



# Modernizing County Finance with Digital Disbursements

Tuesday, April 30, 2024

Moderator: Seamus Dowdall, NACo, Associate Legislative Director

Panelists:

Hon. Scott G. Erickson, Knox County, IL, County Clerk & Recorder

Curtis Webb, Visa Direct, Senior Director, Head of Disbursements

# 1

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Introduction and Background

# 2

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Knox County Pilot Program  
Overview & Challenges

# 3

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Digitizing Disbursements with  
Visa Direct

# 4

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Q&A

How can county governments increase efficiency and deliver more value with digital disbursements?

# Introductions



**Seamus Dowdall,**  
Associate Legislative  
Director, Telecommunications  
& Technology, NACo

**Moderator**



**Curtis Webb,**  
Senior Director  
Head of Disbursements  
Visa Direct, North America,  
Visa Moderator, Visa

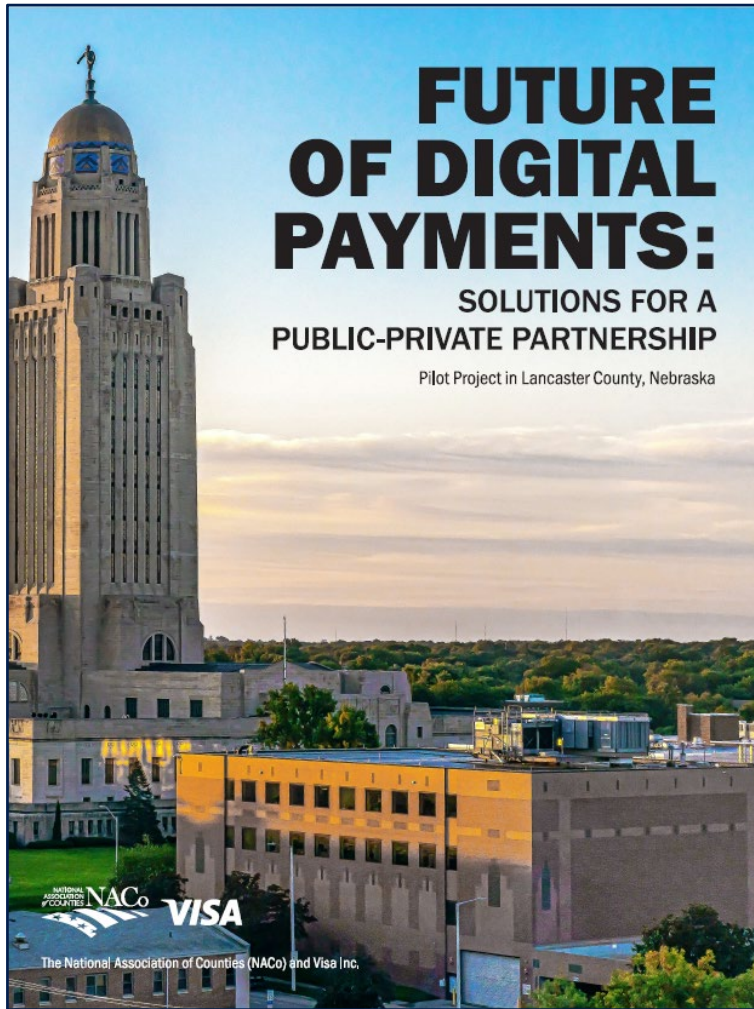


**Hon. Scott G. Erickson,**  
County Clerk & Recorder,  
Knox County, IL

**Panelists**



# Building on previous research



NACo and Visa released Future of Digital Payments: Solutions For a Public-Private Partnership, based on a study in Lancaster County, Nebraska, which examined how **county staff use digital payment systems** to accept payments, disburse funds, and procure goods and services.

## Key Findings



Using digital payments can help lower costs compared to cash and check transactions.



Payment preferences vary depending on constituent age and the type of transaction.



Internal processes and department impacts should be considered to effectively foster widespread adoption of new digital payment systems.

# Knox Pay: Exploring the impact of real-time\* payments for counties

## Overview

Visa and NACo launched a partnership to explore innovative ways to implement digital disbursements for county agencies and their constituents.

- ✓ The 12-month Knox Pay pilot program tested Visa Direct, which is designed to securely deliver payments to recipients' bank accounts in real time.\*
- ✓ The program includes disbursements made by Knox County, Illinois to jurors and election judges.
- ✓ The final report will be released in April 2024.

\*Real time payments allow you to have money deposited in less than 30 minutes into your bank account from an app or website — usually within a few seconds. Actual fund availability varies by receiving financial institution, receiving account type, region, and whether transaction is domestic or cross-border.

## Primary goal of the pilot program

Understand how Knox County can **improve efficiency and the constituent experience** by delivering payments with Visa Direct

# Visa and Knox County partnered closely to launch and grow the program



## Pain Point

It was taking 3 to 4 weeks for constituents to receive checks — some jurors would get their checks a full month after jury duty.



## Potential Solution

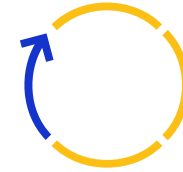
The county could provide much faster payments using Visa Direct .



## Implementation

With any new process, there can be challenges.

There can be a perceived risk that comes with adopting a new digital payment process, especially for older constituents.



## Building momentum

Adoption was slow at first but picked up over time.

The county began to identify common questions asked by residents.

Survey results show early adopters are pleased with the **ease and speed** of payment.

## Key findings from the Knox County pilot program

Integrating technology into processes empowers counties to deliver services and programs efficiently and cost-effectively.

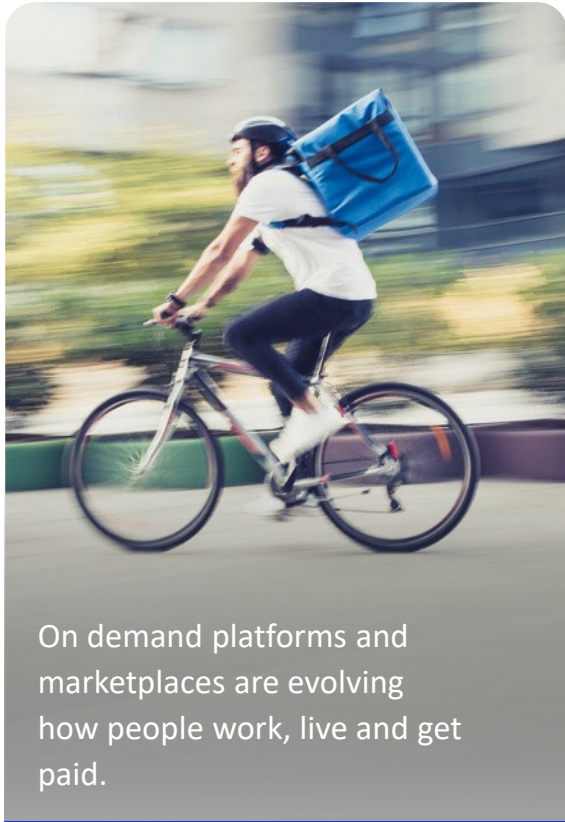
Adaptability is crucial when it comes to achieving your goals.

Success of county digital payment programs relies on stakeholder collaboration and cross-sector partnerships.

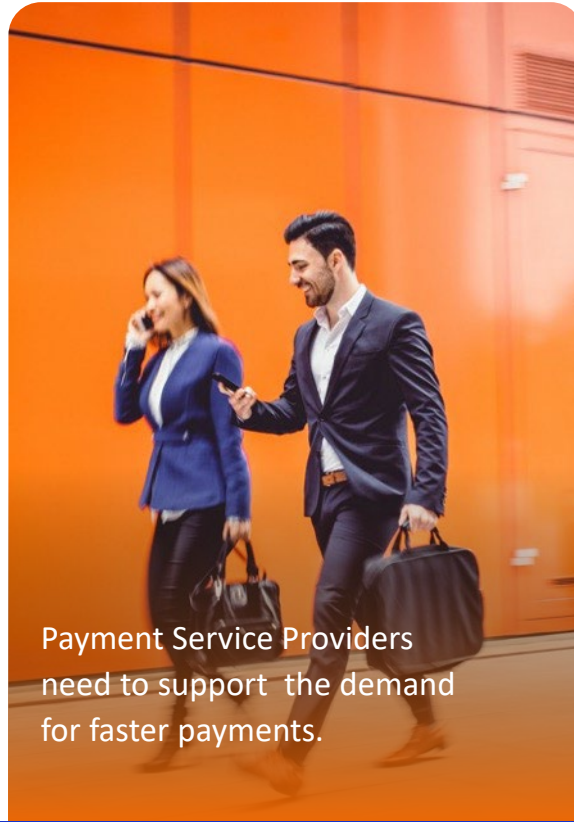
Having a local government champion who can make decisions, address roadblocks, foster collaboration, and drive change is integral.



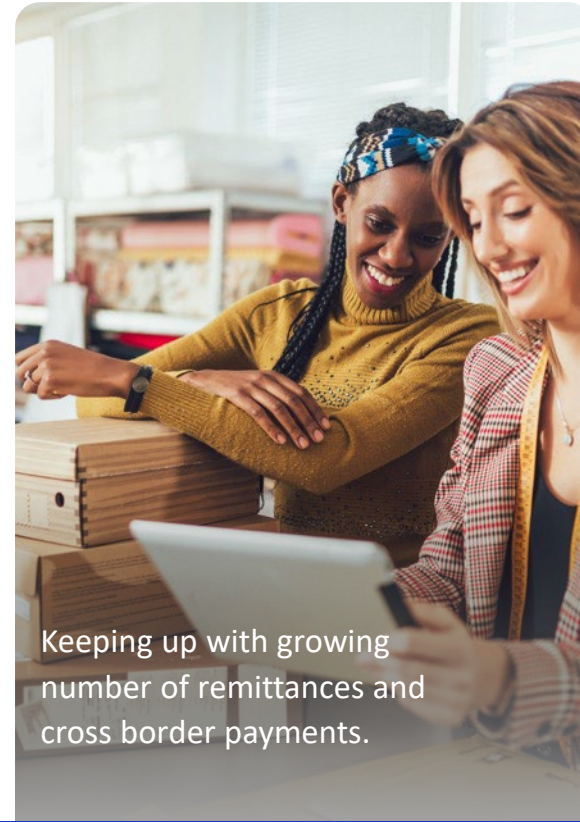
# Payment modernization is underway in all consumer segments



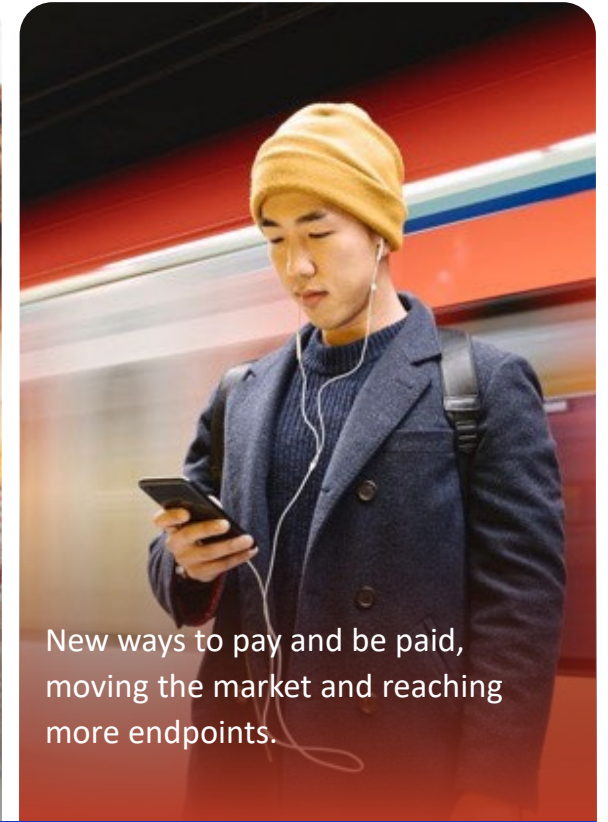
On demand platforms and marketplaces are evolving how people work, live and get paid.



Payment Service Providers need to support the demand for faster payments.



Keeping up with growing number of remittances and cross border payments.



New ways to pay and be paid, moving the market and reaching more endpoints.

 Gig Economy and Freelancers

 Millennials and Gen Z

 Marketplaces

 Consumers


 SMB's


 Corporates


 Remittances

 Suppliers

 Smaller Sellers

 Digital Banks

 Wallets

 New Segments



# A seismic shift is underway to modernize payments

## Batch Payments



Subject to returns



Availability and inter-bank settlement within days



Limited information, proprietary standards



Business hours



Batch clearing

## Real-time Payments



Irrevocable



Immediate availability and faster inter-bank settlement



Data rich, global standards



24x7x365



Faster clearing

# Increasing funds delivery speed while reducing costs of checks

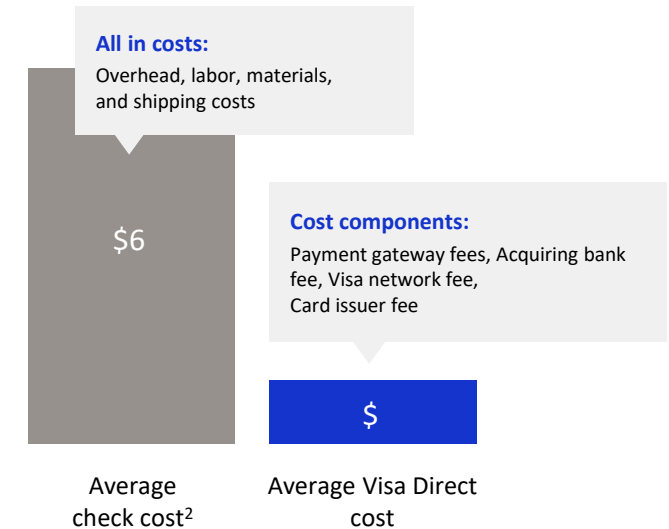
## What is Visa Direct?

Visa Direct allows recipients to have money sent within minutes<sup>1</sup> to their card or bank account. Instead of traveling to deposit a check or waiting 2-3 days for a direct deposit to clear, constituents can simply scan or enter their debit card number to get paid.

## Fast delivery



## Reduced costs



<sup>1</sup> Actual fund availability depends on receiving financial institution and region. Visa requires fast-funds enabled issuers to make funds available to their recipient cardholders within a maximum of 30 minutes of approving the transaction. Please refer to your Visa representative and the Visa Direct Original Credit Transaction Global Implementation Guide for more information

<sup>2</sup> Source: "The Total Economic Impact™ Of Real-Time Funds Disbursements Vs. Traditional Methods," A Forrester Total Economic Impact™ Study Commissioned By Visa, June 2020.

# Existing payments solutions fall short of consumer expectations



**Credentials**



**VAS Capabilities**



**Brand Trust**



**Funds Availability**



**Coverage**



**Cost**

**ACH**

**Check**

**Visa Direct**

Account & Routing #

Account & Routing #

Card#

Med

Low

High

Med

Low

High

2-3 business days

7-10 business days

Typically, under a minute<sup>1</sup>

Domestic

N/A

Nearly 100% Bank Coverage  
Domestic and Cross Border

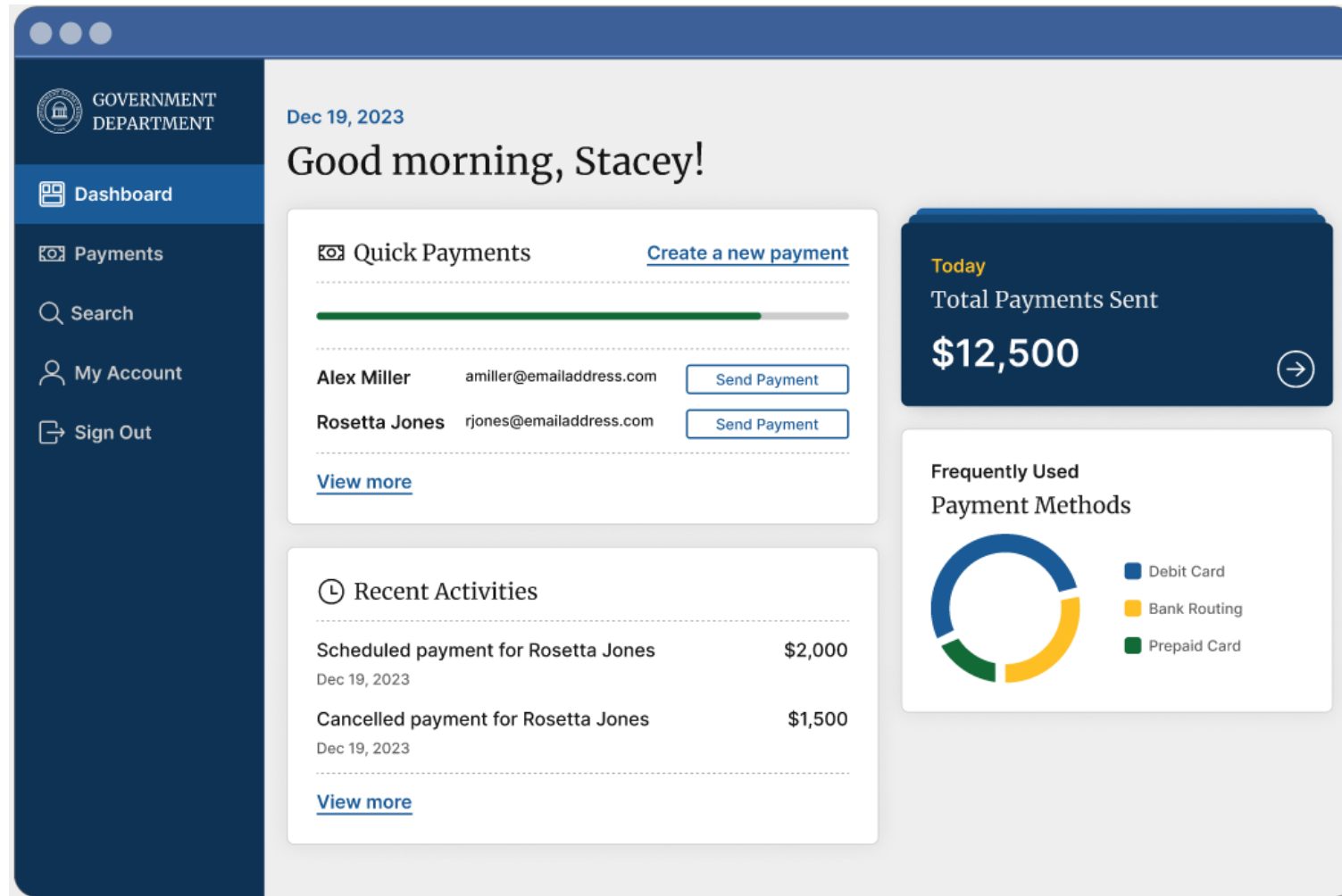
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1. Actual fund availability depends on receiving financial institution and region – measure is applicable for Visa Direct Card, only

# Employee Portal experience can simplify how digital payouts are initiated



Illustrative



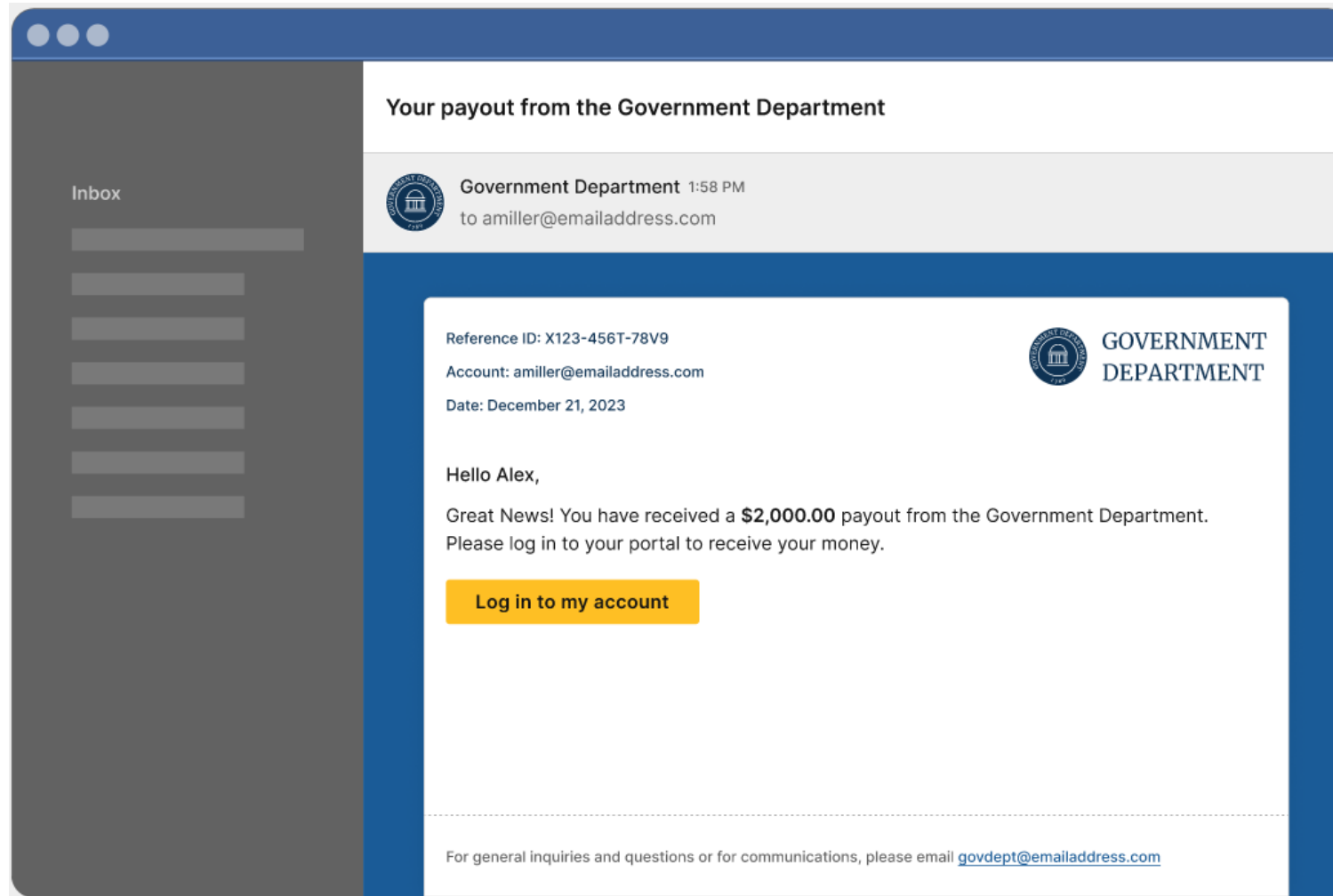
# Populate information for new payments and view payment history

The screenshot shows a web application interface for the Government Department. The left sidebar contains navigation options: Dashboard, Payments (selected), File Uploads, Quick Payments, Scheduled Payments, Cancelled Payouts, Completed Payouts, Search, My Account, and Sign Out. The main content area is titled "Payments > Quick Payments" and "Quick Payment to Alex Miller". It features a form with the following fields: Name (Alex Miller), Email (amiller@emailaddress.com), Reference ID (X123-456T-78V9), Schedule Payment Date (12 / 21 / 2023), Amount (\$2,000), and Memo (For specific government payout). A yellow "Send Payment" button is at the bottom of the form. To the right, there is an "Upload file" button, a "Previous Transactions" section with two entries: "Sent payment to Alex Miller \$3,500 Aug 8, 2023" and "Sent payment to Alex Miller \$1,500 Oct 10, 2022", and a "View more" link. Below that is a "Send to a Different Recipient" section with a search input field.

*Illustrative*

# Recipient notification of available payout via email

*Illustrative*



# Dashboard view shows overview of relevant payout information

Illustrative

The dashboard is titled "GOVERNMENT DEPARTMENT" and includes navigation links for "Dashboard", "Payments", "Search", and a user profile for "Alex Miller". The main content area is titled "Dashboard" and "Welcome back, Alex!".

**Available Payouts**

Government Department	\$2,000
Dec 21, 2023	

[Receive payout](#)

**Recent Transactions** YTD: \$3,500

Bank transfer to First Digital Bank ••1234	\$3,500
Aug 9, 2023	
Bank transfer to First Digital Bank ••1234	\$1,500
Oct 14, 2022	

**Payment Accounts**

First Digital Bank ••1234

[Manage your linked accounts](#)

**Payment Preferences**

You haven't set up your automatic payment preferences

[Set it up now](#)

# Display all payout options by speed vs. payment method type

Illustrative

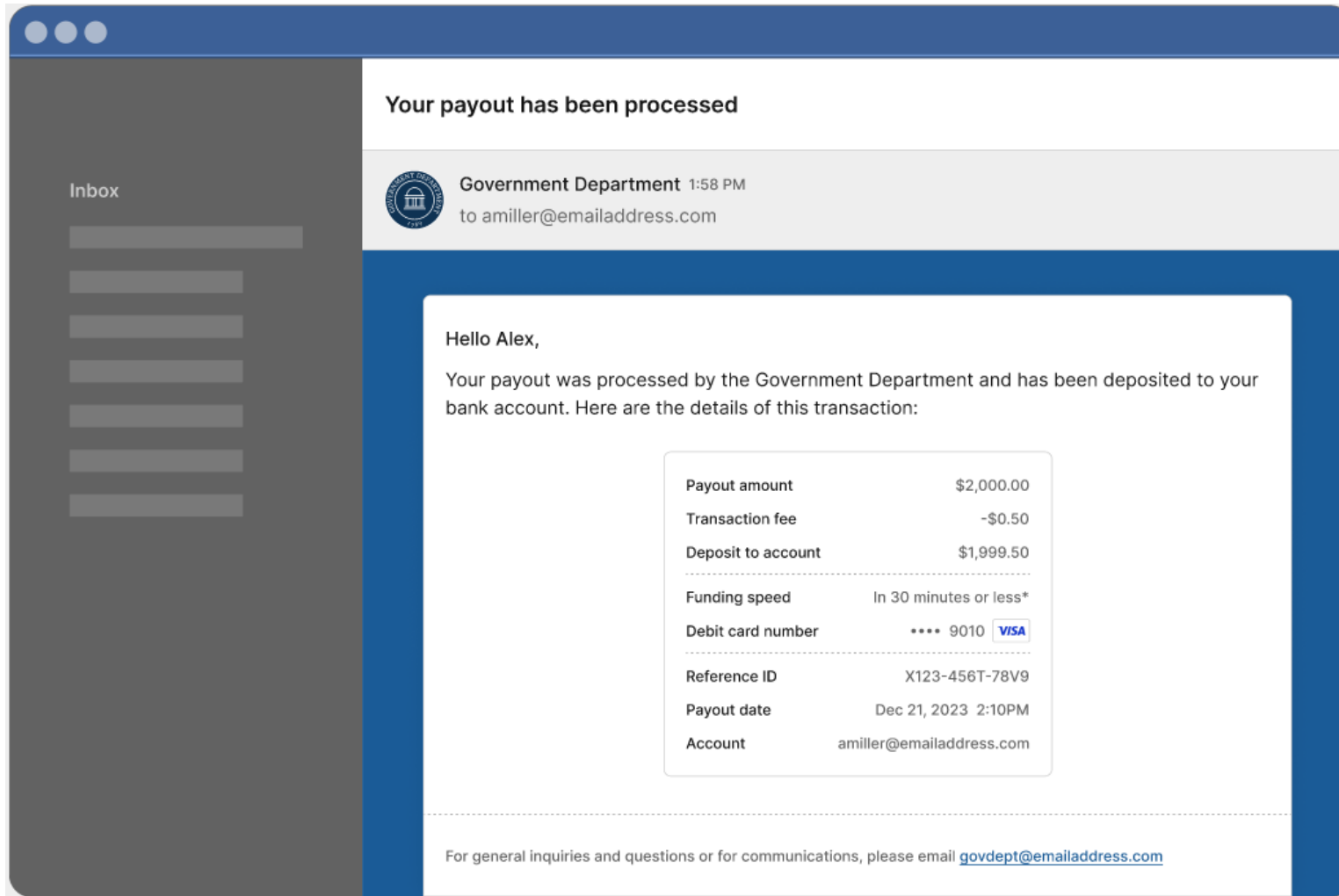
The screenshot shows a web interface for a Government Department. The header includes the department logo and name, and navigation links for Dashboard, Payments, Search, and the user profile Alex Miller. The main content area is titled "Choose your payout speed" and is part of a multi-step process. The first step, "Choose payout speed", is active. It offers two main options: "Fastest: available in 30 minutes or less\*" and "Available in 1-3 days". Under the fastest option, there are two radio buttons: "Debit card" (selected) and "Visa+ payname". The "Debit card" option includes a description, a fee of \$0.50, and a link to "Why my debit card?". The "Visa+ payname" option includes a description and a link to "How does it work?". Under the "Available in 1-3 days" option, there is one radio button: "Account and routing information", which includes a description. To the right of the options is a "Payout Details" box containing a table of transaction information.

Payout Details	
Payout amount	\$2,000.00
Transaction fee	-\$0.50
Deposit to account	\$1,999.50
Reference ID	X123-456T-78V9
Account	amiller@emailaddress.com



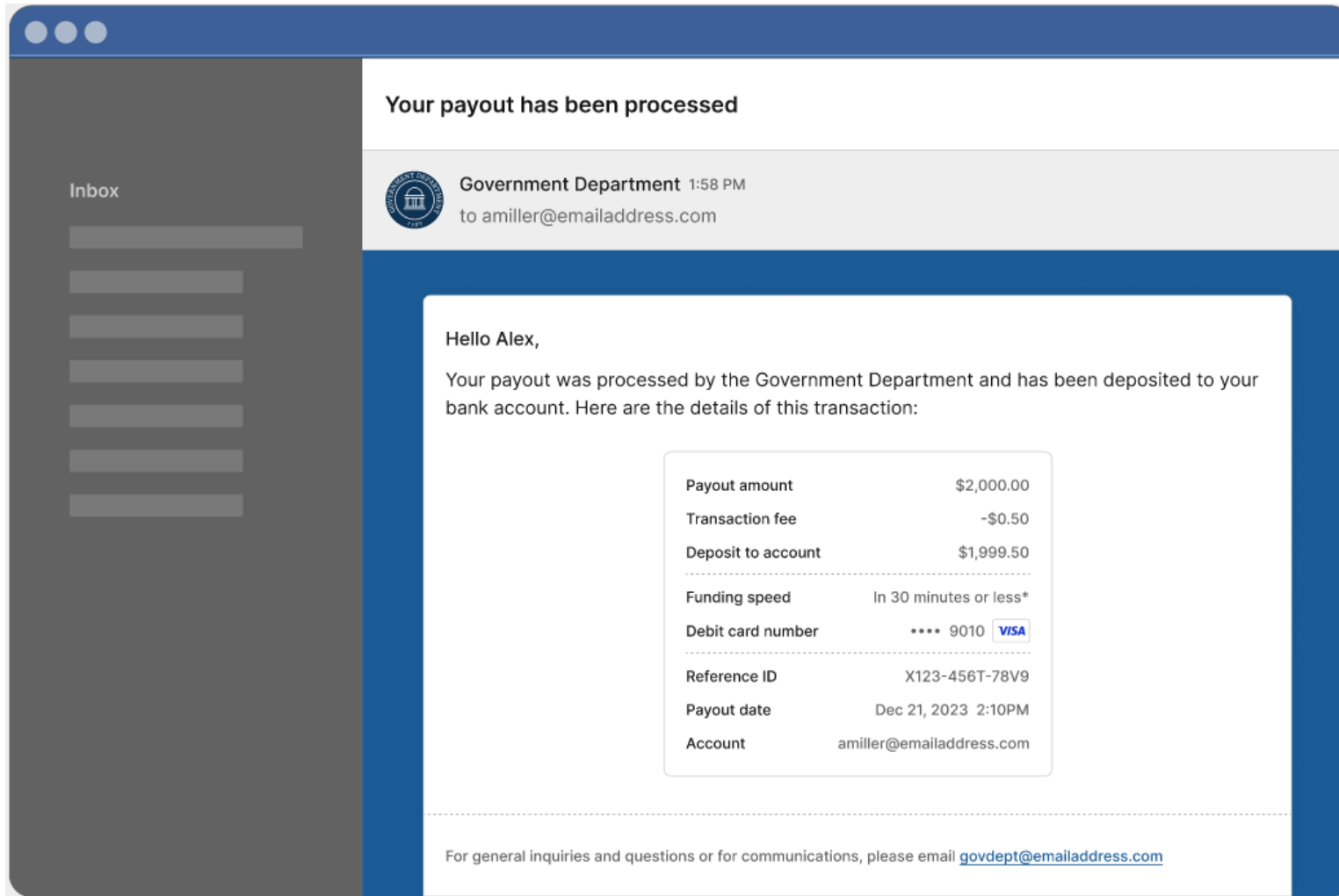
# Email confirmation of successful payout and transaction details

*Illustrative*



# Email confirmation of successful payout and transaction details

*Illustrative*



# Solution Spotlight: Verify an account is eligible to receive transactions and validate the cardholder's name

*Illustrative*

Use **'Account Name Inquiry'** to verify the name on card matches the destination account name.

← Enter card information

— — — — —

Please enter or capture your debit card information.  
[Why my debit card?](#)

First Name Last Name  
Alex Miller

Card number  
.....9010

Expiration date Security Code  
01/24 ... VISA

))) Tap to Add card ⓘ

Continue

Check to verify the account's eligibility to receive OCTs (or AFTs) and Fast Funds posting with **'Account Lookup.'**

# Solution Spotlight: Expedite card onboarding and validate the card number and account early on

*Illustrative*

'Tap to Add' allows for frictionless card credential entry

The illustration shows a mobile app interface for entering card information. At the top, there is a back arrow and the text 'Enter card information'. Below this is a progress indicator with three segments, the first two of which are blue. The main text reads 'Please enter or capture your debit card information.' with a link 'Why my debit card?'. There are four input fields: 'First Name' (containing 'Alex'), 'Last Name' (containing 'Miller'), 'Card number' (containing '.....9010'), and 'Expiration date' (containing '01/24'). A 'Security Code' field is partially visible with '...' and a 'VISA' logo. At the bottom left of the form area, there is a 'Tap to Add card' button with a blue icon. A blue 'Continue' button is at the bottom of the screen.

Use 'Account Updater' to ensure you have the most update to date credentials.

'Account Verification' confirm that the payment destination account is valid based on \$0 Auth and CVV.



Q

A

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VISA

