



# Supporting Your Non-Benefit Payment Needs:

## The Present and Future of the U.S. Debit Card Program

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August 17, 2015



# US Debit Card

BUREAU OF THE FISCAL SERVICE

## The Present

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# Bureau of the Fiscal Service

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- **Mission:** We exist to promote the financial integrity and operational efficiency of the federal government through exceptional accounting, financing, collections, payments, and shared services.
- **Vision:** We will transform financial management and the delivery of shared services in the federal government.

# US Debit Card (USDC) Program

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- Provide Federal agencies with the ability to deliver Federal non-benefit\* payments through debit cards, as an alternative to checks, drafts, cash, and other non-electronic mechanisms
- The program is administered by the Bureau of the Fiscal Service, with the assistance of our financial agent: JPMorgan Chase Bank

# USDC Legal Authority

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- 31 USC 321, 3301-3343: Authority to provide debit card and other payment, collection and cash management services to agencies
- 12 USC 90 and 31 CFR Part 208: Authority to designate financial institutions as financial agents for this purpose

# Changing Landscape in Payments

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Federal Reserve Bank payments study:

- Debit card growth analysis
- Most common in store and POS payment type
- From 2000-2012 debit card payments grew by 38.7 billion payments
- Average volume growth of 15.6% per year from 2000-2012

International Markets:

- EMV Dominant
- Early NFC Adoption

# Benefits of using USDC

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- Reduced agency dependence on cash and checks
- Enhances agency's financial control through:
  - ability to audit funding and spending behaviors
  - speed of payment
  - fraud protection
- Operational efficiencies and cost savings
- Supports the Paperwork Reduction Act
- Eliminates/reduces funds held outside Treasury
- Eliminates the cost of issuing a Treasury check (\$1.06)

# Agencies Currently Using USDC

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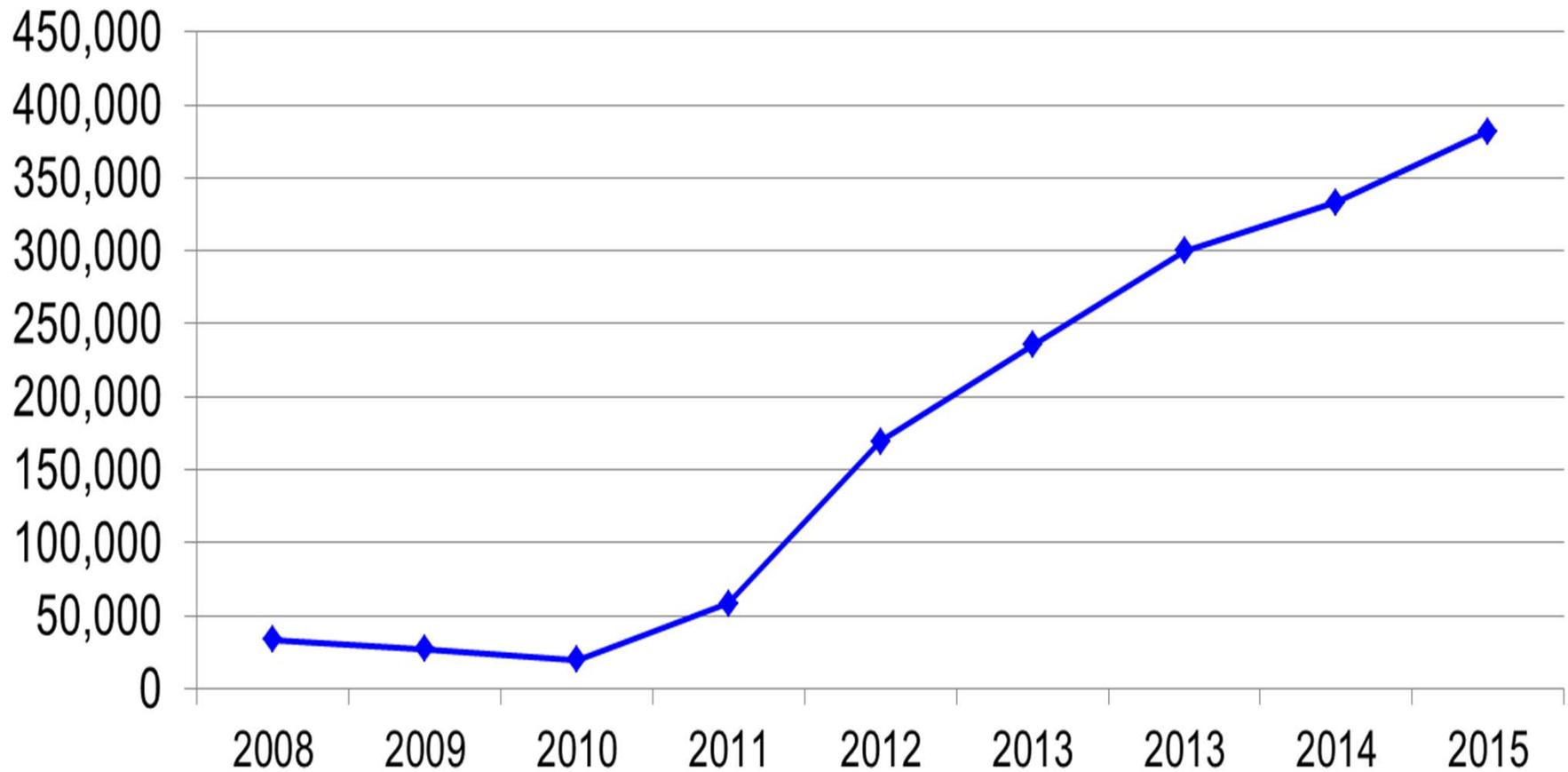


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# Program Growth

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# Key Features of USDC

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- Web-based platform that enables agencies to:
- Assign various roles and limits for checks and balances
- Activate/deactivate cards
- Fund/defund cards
- Access various online reports
- Cards can be issued immediately by agency or mailed by Financial agents
- Cards can be funded per individual or by batch file
- Cards can be branded to use anywhere Visa/MasterCard are accepted, or limited to specific merchant categories
- 24 hour customer service online or via toll free number

# Common and Unique Uses

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- TRANServe – 178,562 Cards
- International Travelers (In the US)
- DoD Umbrella – 10 Distinct Programs
  
- BoP Prisoner Release – 148,343 Cards
- Native American Trust Payments (Capital Funds)
- FEMA Volunteer Payments

# Pricing and Fees

Transaction Type	Fees
First Automated Teller Machine (ATM) Withdrawal Per Deposit <sup>1</sup> – Domestic	FREE
ATM Withdrawal – Domestic	\$2.00
ATM Withdrawal – International	\$3.00
ATM Withdrawal – On Us <sup>2</sup>	\$2.00
Over the Counter (OTC) Withdrawal	\$7.00
ATM Inquiry – Domestic & International	\$0.45
POS Transaction (domestic & international; off-line & on-line)	FREE
Declined Point-of-Sale (POS) Transaction (domestic & international; off-line & on-line)	\$0.25
Card Replacement – first per calendar year	\$7.50
Card Replacement – after first per calendar year	\$7.50
Rush Card Replacement (including card)	\$24.50
Inactivity Charge (after 3 consecutive months of no activity)	\$1.50
Foreign Currency Conversion	3.5% of transaction
Paper Statement	Not available
Check Issuance	Not available
JPMC Online Bill Payment (per transaction)	Not available
<b>BANK SERVICE</b>	
Card Package <sup>3</sup>	FREE
Profile setup	FREE
Additional profile setup	FREE
Monthly Program Management Fee Per Profile	FREE

# What USDC is Not

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- A credit card
- A benefit payments card (SSN, Payroll, Retirement)
- EMV capable...for now
- NFC capable...for now



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## The Future

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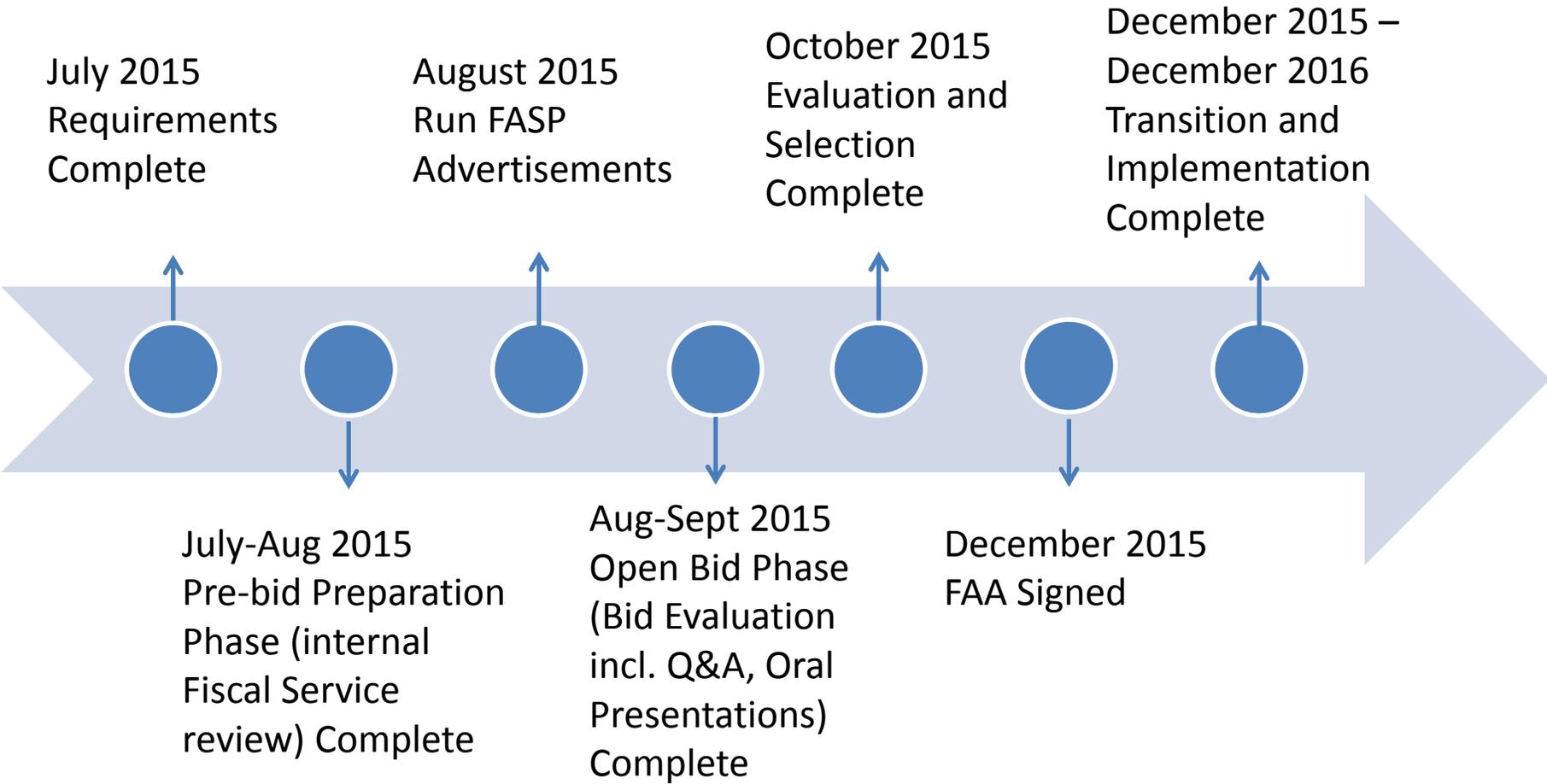
# Background

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- Existing Financial Agent (FA), JPMorgan, notified Fiscal Service that they wish to no longer be in the Government pre-paid card business. A Financial Agent Selection Process (FASP) must be conducted for the U.S. Debit Card Program in order to select a new FA
- JPMorgan's current Financial Agent Agreement (FAA) expires June 2016 and includes options to extend in order to complete transitioning to new FA

# FASP Timeline

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# Possible Future Enhancements

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- Requirement: EMV Chip Technology: per Executive Order (dated 10-17-14), all cards will have EMV chip technology.
- Mobile App: Cardholders may be able to check their account balance and other transaction data via a mobile application.

# Continued Program Features

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- 365/7/24 Customer Service
- Fraud monitoring and investigating services
- Cardstock availability
- Debit card features
  - Reloadable/Non-reloadable
  - Fulfillment of instant-issued cards
  - Branded or Unbranded Cards
  - Regulation E Protections
  - Establish Account Profiles:
    - Agency Owned Funds or Cardholder Owned Funds
  - Reporting
  - Transaction data collected and provided to agency customers

# Contact Information

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## **Primary Contact – Program Operations**

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