

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: June 25, 2015

TO: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services
Prepared by Lynn Wagner, Senior Budget Analyst, Housing Division

SUBJECT: **From the Director, Department of Health and Human Services, an informational report on the implementation of Electronic Fund Transfers for the Housing Division**

Issue

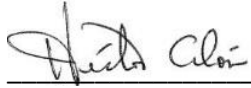
The Milwaukee County Housing Division has discussed the possibility of moving from paper checks to electronic funds transfer (EFT) or pay cards for monthly rent assistance and utility payments. Key members of the Housing Division, Comptroller and Treasurer offices have convened to discuss the potential benefits/efficiencies and barriers to implementing this initiative.

Background

A small number of landlords participating in Milwaukee County rental assistance programs have requested payment by electronic funds transfer instead of the current paper check system. The benefit of completely switching to electronic funds transfers would include a reduction in checks printed by approximately 997 per month and a savings in postage. The Housing Division software does not charge an extra fee for this service. For landlords without bank accounts, pay cards would be available to accommodate this population with no fee to the County or landlord at this time. Utilizing electronic funds transfers would also eliminate the time it takes for the check to arrive in the mail and allow for quicker access of funds by landlords.

The implementation of electronic funds transfers will require staff time to update data in the Housing system and the County financial system. Additionally, landlord bank and vendor detail would need to be collected and entered into both systems. Tax Identification Numbers will have to match and there would be a need for staff on an ongoing basis to address changes in banking and business information. In the event of errors, staff would need to work to get funds returned. It is estimated by Accounts Payable that Housing would potentially need an extra FTE to implement electronic funds transfer program with the current financial system to due to issue of maintaining up to date information from landlords.

It is the Division's understanding that with the current accounting system, full use of EFT would be difficult to implement. The full or required use of EFT should be further explored at the time the County implements a new financial system that would be more automated. The Comptroller's office estimates full implementation of a new financial system by 2018. A new system would be able to have a vendor portal where the vendor would be responsible for the upkeep of the information. This would require far less staff time and eliminate the need for additional staff. The Housing Division remains interested in EFT implementation through a partnership with the Comptroller's Office when the new system is implemented.



Héctor Colón, Director
Department of Health and Human Services

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