

CITY OF MINNEAPOLIS

Employee Pay card Implementation

Finance / Treasury

What is an Employee Pay card?

- It is a payment option for employees who are unbanked or underbanked.
- It allows the cardholder to have their paycheck loaded onto a card so that their funds are available instantly.
- It can be used just like a credit card to pay for purchases and can also be used to receive cash from any ATM.
- It saves the city money by not having to issue paper checks.

2015 Banking Services Contract

- Paycard was one of the Required Services included in the RFP
- Wells Fargo Bank is the selected vendor
- The contract was executed with Wells Fargo as of April 1st, 2015
- The paycard service was not implemented at that time



Paycard Objectives

- Comply with city payroll policy on requiring all city employees to use direct deposit, which was established in 2002.
- Provide a better option to service unbanked and underbanked employees.
- Reduce paper checks.
- Reduce fraud by eliminating the higher risk of paper checks and by using chip enabled pay cards.
- Simplify the distribution process by using the direct deposit file instead of processing paychecks.
- Simplify the city's payroll process administration
- Improve security & business continuity in case of business interruption.

Paycard Benefits

City Benefits

- **Eliminate Costs.** Saves paper check expense. Wells Fargo administers escheatment.
- **Minimize Fraud.** Protect against fraud loss due to paper checks. Wells Fargo provides fraud monitoring.
- **Customize card.** Add your business name and logo to card.
- **Easy funding.** Cards issued once; funds deposited to the card via ACH as needed. Same day funding with Wells Fargo ACH.
- **Pay almost anyone.** Make payments to almost anyone, even to the unbanked. (Cardholders are subject to identity verification.)
- **Customer Service.** Wells Fargo provides all cardholder program support.

Cardholder Benefits

- **Convenient access to funds.** Signature and PIN purchases at participating merchants. Cash access at ATM;s, over-the-counter (teller withdrawal), optional card account transfer.
- **Dependable payments.** After receiving their card, cardholders can access funds loaded to their card immediately upon activation. No persistent risk of lost checks or mail delays.
- **Reduced costs.** Eliminate check cashing fees.
- **FDIC Insured.**
- **Added Protection.** Zero liability protection on purchases protects cardholder in case of theft when reported promptly.
- **Cardholder support.** 24 hours a day, 7 days a week.
 - Phone support for lost and stolen cards – balance transferred to new card automatically
 - Cardholder website for balance, transactions, among other features.
 - 24 x 7 access to balance & transactions online or on IVR at no charge.
- **Account cannot be overdrawn**
- **Could provide a gateway to further banking services**

Paycard Process

- Employees complete enrollment form
- City Orders Paycard for Employee
- Wells Fargo verifies Identity
- Employee Paycard is returned to City
- Payroll sets up Employee for Card Payment
- Card is distributed to Employee
- Employee Activates Card
- City adds funds to pay card at next pay cycle.
- Employee uses card

Sample

Co-branded Card



Price Schedule – Cardholder Fees

❖ Base costs should/could be ZERO

➤ Added charges may be applied

- Multiple ATM withdrawals per deposit will cost \$1.50 per transaction after the first one.
- Multiple customer service inquiries will cost \$2.00 per transaction after the first call. Well Fargo window visits are free.
- Multiple card replacements per year will cost \$15.00 per card after the first one. (Stolen cards will have no charge)

Price Schedule – City Fees

Service	Price
	Cobranded card program
Implementation setup *	\$1,000.00
Monthly base	\$100.00
Active card (each card loaded during the month)	\$1.50
Per card ordered (includes instant issue inventory)	\$3.00
Instant fund or reload a card	\$1.00
Instant issue as a replacement	\$10.00
Express delivery ₂	\$20.00

- Standard Implementation setup fees waived if all programs are implemented at the same time
- The average annual cost estimate of over \$28,000 is MORE than offset by administrative savings.

CITY OF MINNEAPOLIS

Additional information can be found on CityTalk
under Finance & Property Services/ Treasury/ paycards.

Questions and Comments?

THANK YOU