

Government

Case study

A million payments in one weekend: Bank-fintech partnership delivers on a pandemic-bonus promise





Government case study

The client:

A state government.

The challenge:

Distributing pandemic bonuses to frontline workers — quickly, securely, cost effectively and conveniently.

The solution:

Leveraging a technology company's grant management expertise and U.S. Bank API-enabled money movement.

Rewarding frontline workers

Grateful for the efforts of the state's frontline workers in health, food and other essential fields during the pandemic, the state legislature in spring 2022 committed \$500 million to pay bonuses to what turned out to be more than 1 million qualifying recipients. For the state, the challenge then became: How do we deliver a bonus payment to each of these heroic individuals — quickly, securely, cost-effectively and conveniently?

With the governor at the wheel of the program, and so many constituents awaiting their bonuses, the state turned to its trusted relationship with U.S. Bank for help.

\$500M

in bonuses, supplied by a state legislature, for more than 1 million qualifying recipients

Tapping into a bank-fintech partnership

Initially, the state planned to lean on government resources to manage most program tasks, including collecting and processing applications, customer service, reporting and more. At first, it only asked U.S. Bank to provide the prepaid cards it would send to all grant recipients.



However, after learning the project's scope and goals, U.S. Bank offered an alternative solution, one that would utilize Automated Clearing House (ACH) direct deposit as the primary payment channel and leverage the bank's strategic alliance with [Submittable](#), a social impact platform known for its grants management software and professional expertise. The proposal: Allow the U.S. Bank-Submittable partnership to relieve the state government of the many time-consuming and costly tasks involved in making the bonus payments — and do it better and faster than the state could on its own.

Front-end support from Submittable

Submittable handled the upfront process of collecting and evaluating over 1.2 million frontline worker applications for the one-time payment of about \$500 million. Submittable kicked off the project by building custom online application portals available in four languages, including English, Spanish, Hmong and Somali. The portal allowed the state to collect eligibility and banking information from applicants in an easy and intuitive manner.

In addition, Submittable provided customer support staff to help applicants via phone and email in

four languages. This was critical to ensure equitable access and because the state didn't have the requisite call center resources in place.

Submittable also created a workflow that allowed the state to track the status of submissions.

Submittable's automated review of the applications confirmed eligibility, based on the criteria established by the state, and applied scoring according to a predefined rubric. At the peak of the 45-day application period, the state was receiving more than 40 applications a second.

The platform also applied knowledge-based authentication and identity verification to ensure no payments were delivered to fraudulent actors. This approach, along with additional fraud risk-mitigation measures, prevented at least \$2.2 million in fraud.

Money-movement APIs from U.S. Bank

On the back end, the program required a bank capable of executing a high volume of payments in a short period of time and providing payment reconciliation support. That's where U.S. Bank and its [application programming interface \(API\) technology](#) came into play to enhance bank connectivity.

In creating their strategic alliance, the two partners embedded the U.S. Bank suite of [payment services](#) into Submittable's software-as-a-service (SaaS) applications using APIs. This allowed Submittable, once it had gathered data on eligible recipients, to work within its software application to send the related payment data to U.S. Bank, which in turn would initiate the bonus payments via the ACH network.

Recipients choose payment method

The solution brought to bear four different U.S. Bank APIs

The Account Validation API ensured valid account details before any payments were processed. In just a few seconds, it pre-screened recipient bank information to verify the status and network enablement of each individual account. Same-day account information was also provided to Submittable, allowing it to check the status of payments as they went out, in near-real-time.

The U.S. Bank Payee Token+ API immediately secured recipient account data, reducing the risk of fraud and erroneous payee details.

With digital ACH being the preferred payment rail, the solution leveraged the bank's ACH API. However, it also employed an intelligent payment routing fallback mechanism: If a digital ACH couldn't settle, the transaction defaulted to check, through the bank's Check Payables API, and if needed, to a prepaid debit card option. This enabled all qualified applicants to receive their grant, regardless of their banking status, and gave recipients a choice of how they would be paid.

A fast and secure solution

Unprecedented speed and precision, from launch to completion, were hallmarks of the solution. A million-plus transactions were originated in October 2022, just four months from the program's launch, and 97% of approved applicants received their bonus payments within three business days. In other words, with the public watching closely, the state government was able to deliver a million electronic payments outside traditional banking hours over a single holiday weekend.

The solution resulted in the prompt and secure delivery of much-deserved bonus pay to state residents who sacrificed their own safety to serve others during the pandemic. At the same time, it saved the state from spending thousands of hours of staff time to manage much of the project on its own.

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of approved applicants received their bonus payments within three business days



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Best Bank & Fintech Partnership***



Next steps

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