

# E-GOVERNMENT DIVISION

The West Virginia e-Government Services Program is an initiative of the State Treasurer's office to provide an electronic payment system for goods and services offered by state agencies, colleges, universities, and boards & commissions. In Fiscal Year 2009, this office allowed these services to be made available to the local governments, a program we now call L-GOVERNMENT. West Virginia Counties, Cities, School Boards and Public Service Districts can now use the State Treasurer's payment system.

Public demand for government services via the Internet is increasing dramatically. Customer service is the key to e-Government and many of our state agencies and local government entities need assistance in the development and implementation. The concept of cooperation and visionary leadership will help us to provide better, more effective service to our citizens...our customers.

In 1999, with the passage of "Financial Electronic Commerce" legislation (Code Section §12-3A) in the legislative session, the State Treasurer's Office began to implement its provisions. The three pilot programs for accepting payments over the Internet were the State Treasurer Office's Prepaid College Program; subscriptions to the Division of Natural Resources "*Wonderful West Virginia*" magazine; and Marshall University tuition and fees payments. This has expanded until currently; there are seventy state agencies and five local governments using over one hundred active connections that are accepting payments through the Treasurers' Office system.

E-Government and L-Government services offer all of us the opportunity to reduce costs while providing better service to our customers, the citizens of West Virginia. To meet the challenges (problems), state and local governments must focus on these basics:

- Think customer service first – for citizens, businesses, vendors, and other governments.
- Provide all state agencies and local governments with available technology expertise and tools.
- Use technology to cut costs and increase savings.
- Operate as a "single enterprise" not several independent services.

## **Program Benefits**

- Improved Cash Management – reduced collection risks and delays associated with other payment types such as personal checks.
- Lower processing costs and enhanced efficiencies over the long term.
- Enhanced operational efficiencies – less paper processing and saves time.
- Better customer/citizen service – convenience, easy to use and 24/7 access.
- Positive public image.
- Faster investment and quicker interest earnings.

## **What payment types are accepted?**

- Credit cards – VISA, MasterCard, Discover, and American Express
- Internet and traditional point of sale (POS)
- Electronic check – electronic fund transfers (ACH debits & credits)
- Lock Box – check payments mailed to a post office box

## **How are payments over the Internet occurring?**

Most state agencies accepting payments over the Internet only accept credit cards. In doing so, the Treasurer's Office prepays the merchant fee which varies by card type, and the agency must reimburse the Treasurer's Office at a rate of 2.25% of the total sale. Some agencies pass this charge on to the users in the form of a convenience fee for using the website. If the agency chooses to charge a convenience fee, the charge must be the same amount regardless of the total of the sale. Depending on the activity, some agencies may also have the option of allowing their payers to use their checking account numbers to deduct the amount directly from their bank. If payment is processed by an electronic check (ACH), the agency must pay the Treasurer's Office a service fee of five cents per transaction.

Local Governments that use our system have their deposits made directly into their investment account with the Board of Treasury Investments. These funds earn interest from the day they are received, and the local government can withdrawal the funds as they desire. To pay the processing costs, they either charge a convenience fee to the website user, or they allow us to deduct the entire fee from their investment account.

## ***2009 Fiscal Year***

2009 was a year of growth and new development. Our programmers worked very hard to maintain compliance with the Payment Card Industry (PCI) security standards. We made major changes in our hardware and software and we continue to work toward better, more efficient, and user friendly system.

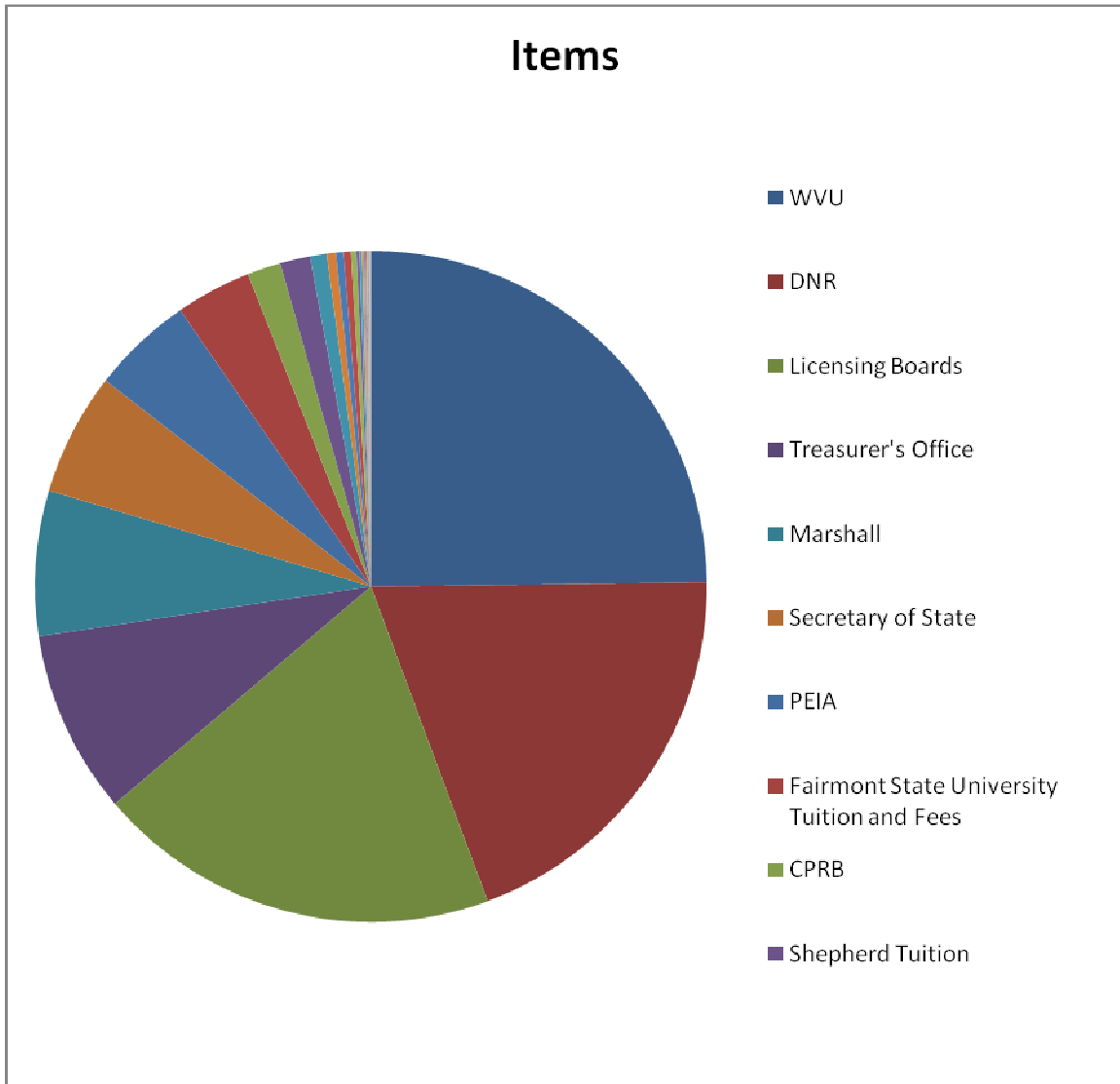
The total dollar activity for the 2009 fiscal year was over \$186 million dollars, an increase of more than 37% over FY2008 figures. West Virginia University collected over \$70 million of their tuition and fees over the internet. Another \$29 million dollars were processed for Marshall, Fairmont, and Shepherd Universities. State Agencies like the Municipal Bond Commission added \$25 million to their online activity and the Consolidated Public Retirement Board's activity generated around \$26 million dollars. DNR's Hunting and Fishing Licenses still had the highest volume with nearly 69 thousand licenses sold online. We were proud to add the Department of Agriculture to our online agencies. Many of our state agencies and schools greatly expanded their internet activity and local governments are beginning to take advantage of the services.

Public demand for government services via the Internet requires a major effort by the state to fulfill this demand. Customer service is the key to e-Government and many of our government agencies will need assistance in the development, implementation and improvement in Web sites. There is no "cookie-cutter" solution that will fit all the agency's needs. Each case must be evaluated and studied, and improvements must be planned and programmed. Funding for these improvements will be an important factor.

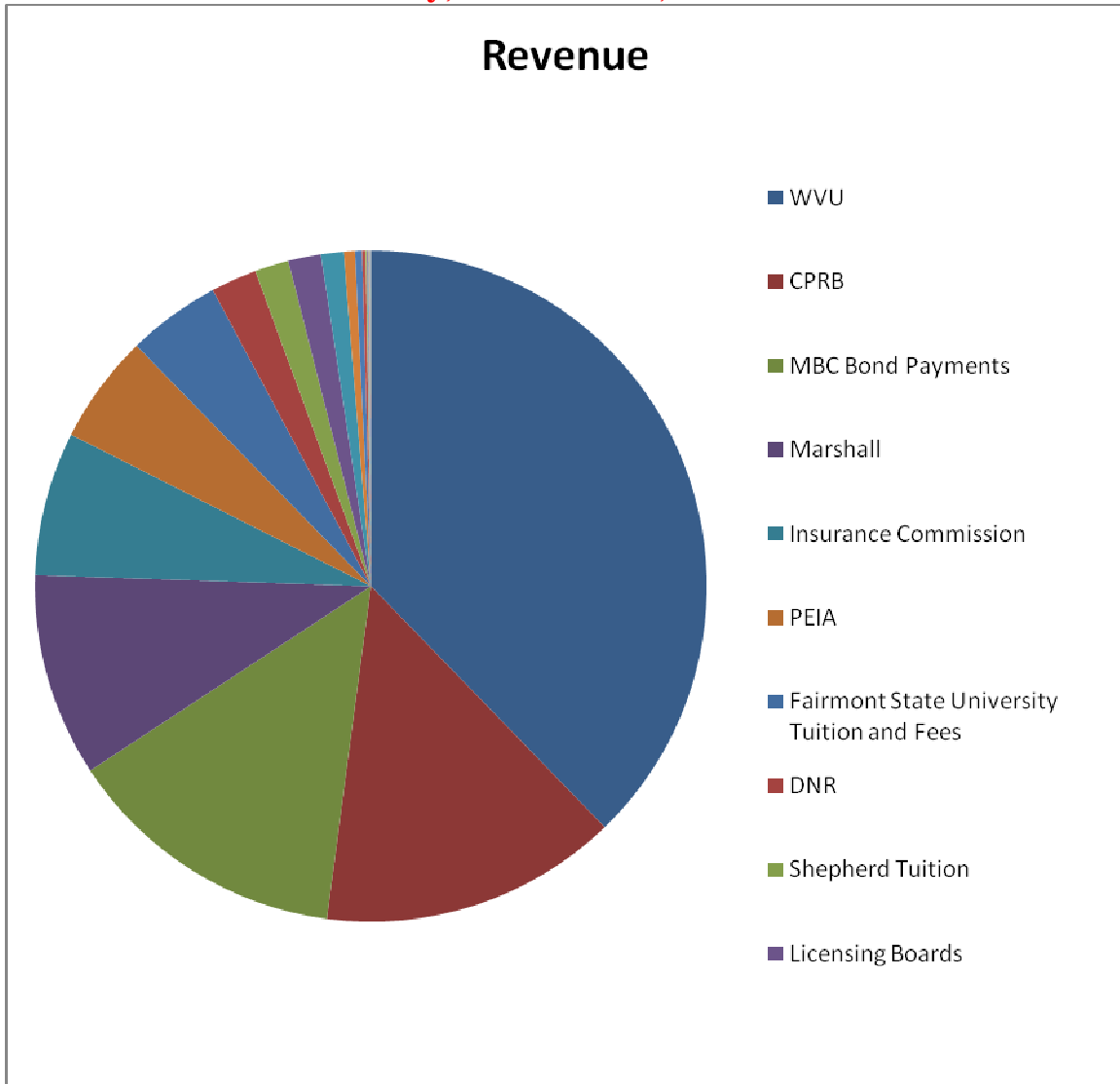
The success of our efforts will require additional investment in acquiring the proper infrastructure, tools and trained personnel.

The Treasurer's Office desires to expand its services by continuing to work with state agencies and local governments. We will continue to provide the service and security that the agencies and citizens have come to rely upon. Our goal and focus is to provide the best, most secure, most efficient, and least costly cash management services to all the governments and citizens of West Virginia.

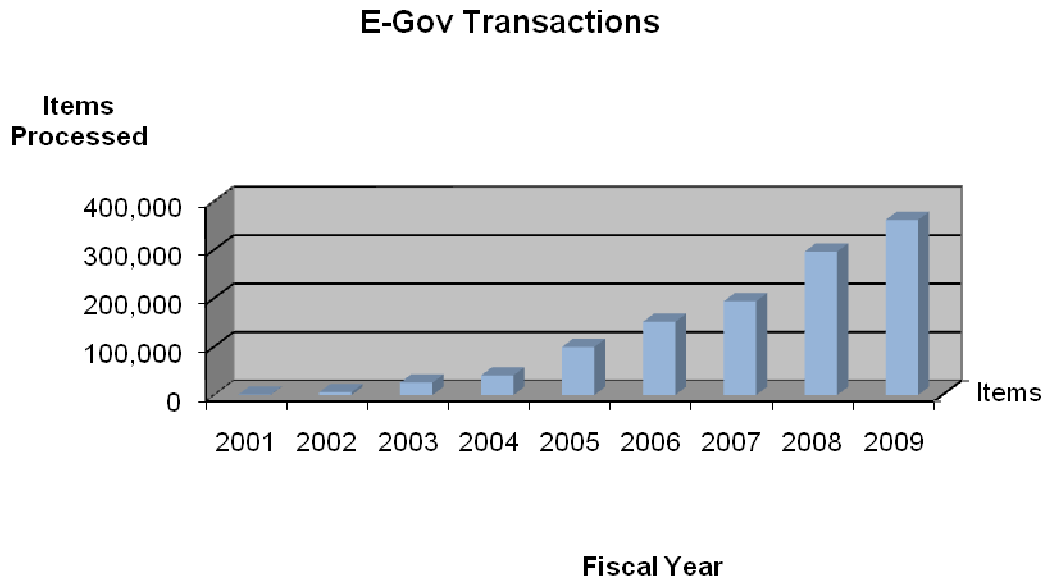
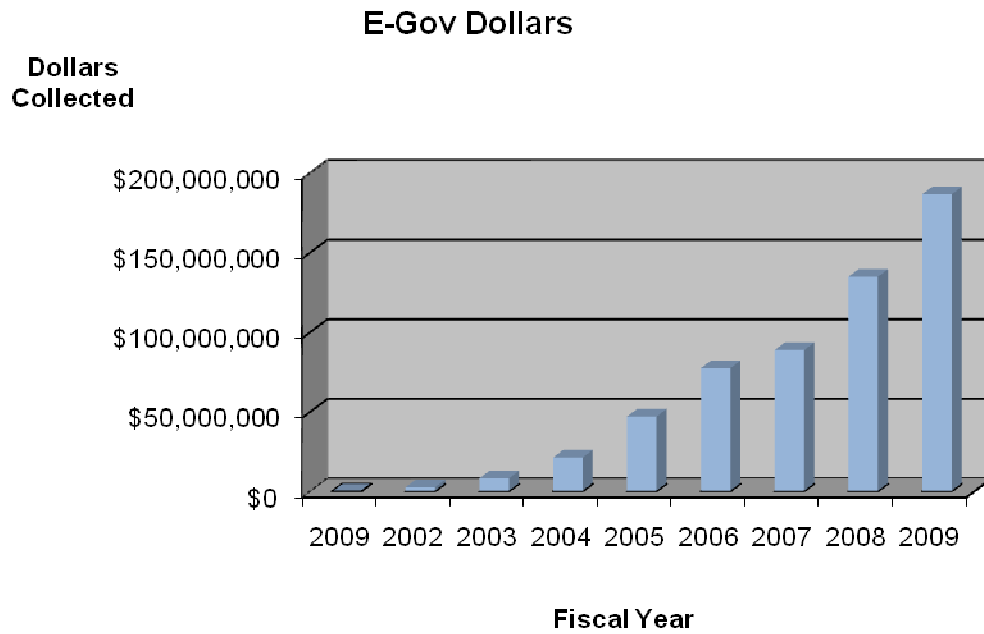
### **E-Government Activity by Volume** **July, 2008 to June, 2009**



**E-Government Activity by Dollar Amounts**  
**July, 2009 to June, 2009**



## Growth in E-Government Activity FY01-FY08



Note: TOTAL E-GOVERNMENT ACTIVITY to date is over \$ 586,000,000.