

# Federal Reserve Bank of Philadelphia Government Use of Payment Card System



**Commonwealth of Virginia**  
**Department of the Treasury**

July 11, 2011

# The Beginning

- Hurricane Isabel – September 2003
- 1.8 million homes without power
- 20 inches of rain caused flash flooding
- 1,186 homes and 77 business destroyed
- \$1.85B in damage and 36 deaths

# A Need Created

- General Warrant RFP issued in late 2004
- Awarded in 2005
- Included a provision for electronic payments

# Objectives

- Sure Payment Method
- Convenient to use
- Low or no cost
- Reach the unbanked

# Benefits to the Commonwealth

- No cost to the state
- Saves \$.65 in direct cost for every check eliminated
- Reduces customer service calls to state agencies
- 83% of disbursements are made electronically

# Current Applications

- Payroll (pilot) late 2005
- Unemployment Insurance June 2006
- Child Support October 2006
- TANF August 2008
- Over 500,000 cards issued with approximately \$800,000 disbursed annually

# Unique Features

- One card across all payment types
- Recurring payments
- Mobile messaging
- Bill Pay

# Future Programs

- Virginia Retirement System
- Programs for adoptive children
- Inmate release program
- Tax refunds

# Recent Disaster

- In April 2011, 30 tornadoes hit Virginia
- 212 homes destroyed
- 1,000 homes damaged
- 10 deaths