Merchant Processing for Local Governments

Leveraging State Treasurer Resources

NAST WEBINAR SERIES

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INVESTED IN you

Michael W. Frerichs

ILLINOIS STATE TREASURER

GREETINGS FROM TREASURER FRERICHS

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Division Overview

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The Illinois State Treasurer's Office provides public treasury management products for local governments and state agencies to conduct business safely and efficiently.

Investments

THE ILLINOIS FUNDS

Payments

ILLINOIS ePAY®

Cyber Security Training

cyberbit

Brief History of Illinois ePAY

The State Treasurer's Office began offering electronic payment processing in 2002.

- **Governing State Statutes**
  - Deposit of State Monies Act (15 ILCS 520)
  - State Treasurers Act (15 ILCS 505)
  - Governmental Joint Purchasing Act (30 ILCS 525)
  - Local Government Acceptance of Credit Cards Act (50 ILCS 345)

- **Participation base includes both state agencies (mandated by statute) and local governments**

- **Coordination of State Payment Processing**

Why a Statewide Payment Processing Program?

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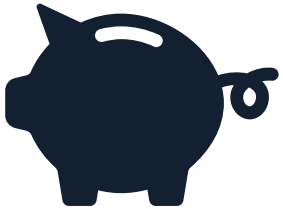
While most states offer electronic payment processing services for their own agencies, few open those services to their local governments.



Local Governments receive better pricing, higher level of service

Local Governments can provide better service to constituents

Local Governments can bypass RFP process

BY THE NUMBERS

(rolling 12-months ending 30 JUNE 2025)

ILLINOIS ePAY®

Total Processed

$ 2,854,814,325

Total Transactions

16,374,383

Participants

534

Participants with Illinois Funds Accounts

414

Merchant IDs

~3,092

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Current Participation in Illinois ePAY

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- 40 State Agencies
- 31 County Treasurers, Sheriffs, Clerks
- 206 Cities & Villages
- 20 Water/Sewer Districts
- 7 Soil & Water Conservation Districts
- 88 Schools and Board of Education Offices
- 18 Universities/Colleges
- 78 Libraries & Library Districts
- 5 Parks & Rec Facilities
- 7 Public Transportation
- 24 Public Health & Safety
- 7 Townships

The Basis of Our Success

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- **Umbrella Contract Created**
- **Oversight of Participant Enrollment through Treasurer's Office Staff**
- **Settlement Bank Contract**
- **Allow Connection to The Illinois Funds** (our LGIP option)
- **Revenue Generated for STO**

Participant Benefits

One Central Point of Contact within STO

- Maintain and manage umbrella contract
- Ensure service levels are implemented & met
- Oversee all Participant needs & PCI compliance
- Promote and assist with information security policies
- Provide cybersecurity awareness training
- Assist with ticket resolution and project management

Integration with Local Gov't Enterprise Software

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Examples Include:

- Muni-Link – Utility Payments
- DACRA – Public Safety Ordinance Fines
- Aspen – Education System
- CivicRec – Parks and Recreation Software
- Kelmar – Unclaimed Property Management
- LOCiS – Municipal Enterprise Software
- Devnet – Property Tax Management
- ParkMobile – Parking Management *(Kiosk & mobile app)*

More added every day!

Benefit from Latest Technology

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All solutions are Level 1 PCI DSS Certified and P2P encrypted

- **FREE** Fully Hosted Website
- **FREE** Designed Landing Page
- **FREE** POS Terminals and lifetime replacements
- **FREE** Hosted IVR Phone Systems in English & Spanish
- ApplePay, GooglePay, contactless payments, and Text-to-Pay options
- Payment Plans, Recurring Payments

PCI Compliance Assistance

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- STO provides **FREE** PCI Compliance assistance through a contract with vendor
- Manages PCI Portal access
- Includes: SAQ completion, attestation of compliance and office-wide information security policies
- Additional advanced services available via the contract at a discounted rate

Dedicated Support

STO Support

- 2.5 full-time employees
- Initiate enrollment and establish funding account criteria
- Project manage website development & payment configuration
- Facilitate equipment acquisition & updates

Payment Processor Support

- Tier 1: Chicago Lighthouse for the Blind
- Tier 2: Customer Support Center
- Dedicated toll-free number
- Ticketing Portal
- **Customer Support available 24/7**

Free Cybersecurity Training

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- To help educate Participants of fraud risks and provide guidance on ways to combat them, STO contracts with an additional vendor to provide Participants with **FREE** Cybersecurity Training.
- Training ranges from an introduction to the latest cybersecurity threats to advanced hands-on simulations and how to respond

Impact of ePAY

Chicago Public Schools (CPS)

- School District has **over 530 individual schools** and well as Administration & Transcripts, Driver's Education, Employee Benefits Billing and Payroll Services
- CPS has had **more than one** case of embezzlement by a district staff member.
- District needed to have central **control and oversight** of all payment processing.
- STO worked to implement payment sites for each school ensuring **consistency and efficiency** with CPS Central Office having access & oversight to all activity.
- During the second quarter of 2025, CPS processed **$7.3M dollars** safely and securely through ePAY.

Chicago Public Schools

University of Illinois System

University of Illinois System

- **University of Illinois System** includes campuses in Champaign-Urbana, Springfield and Chicago
- Main campus is like a "village" with medical & dental services, union bookstore, cafes, parking lots and more
- Merchant Card Services has **single point** of oversight and control
- Implemented payment sites, over **650 POS Terminals** and several integrations & file exchanges as well as **Customized Reporting** to assist with reconciliation.
- University of Illinois System has **327 MIDS** that processed close to **$43M dollars** in 2Q2025.

Village of Elk Grove

- Elk Grove has a population of 32,812 but has a very robust offering for payment types they collect.
- Elk Grove needed central **control and oversight** of all payment processing, funding and reconciliation.
- The village currently collects payments for Water/Sewer Bills, Permits, Licenses, Police Tickets, General & Misc. Bills as well as an integration for their adjudication through DACRA software.
- STO worked to implement an intricate payment site ensuring proper data collection as well as **consistency, efficiency and ease of reconciliation.**
- During the second quarter of 2025, Elk Grove processed **$2M dollars** safely and securely through ePAY.

Smaller Local Governments Benefit!

City of Chenoa: *pop. 1,747*
Online & POS payments – 6 payment types – has integration with MuniLink software

Village of New Athens: *pop. 1,870*
Online & POS payments – 10 payment types – has integration with LOCiS 8 software

City of Ottawa: *pop. 18,668*
Online payments – 6 payment types (including ability to separate funds for GL reconciliation) - has integration with Cloud Permit software

City of Normal: *pop. 53,304*
Online payments – 7 payment types (including a separate payment site and funding for donations)

Cooperative Computer Services: CCS Library Consortium includes 32 libraries and allows each of them to be integrated with Polaris for their WEB payments.

Resources & References

Below you will find the links to several resources and references mentioned within this presentation.

- Illinois State Treasurer's Act (15 ILCS 505)
- Illinois State Deposit of Moneys Act (15 ILCS 520)
- Illinois Governmental Joint Purchasing Act (30 ILCS 525)
- Illinois Local Governmental Acceptance of Credit Cards Act (50 ILCS 345)
- PCI Security Standards Council (PCI SSC 4.0)

Any Questions?

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Contact Us

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Working **together** to serve you **better.**

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