

The only newsletter dedicated to helping payroll professionals make the most out of paycards

ISSUE 7. PUBLISHED QUARTERLY

BY GLOBAL CASH CARD

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THE NUMBERS DON'T LIE: PAYCARDS OFFER EMPLOYERS SIGNIFICANT BENEFITS



BY CATHY BEYDA

In the last edition of The Paycard Advisor, I discussed how paycards have exceeded expectations focusing largely on the benefits that are realized by employees who participate. While employee satisfaction and morale is, and should be, a primary concern of employers, the significant benefits experienced directly by employers who implement paycards should not be overlooked. These benefits include reduced costs, reliable wage payment and increased operational efficiencies.



COST SAVINGS

Studies have repeatedly shown that employers who offer paycards can significantly reduce their payroll costs. For example, the Electronic Payments Organization estimates that employers can save anywhere from \$2.87 to \$3.15 per payment using electronic payment methods

instead of paper paychecks. The transition to electronic wage payment also reduces costs associated with replacing lost or stolen checks. According to the Comptroller of the Currency (OCC), it costs employers an average of \$8 to \$10 to replace a single paycheck. The OCC estimates that as many as four million paychecks are lost or stolen each year, costing U.S. businesses approximately \$48 million a year. These costs can be eliminated when employers implement electronic wage payment methods. Employers also reduce costs associated with check fraud and escheatment liability.



RELIABLE DELIVERY OF WAGES

Electronic wage payment is also more reliable than distributing paper paychecks. It is difficult to deliver paper paychecks to employees

who are traveling or working offsite. In addition, severe weather and natural disasters can cause power outages, road closings, and airport shutdowns, all of which make the processing and delivery of paper paychecks a challenge. This year the Federal Emergency Management Agency (FEMA) has already issued 15 major disaster declarations. While traditional direct deposit provides a solution for many workers, paycards bring the benefits of electronic wage payment to approximately 25% of American households that do not have bank accounts or have limited access to traditional banking services.



INCREASED EMPLOYEE EFFICIENCY

Switching to electronic payment methods results in increased productivity. According to NACHA, the Electronic Payments

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Organization, employees spend between 8.5 and 24 hours a year going to a bank or credit union to cash their paychecks, an activity which accounts for an estimated \$3 to \$5 billion loss in productivity annually.



SMALL EFFORT PRODUCES SIGNIFICANT BENEFITS

Employers who offer paycards report that the effort required to implement the program is minimal compared to the benefits they realized. Many were able to implement their programs in less than three months. The benefits reported included increased direct deposit rates, cost reductions, improved business processes, and increased employee satisfaction.

CONCLUSION

In prior articles I have focused on the benefits of paycards from the employees' perspective. Paycards are a safe, convenient, and secure way for employees to receive their wages. In addition, they help employees manage their finances and enter the financial mainstream. Most importantly, paycards guarantee employees a free means of accessing their full wages each pay period. Employers who offer paycards realize a number of benefits that go beyond employee satisfaction and increased morale. These benefits, which include significant cost savings, reliable delivery of wages and increased productivity, should not be overlooked.



Cathy Beyda is an employment law attorney with Paul, Hastings, Janofsky & Walker LLP out of their Palo Alto office. She regularly counsels national employers on electronic wage payment issues, and is the chair of the American Payroll Association's Government Affairs Task Force subcommittee on paycards. Ms. Beyda can be reached at cathybeyda@paulhastings.com.

Footnotes:

- The Electronic Payments Organization, Businesses of All Sizes Benefit with Direct Deposit via ACH, located at <http://www.electronicpayments.org/business/direct-deposit/learn/calculator>. Comptroller of the Currency, *Paycards: An Innovative Product for Reaching the Unbanked and Underbanked*, pp. 3-4 (June 2005). *Id.* Federal Emergency Management Agency, *Declared Disasters by State or Year*, located at http://www.fema.gov/news/disaster_totals_annual.fema FDIC National Survey of Unbanked and Underbanked Households (Dec. 2009), available at http://www.fdic.gov/householdsurvey/Full_Report.pdf. NACHA – The Electronic Payments Association, *New Study Reveals Less than Three-Quarters of Employees Receive Pay via Direct Deposit* (June 22, 2010 Press Release), available at <https://www.nacha.org/node/921>. F. Cheek and C. Key, *Leading Payroll Decision-Makes View 100% Electronic Wage Payment As A Bonus To The Entire Company* (The Hackett Group, June 2011). ■*

GLOBAL CASH CARD SPARKLES AT THE AMERICAN PAYROLL ASSOCIATION'S DIAMOND CONGRESS



Dan Maddux, Susan L. Baptista & Michael Purcell

DIAMONDS ARE A GIRL'S BEST FRIEND

In recognition of the APA's 30th Anniversary Congress, we awarded the largest prize ever given out at the annual show. Over the course of three days, over 1,400 attendees entered our drawing to win a custom designed, 10-Carat, diamond necklace, crafted by world-renowned jeweler Brian Hassine. During the show, everyone who came by our booth had the opportunity to take their picture wearing this extraordinary and exclusive piece of jewelry. These pictures are available for download on our website www.jowdy.com/gcc.

At the awards luncheon on Wednesday, May 9th, this exceptional prize was presented on stage by Michael Purcell to Susan L. Baptista, CPP, Vice President and Director of Payroll at Arnold Worldwide of Boston, MA. With excitement and enthusiasm, Susan accepted the necklace as hundreds of fellow attendees cheered. Thrilled beyond words and choking back tears, she gracefully thanked Global Cash Card for such an amazing prize.

"I certainly never expected to be the lucky winner of this stunning diamond necklace," stated Susan. "This year brings the APA's 30th Anniversary, my 30th wedding anniversary, and my 50th birthday! Many thanks to the entire staff of Global Cash Card for this special prize and for making these events even more special. Diamonds definitely are a girl's best friend!"

"We wanted to honor the heart and soul of our industry, and so we designed the necklace to be in the shape of a heart to symbolize how the APA puts its members at the heart of everything they do," said Michael J. Purcell, Executive Vice-President and Chief Marketing Officer for Global Cash Card. ■

THOUSANDS DISCOVERED HOW EASY PAYCARDS CAN BE



Our interactive booth at Congress, including one of the largest basketball hoops ever built, was designed to help attendees understand how easy it is to implement the finest paycard solution in the industry. Following the theme, "So Easy You Can't Miss," thousands of attendees discovered Global Cash Card's latest advances in both paycard systems and services, such as our new Cardholder Mobile web feature. As the number one paycard provider, Global Cash Card had industry experts on hand throughout the entire show to provide a thorough

overview of the benefits of paycard solutions.

LEIGH ANN TUOHY INSPIRES ATTENDEES TO RECOGNIZE THEIR FULL POTENTIAL

After delivering her keynote address at the APA Congress Luncheon, Leigh Anne Tuohy, the real-life mom that inspired the movie "The Blind Side," came by the Global Cash Card booth to meet Congress attendees and sign autographs. Her stirring story has touched millions and motivates audiences to recognize the full potential of those around them. We were proud to sponsor

her as the Keynote Speaker and host her at our booth.

CONGRATS TO NOREEN TIETYEN

Global Cash Card has always been an avid supporter of ongoing education programs provided by the APA. To help further their efforts to make these programs as accessible as possible, we awarded Noreen Tietyen from Badger Meter the 2012 Global Cash Card Education Grant. This exceptional grant consists of a comprehensive package that includes such benefits as airfare and accommodations at Congress, attendance at all Congress sessions, and a wealth of educational classes, workshops and online training.

SALUTING ACHIEVEMENT

Each year, the APA recognizes those in our industry that have made significant achievements. We joined them in this celebration of excellence by sponsoring the Annual

Awards Luncheon on Wednesday.

ATTENDANCE AT VIRTUAL CONGRESS

Global Cash Card recognizes that not everyone can attend Congress. That's why we partnered with the APA to offer a virtual version of Congress. Additionally, VISA and Global Cash Card sponsored an online workshop entitled, "What to Expect of the Paycard Market in the Next 24 Months." This valuable and insightful workshop was available live on May 9th and on demand until August 9th, 2012. Be sure to register online for this free information. ■



Executive Profile

Meet Victor Castaneda Account Manger



Victor Castaneda joined Global Cash Card in 2004 as a customer service professional. After excelling

in the customer service department, he was quickly promoted to a customer service supervisor and then to his current position of account manager. His role with Global Cash Card as an account manager includes hosting requirements, gathering calls, training clients on the Global Cash Card system, and working with clients to assist them with the integration of systems. His goal is to make the integration

of paycards as easy as possible for the client, letting them know the different IT solutions Global Cash Card offers from simple batch processes to full automation (API) Integration. Victor understands the importance of providing our clients with the best support possible, making sure each client has his mobile phone, as well as his extension, to ensure that they can reach him. Victor has achieved great success in launching our

paycard program with hundreds of companies, working intimately with them to develop strategic implementation plans based on their unique requirements and timelines. He has launched many clients that have hundreds of locations within a 3–6 month timeline, always exceeding the clients' expectations.

To contact Victor, call 888-220-4477x214 or email to vcastaneda@globalcashcard.com ■



A CUP OF JOE

GLOBAL CASH CARD CELEBRATES 10TH ANNIVERSARY

What were you doing in 2002? "Chicago" won best picture, the Patriots won the Super Bowl, eleven new moons were discovered orbiting Jupiter, and the Segway Human Transporter was invented. While some events were not as dramatic as others, 2002 was a banner year for the paycard industry - because that is the year Global Cash Card entered the market.

Since that time, we have constantly pushed the envelope of paycard systems and services to set industry standards for customer satisfaction. Our dedicated teams of professionals include: sales, security, software developers, account managers, field support managers and customer service professionals.

Our team has consistently set the standard for all paycard companies to aspire towards.

We are proud, most of all, of the accolades we receive from our customers - because we are truly in existence to provide them with solutions to help make their companies and jobs more efficient and successful.

It's been an extremely exciting and gratifying ten years. With the continued dedication of our employees and enthusiasm of our clients, we hope to reach even higher achievements in the next ten years.

Joseph F. Purcell
Chief Executive Officer,
President
Global Cash Card ■

MANAGING YOUR ACCOUNT FROM ANYWHERE

INTRODUCING THE GLOBAL CASH CARD ADMIN MOBILE WEB

Imagine having a relaxing dinner out with friends on a cool summer night. Shortly after placing your dessert order, the sun begins to slip behind the horizon. Then suddenly, you receive an urgent call to fix a payroll error or issue exception pay. Knowing you don't need to rush to the office, you calmly pull out your smartphone and within minutes the issue is solved. You're a hero before the chocolate cake even arrives.



The power and ubiquity of mobile devices has created this possibility, and with Global Cash Card's new Admin Mobile Web, it is now a reality. Our mobile-optimized experience empowers you to:

- Load cards.
- Search cardholders - on 12 different criteria!
- Check your account balance.
- View paystubs.
- Create and manage web announcements.
- Send emails or text messages.
- Switch between multiple profiles.

Security is a top priority at Global Cash Card and when we plan a project, it is the first and final consideration. We envisioned a system that would adhere to the strictest security standards without compromising the user experience. We strived for:

- Multi-factor authentication.
- Secure 128-bit encrypted connection.
- No sensitive data stored on the device. Ever.
- Intelligent Logout.

We are proud to have achieved all of the above. So, use the Admin Mobile Web with absolute confidence that Global Cash Card's unwavering commitment to security is keeping your data safe.

We support all major mobile platforms, including iPhone, iPad, Android, Android tablets, Blackberry, Windows Phone, even Kindles and Nooks. So enjoy those dinners out knowing that, with the power of Global Cash Card Admin Mobile Web at your fingertips, you can have your cake and eat it too.

By Danny Jung
Senior Systems Architect
Global Cash Card ■

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Disclaimer

The information provided in this newsletter should not be relied upon as legal advice or as a definitive statement of the law in any jurisdiction. For such advice, the reader should consult legal counsel.

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