



*Both nationally and locally, the child support programs are losing fiscal efficiency. Nationally, the amount of support collected for each dollar of administrative expenditure has dropped to \$3.86, while the amount of support California collects for each dollar of administrative cost has dropped to \$2.42.<sup>2</sup>*



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[www.childsupportcollection.org](http://www.childsupportcollection.org)

## Ease Life: How Online Child Support Collection Allows Departments to Collect More. an e-filing.com whitepaper, April 29, 2003

One out of every three children in the United States lives apart from at least one of their parents, representing 23 million children in 1997. Only one in five receive full support payments.<sup>1</sup> Child support payments from nonresident parents to their children are the key to their financial security. By federal mandate, each state has a child support program to collect support for these children. In California alone, more than 3.5 million children look to the state's child support program for their financial security. The state child support collection system affects more children than any other state program except the public schools. Unlike the school system, the interaction between support services and the parent is largely carried out through court orders or wage garnishing. There is little direct interaction between parents, children and support services. Implementing online payment systems, like E-Filing.com's ChildSupportCollection.org, allows support services to interact directly with parents and give them greater options to pay their support.

### **Online payment systems have several advantages:**

- ▶ Faster and more accurate payments
- ▶ Cost savings over printing and sending paper checks
- ▶ Elimination of Postal Problems resulting in loss of mis-directed paper checks
- ▶ Less manual processing generating staff savings
- ▶ Receive payments 24 hours a day seven days a week

### **More payments, greater accuracy, less problems**

Each online payment made, either with electronic check, Visa, Master Card or American Express is instantly processed over a secure and encrypted network, allowing records to be quickly updated showing when the payment was received and posted to the account. Electronic payments allow departments to keep accurate and detailed records of payment histories without the hassle of manual entry. More importantly, with online payment systems, individuals themselves can access their own payment histories diffusing potential discrepancies before they start.

Because online payments are sent over an encrypted network, secured by the latest in 128 bit encryption technology, there are no mistakes due to insufficient postage, bad addresses, messy handwriting, delays in the mail

1. The Urban Institute, "To What Extent do Children Benefit from Child Support," January 15, 2000  
[www.urban.org](http://www.urban.org)

2. <http://www.childrennow.org/california/CSuppastdue/ChildSupport.html>

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*In Idaho, the implementation of an online payment system allowed Child Support Services to disperse payments in two days rather than the weeks it took before.*



ChildSupportCollection.org provides localities with an easy to use, accurate and functional web presence, making online collection more likely



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system or lost mail. This advantage is realized by both the support agency and the individual, for the individual is able to ensure that their payments have been received and posted to the correct account and the agency is able to prove that electronic transactions have or have not been posted.

Online systems give parents greater flexibility in paying their support. Because parents can put their payments on American Express, Visa or Master Card, parents' capacity to make on-time and full payments are no longer constrained by immediate cash flow problems. This ability to "pay in a pinch" allows non-custodial parents to fulfill their obligations without worry, making it more likely that they keep up a regular and full payment schedule.

### **Increase Administrative Productivity**

Setting up an online payment system is the first step to increase overall administrative productivity without increasing total costs. In most instances, the vendors who supply online payment functions will furnish systems at no cost to the agency itself. Instead the vendor will charge a transaction fee to the user of the system. This sort of arrangement produces benefits for both the vendor and the county. Since the vendor is accepting a per-transaction fee, instead of an up front cost, the vendor has a stake in maintaining and marketing the service to the general public. If high traffic results from vendor or agency led promotions, the agency benefits tremendously as total paperwork is reduced and administrative costs are cut because the electronic transfer of funds and automatic update features of most systems reduce future staff requirements.

The systems themselves should allow for future expansion of the child support systems and integration into a greater network of solutions. In most instances having a pure "e-commerce" solution is inadequate, as these type of solutions are glorified credit card machines that allow little or no integration into case management systems or other business line applications. Instead, the vendor should supply the agency with a solution that allows integration with their case management system and perhaps integration with the larger court management system.

### **Conclusion**

E-commerce solutions should not be limited to the private sector. Governments, particularly local governments can benefit tremendously from online payment systems and other e-commerce solutions. Child support payment systems are a logical pairing with the internet as the systems allow non-custodial parents to pay online quickly, securely and with a credit card. More importantly, the return on the investment for the county is purely positive as total paperwork and administrative costs are reduced while increasing customer service.