



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

NICK LYON  
DIRECTOR

**IV-D MEMORANDUM 2016-023**

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** August 1, 2016

**SUBJECT:** New Payment Option for Child Support Customers

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

**UPDATE(S):**

Manual

Form(s)

**PURPOSE:**

OCS is offering a new payment option for non-custodial parents (NCPs) to pay their child support. "PayNearMe" is a service that will allow NCPs to pay their child support with cash at certain retail locations throughout the United States.

The PayNearMe option will be implemented in Michigan on August 8, 2016.

**DISCUSSION:**

Most NCPs pay their child support through income withholding, mailing checks to the Michigan State Disbursement Unit (MiSDU), or by credit or debit card at the MiSDU website ([www.misdu.com](http://www.misdu.com)). Some NCPs prefer to pay with cash and go to their local FOC office to make payments. Many customers are underbanked or unbanked (i.e., they do not have credit cards, debit cards, or bank accounts, or choose not to use them when making child support payments).

MiSDU explored the feasibility of offering additional payment options to customers, and pursued PayNearMe as the initial implementation option. The MiSDU continues to research and explore similar options with other providers to make the payment of child support more convenient. These additional options, when offered, will expand the locations and retailers where customers can pay child support.

PayNearMe advances the Michigan Child Support Program's Strategic Plan goals by using innovative technology to enhance customer service. It will allow child support customers to make cash payments at certain retail locations 24 hours a day, seven days a week, anywhere in the United States.

## **A. Overview**

PayNearMe is an electronic cash transaction network that lets child support customers use cash to pay their support obligations at local stores. It is available at over 17,000 retail locations nationwide. These locations currently include 7-Eleven and Family Dollar stores. As the service becomes more prevalent nationwide, other retail locations may be added later.

Customers will make their child support payments to the clerk at the counter, just as they would pay for any item in the store. Along with their payment, customers will present a barcode that will help process their payment for Michigan child support. This barcode will be unique to the customer and to the retail chain (e.g., 7-Eleven, Family Dollar). Customers will obtain this barcode from the PayNearMe website; they will either print it out or have it sent to themselves via email or text message. Customers will obtain their barcode one time and will present it on paper or on their cell phone when making payments. Each time customers make a payment, they will be charged a \$1.99 fee for the transaction.

The PayNearMe service will be available for Michigan child support customers at all participating retail locations on August 8, 2016.

## **B. PayNearMe Payment Process**

1. Customers will go to the PayNearMe website at [www.PayNearMe.com/michigan](http://www.PayNearMe.com/michigan).<sup>1</sup> They also may access this website by clicking a link on the MiSDU website. In addition to using the PayNearMe website to obtain a barcode for payment, customers may use it to find the nearest location of a participating retail store and other information regarding PayNearMe.
2. Customers will enter the following information:<sup>2</sup>
  - a. Last four digits of their Social Security number;
  - b. Their docket number (e.g., YYYY-123456);<sup>3</sup>
  - c. Their first and last name; and

---

<sup>1</sup> This website will be active when the PayNearMe service is implemented in Michigan on August 8, 2016.

<sup>2</sup> If a customer enters information for a payer other than himself/herself, the customer must be sure to enter the payer's information.

<sup>3</sup> The docket number is used only as an identifier for the payer making the payment. The Michigan Child Support Enforcement System (MiCSES) will allocate payments across all of the NCP's cases.

d. Their email address or cell phone number.<sup>4</sup>

The customer must enter the information for items (a) through (c) above as they are shown in MiCSES.

3. After the customer enters this information, the PayNearMe website will use the information in items (a) through (c) to obtain an immediate validation from the MiSDU/MiCSES database to confirm that the customer is a Michigan child support payer.<sup>5</sup>
4. After the customer has been confirmed as a child support payer, (s)he will choose the retail chain where (s)he would like to make the payment (e.g., 7-Eleven, Family Dollar).
5. The website will then generate a unique barcode to identify the retail chain and the customer's payment. Customers will have the option to print the barcode or request that it be sent to themselves by email or text message. They will show the barcode to the clerk at the store when making their cash payment. Each barcode is unique to the docket/retail chain combination; the customer will use the same bar code each time (s)he makes a child support payment to that docket at that retail chain (7-Eleven or Family Dollar). If customers lose or delete the barcode, they can obtain it again by revisiting the PayNearMe website.

Note: The customer's identifying information and payment will be secure and private. The store clerk will not need to know that the payment is for child support. There are several entities and government programs that use the PayNearMe service, so it will be unclear to store personnel what type of payment the customer is making.

6. After the customer makes the payment,<sup>6</sup> the clerk will give the customer a receipt. The customer can also receive a receipt via email or text message, depending on whether the customer provided his/her email address or cell phone number on the PayNearMe website.

Note: Similar to current electronic payment processing, it may take from two to four days for MiCSES to process a payment and post it to the customer's child support account. Therefore, IV-D staff should encourage customers to keep their receipt as proof of payment.

---

<sup>4</sup> PayNearMe uses the customer's email address and cell phone number for barcode delivery only; this information is not shared with the MiSDU or stored in MiCSES at this time.

<sup>5</sup> PayNearMe has not been provided with and will not maintain a record of all MiCSES members. It will rely solely on its real-time match with the MiSDU to determine whether or not a person is a MiCSES member. PayNearMe will use customer data for validation purposes only. It will not sell customer data or share it with another entity.

<sup>6</sup> Customers may make a payment(s) of up to \$1,000 on one docket in a 24-hour period. For safety reasons, retail stores limit large cash transactions. If a customer pays the \$1,000 limit on a docket, the customer must wait 24 hours before (s)he can make another payment on that docket.

On a daily basis, PayNearMe will combine all the payments collected for OCS and send them to the MiSDU electronically via an Automated Clearing House (ACH) file. This process will be similar to any electronic payment file sent to and received by the MiSDU.

For additional information on the PayNearMe payment option, IV-D staff may go to the MiSDU website at [www.misdu.com](http://www.misdu.com), or call the FOC assistance line at 1-800-817-0632.

## C. Communication Plan

### 1. Online Communications

OCS plans the following online communications regarding PayNearMe:

- a. The child support section of the Michigan Department of Health and Human Services (MDHHS) website and the MiChildSupport website will include links to the MiSDU website for customers to make cash payments;
- b. The MiSDU will place an announcement on its website, along with a PayNearMe logo and a link to the PayNearMe website. The MiSDU website will also include directions and frequently asked questions (FAQs) on making cash payments through PayNearMe; and
- c. Counties may place links on their local websites to direct payers to the **MiSDU website** to make a cash payment. OCS recommends that county websites include direct links to the MiSDU website and not the PayNearMe website so the MiSDU can include appropriate information or additional instruction regarding cash payments.

### 2. Other Communications

In addition to the communications listed above, OCS plans to communicate information about PayNearMe through:

- a. A media campaign (press releases, social media) in coordination with MDHHS Communications;<sup>7</sup> and
- b. Flyers and posters for counties to print and/or display. OCS will send an email notification when these public outreach materials are available.

## **NECESSARY ACTION:**

Retain this IV-D Memorandum until further notice.

---

<sup>7</sup> At a minimum, PayNearMe and 7-Eleven request a courtesy review of official media press releases 48 hours before publication.

**REVIEW PARTICIPANTS:**

Financial Work Improvement Team  
Program Leadership Group

**CONTACT PERSON:**

Burton Parsons  
SDU Operations Specialist  
MiSDU  
(517) 334-7395  
[ParsonsB2@michigan.gov](mailto:ParsonsB2@michigan.gov)

**CC:**

None

**ATTACHMENT(S):**

None

**EPF/BP**