement, any existing identical captioned accounts with First Financial Bank are hereby authorized to be closed and any remaining balance transferred to this account. I acknowledge, agree, warrant and represent that my employer is my authorized and duly appointed agent to initiate any credit entries and, if necessary, to initiate any debit entries to correct an erroneous credit entry to my account with First Financial Bank, and to provide identity verification information and documentation as may reasonably be required by First Financial Bank or in order to comply with applicable law, and that such authorizations will remain in full force and effect until my employer has received written notification of its termination as my authorized agent in such time and manner as to afford my employer and First Financial Bank a reasonable opportunity to act on it. I acknowledge that the enclosed fee schedule (including all charges and fees therein), as may be amended from time to time, is incorporated by reference into the Agreement, that First Financial Bank may change any term of the Agreement and the fee schedule at any time (and will provided me with notice of such change if required by law), and that my retention and use of the account after the effective date of any such change will constitute acceptance of the new terms.

(NOW)

## Money Network™ Pay Card Frequently Asked Questions



**Q: Can I upgrade to a Visa® Payroll Card?**

A: Yes, by calling Customer Service at 1-888-913-0900.

**Q: Where can I use my Money Network Pay Card?**

A: You can use your debit card at millions of merchants and ATMs\* nationwide.

**Q: How can I check my balance to know exactly how much money is on my card?**

A: You can check your current balance anytime by accessing the complimentary Cardholder Support website at [www.moneynetwork.com](http://www.moneynetwork.com), by calling Customer Service at 1-888-913-0900 (*this number is on the back of your card*) at an ATM\* or you can have your balance sent to your cell phone via text message.

**Q: Can I transfer money from my card to my bank account?**

A: Yes, via the cardholder website at [www.moneynetwork.com](http://www.moneynetwork.com) or by calling the automated phone service at 1-888-913-0900 (*this number is on the back of your card*).

**Q: What are the daily limits on ATM withdrawals and point-of-sale purchases?**

A: The Money Network Pay Card has a daily limit of \$400 cash withdrawals from an ATM\* and \$1000 in purchases plus cash back obtained from retail point-of-sale (POS) terminals\*. Some ATM owners may limit the amount of cash dispensed per transaction which may require multiple withdrawals to take the full amount of cash needed. (*Note: If multiple transactions are needed, multiple ATM fees may apply*).

**Q: Will I receive a monthly statement?**

A: Statement information is available online through the Cardholder Support web site at [www.moneynetwork.com](http://www.moneynetwork.com). You can also hear your last 5 transactions when you call the automated customer service line and are logged into your account. When you upgrade to a personal Visa® card, you will receive a monthly statement in the mail that lists the activity in your Money Network™ Pay Card account. Statement information is also available online through the Cardholder Support website at [www.moneynetwork.com](http://www.moneynetwork.com).

**Q: What should I do if my card is lost, stolen, or damaged?**

A: Report a lost or stolen card immediately by contacting Customer Service at 1-888-913-0900. You can access funds using a Money Network Check while you are waiting on the replacement card.

**Q: Does my employer see information on how I use my Money Network Pay Card or where I spend my money?**

A: No. All your transactions are private. Your employer has no access to your card information and Customer Service will not discuss any account information with anyone except the cardholder.

\* Nominal fees may apply



**A complete and  
convenient paperless  
pay system.**

## Overview

Looking for a new way to pay your employees utilizing the security of direct deposit, even if your employee doesn't have a personal checking account? By utilizing the BOKF Payroll Card, employers will have a complete paperless pay system providing employees a safe, convenient and cost-effective alternative to receiving checks.

With the Payroll Card, employers can reduce the cost of production, distribution, fraud, and other costs associated with issuing paper checks, while it offers employees immediate and convenient access to their funds. Both PIN-based and VISA card options are available.

## Benefits

- Reduce the costs associated with production, distribution, fraud and check related fees
- Guaranteed acceptance of all employees with no credit checks
- Maximizes direct deposit participation
- FDIC Insured
- 24/7 Bilingual Customer Service
- Meet specific employee requirements with flexible solutions and immediate access to an employee's payroll

## How It Works

### Accessing Funds Using the Payroll Card:

- Make withdrawals at ATM's nationwide.
- Use the card at any merchant that accepts pin-based debit cards.
- Receive cash back from any pin-based debit location.
- Use the Money Network feature to pay bills and eliminate money order fees.
- ACH transfers to hometown bank accounts.

### Placing value on the Payroll Card:

1. Standard Direct Deposit with no additional systems needed
2. "Real Time funding" available via internet based tools offering instant funds transfer.
3. Off-cycle adjustments



## Costs to Consider When Moving from Checks to Direct Deposit or Payroll Card

- Check supplies - preprinted or special paper and envelopes
- Ordering process - monitoring lead times to ensure guaranteed supply
- Receiving process - logging preprinted checks or special storing of unique paper supply
- Printer costs - maintaining check creation quality printers
- Printing of checks - preprinted or using special magnetic ink
- Preparation for distribution - folding, inserting, sealing, etc.
- Folding, inserting, sealing equipment costs
- Control and replacement of any damaged or mutilated checks in printing or stuffing
- Distribution of checks - mail or overnight courier
- Security for check stock from printing through distribution
- Calls concerning late or undelivered checks
- Stop payment for lost, damaged or erroneous checks
- Reissue of check for lost, damaged or erroneous checks
- Printing and distribution of reissue checks
- Bank service charge for processing payroll checks
- Payroll bank account check reconciliation
- Escheat reporting for old unlearned payroll checks
- Pay check fraud investigation
- Pay check fraud liability
- Field employee lost productivity due to lost or damaged pay checks
- Field management distributing checks personally
- Field employee lost productivity due to having to cash checks on company time
- Cash drawer reconciliation of shrinkage due to advancing money for employees
- Headquarter lost productivity for check verification phone calls from check cashing outlets

## Oklahoma Labor Law Interpretation as of Nov 2009

### 9. Electronic Payment of wages

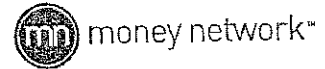
On November 17, 2009, the Oklahoma Attorney General issued a formal opinion, Attorney General Opinion 0931, regarding payment of wages by electronic means. The payment of wages due an employee by electronic means is governed by the Federal Electronic Fund Transfer Act ("EFTA") (15 U.S.C. §§ 1693-1693r). *See* 15 U.S.C. § 1693q. The regulation implementing the EFTA, 12 C.F.R. §§ 205-205.18, and the Official Staff Interpretations supplementing Regulation E (12 C.F.R. pt. 205, supp. I) provide additional authority in the application of the EFTA to electronic wage payments. *See Ford Motor Credit Co. v. Milhollin*, 444 U.S. 555, 567-68 (1980); 15 U.S.C. §§ 1693b, 1693m. The EFTA preempts state law governing consumer electronic fund transfers to the extent that those laws are inconsistent with the EFTA and then only to the extent of the inconsistency. *See* 15 U.S.C. § 1693q.

The Attorney General concluded an employer may require an employee to accept the payment of wages by direct deposit. However, the employer cannot require a certain bank be used. If the employer's policy only allows employees to receive the direct deposits at a certain bank, then they cannot require the employee to use direct deposit and must offer the option of cash or check. The employer cannot require the use of payroll debit cards. The employee can choose to use a payroll debit card, but it must be voluntary.

Wage statements (pay stubs) do not have to be written or printed. They can be in electronic form as long as the method of delivery places no burden on the employee in order to receive the statement. The employer cannot post the information on the internet and require the employee to login to view the information. No other examples of what form of delivery would be considered acceptable were listed. The burden on the employee would depend on the factual circumstances involved.

Regardless of the method of delivery, wages must be payable on demand without discount. Employees cannot be charged a fee to receive wages by electronic means.

## Tips for using the Money Network™ Fastrack Pay Card



### CASH

The cheapest and most efficient way to obtain cash is to get 'cash back' when making purchases.

- Learn which merchants in the immediate area give 'cash back' and how much they give. Be able to direct employees to these locations. This will create the greatest level of employee satisfaction.
- Some stores which give 'cash back' with purchases include:

Wal-Mart Stores	Target Stores	Kroger Grocery Stores
Publix Grocery Stores	Auto Zone Stores	K-Mart Stores
Home Depot Stores	CVS Stores	Lowes Stores
Walgreen Stores	Advanced Auto Stores	Rite Aid Stores
1000's of other stores		

- Find the nearest surcharge free Allpoint Network ATM and be able to direct employees to it.

### CHECK CASHING

- Learn where Money Network™ Checks can be cashed and be able to direct employees to those locations. This information can be found on Money Network's website, [www.moneynetwork.com](http://www.moneynetwork.com) at the 'Money Network Locator' link. Click on this link to find Check Cashers, Surcharge Free ATMs and Card Reload Locations by city and/or zip code.

### RECOMMENDATIONS FOR GETTING STARTED

- The biggest single advantage to pay card holders is **CONVENIENCE**. Remind them of not having to wait to get their check and no standing in line to deposit or cash.
- Post the fee schedule on the wall so employees are aware there are fees for some transactions when using the card and they understand their **FREE** transactions.
- Remind employees about the one time PIN set up process.
- Have the Customer Service number handy to give to employees - 1-888-913-0900
- Remind employees that any kind of action at an ATM represents a fee transaction – inquiry, decline or invalid PIN as well as a completed withdrawal. (*Remember, the 1st ATM transaction is FREE when using an Allpoint Network ATM*).
- If employee cannot read, hand out pictograms that show how to use ATM's and make store purchases.
- Keep some Money Network Checks on hand for a cardholder who may need one because they have lost their pay card and need to access their money before the new pay card arrives. You can always use a Money Network Check from an unissued pay card kit.
- Sign up for a pay card and have a portion of your pay deposited to it. Being able to tell employees that you use the card has tremendous impact.
- Remind employees that they do not have to ask merchants if the card is accepted. If the merchant provides the swipe pad where a PIN can be entered, then the card can be used. The cardholder does not give their card to anyone, just swipe, enter PIN and go.