

## International Payment Processing State Discussion Response Summary

### Methods of sending payments to a foreign child support authority:

39 out of 52 states say that they issue checks only for international payments to a foreign child support authority.

Out of the 13 states who offer check-alternatives:

6 of those 13 only offer Electronic Payment Cards as a secondary payment method

The other 7 states that provide alternative payment solutions are:

- West Virginia, who wires payments at a \$40 fee
- Connecticut, who has the ability to wire payments at a \$30 fee
- Virginia, who performs International ACH Transactions frequently through Bank of America
- Rhode Island, who offers "Website Credit" and Direct Deposits at a \$33 fee for international wire payments.
- New Jersey, who performs SWIFT transfers. However, NJ's SDU is currently paying this since there are not a lot of cases. It is very expensive at approximately \$50/each transaction (\$25 outgoing and another \$25/once received by the CP).
- California, who has the ability to perform International ACH transactions (IAT). California states: "DCSS is almost ready to send payments by IAT to a DCSS account in London (operated by a British bank) that will convert payment from dollar to euro and then hopefully to local currency. SEPA countries are eligible to receive these payments ("Single European Payments Area"). Wells Fargo helped DCSS to open this account and suggested which British bank to use."
  - DCSS will test IAT first with payments to Switzerland. DCSS is using EPCs for parents in Mexico. However, this is a manual and time-intensive process so it isn't scalable with other countries. Mexico and DCSS first did a reconciliation of their cases to make sure both sides had clean data. If the CP doesn't have a SSN, then DCSS created a unique identifier for the parent. About 365 cards have been issued so far and 80% of those have been pinned (activated). DCSS had significant help from the Mexican Consulate during this process.
  - Poland doesn't accept checks, but set up a money exchange in Chicago to accept payments. Switzerland allows its Consulate in the U.S. to accept payments.
  - Slovakia says to send the payments directly to the CP.

- Austria has told DCSS it can't process any type of payment because it can't be a go-between for money transfers. DCSS reports some Convention countries don't maintain balances or understand the need to track payments."
- Texas, who has only wired payments a few times, for an undisclosed cost.

**Methods of sending payments to a foreign child support authority (con't):**

Other countries identified that require a check alternative (in addition to Austria, Hungary, Netherlands, Slovak Republic, and Switzerland):

France, Finland, Germany (for small check amounts), Poland (DCL 03-45), Norway, The UK, Ireland, Portugal, Fiji and Mexico (note: Fiji and Mexico are not Hague countries or FRCs).

Mexico accepts an EPC option and correspondence be sent to the Mexican Consulate, but not all states have this capability.

**State Capabilities:**

International Wire Payments

33 out of 52 states say that they do not have the capability to initiate wire payments abroad.

SDU capability to "roll-up" payments for multiple international cases

31 out of 52 states say that they do not have the capability to roll-up payments for multiple cases; several other states indicated that while their system can roll-up payments, they do not receive enough international case payments that are dispersed around the same time to do this, or that it would require a manual timely process.

**Cost of International Wire Payments:**

For the states that can initiate and receive wire payments, , cost of these payments vary from \$5-\$10 to \$40-\$50 per transaction, these fees set by the financial institution they use. New Jersey says that their SDU absorbs the cost for SWIFT payments. More information from states about these fees would be needed to more accurately determine who is paying the fee, whether it is the state or whether the cost is deducted from the payment to the custodial parent.

Of the state information about this that we do have, US Bank seems to charge the least and Wells Fargo charges the most for international wire payments.

**Incoming Payments:**

40 out of the 52 states say that the current method that they receive payments in is via check from International CS authorities.

7 additional states say they receive either check or wire deposits. Only North Carolina and Nebraska responded saying they receive their incoming payments via International ACH.

Only 17 out of 52 states responded saying that their SDU is able to accept wire payments, many states also noted that the process to accept a wire is very manual and addenda are not attached to the payments.

