AidKit

7 Stages for a Successful Direct Cash Transfer Program

Best Practices Guide

Contents

Best practices when implementing direct cash transfer or guaranteed income programs

A well-designed tech stack is critical to a successful direct cash program and can be used to put the needs of program participants first without overloading program staff. Taking a thoughtful, empathetic approach can help reduce administrative burden, improve accessibility and protect participants' personal information while identifying and mitigating fraud.

01 Application design and eligibility verification

Creating an online application that balances fraud prevention with an accessible, compassionate user experience is a key tension for any direct cash program. Unintuitive application processes can lead to incomplete, inaccurate or duplicate applications, costing program staff valuable time and resources. However, the bureaucratic, "check every box" approach of traditional aid applications can also deter, frustrate and sometimes stonewall qualified applicants.

In this section, we'll explore how to build inclusive, accessible and compassionate applications while protecting programs against bad actors.

Verifying eigibility

Successful application design accounts for the complex needs of both applicants and capacity-constrained program staff. Building your application with the hardest-to-reach populations in mind will remove roadblocks for individuals who might be facing housing insecurity, lack of documentation, low or no internet access, language proficiency challenges or other logistical barriers to applying. Taking a flexible but thorough approach to eligibility verification enables program staff to spend less time on repetitive checks, freeing them up to consider complex edge cases or unique circumstances.

Looking beyond conventional verification paths

Many people have trouble accessing documents that can prove they're eligible for aid. When verifying identity, consider the documentation your target population may or may not have access to and think about alternatives that might be unfamiliar to you but common in the community. This might include accepting a broader list of forms of ID besides a driver's license, birth certificate or Social Security number. For instance, foreign passports and foreign driver's licenses issued by governments recognized by U.S. authorities may be sufficient to verify identity —and will help ensure a more inclusive program. Additionally, community-based organizations, or CBOs, can often confirm elements of applicants' eligibility, especially identity and need, when documentation is lacking or altogether unavailable.

A similar approach may be required when working to identify someone's eligibility for aid. Situations such as homelessness or food insecurity can be difficult to document, so when asking an applicant to demonstrate a hardship, it is advisable to broaden

what constitutes acceptable proof. That may involve creating pathways for third-party attestations or using context or relational screening to qualify a participant. Consider accepting documents such as an eviction notice, a letter that the applicant is behind on rent, or qualification for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)—all are documents that strongly suggest that the applicant qualifies for aid. When possible, automate the collection of such attestations to avoid creating more work for applicants and program staff. Taking care not to share personal information with third parties without applicants' consent also fulfills compliance needs while considering applicants' right to privacy.

Income can be similarly difficult to prove with conventional documentation. For example, gig economy workers might not be able to reflect their total income in a W-2 form. The ability to add multiple income sources and verify those sources in different ways, such as bank statements, keeps real-life complexity in mind while preserving information critical to audits and record keeping. Even if an applicant's employer happens to be a friend, family member or neighbor, it can still be a valid source of income—but should trigger a higher degree of review and safeguarding. Offering e-signature on any documents you're sending to third parties and having a system for automated filing also keeps things transparent and trackable.

02 Creating an accessible application

Accessibility is crucial for aid and public benefit applications because it ensures that everyone has an equal opportunity to access the support they need. When designing these programs, program administrators will want to consider the diverse needs and circumstances of program participants.

"Accessibility needs to be more than a buzzword—it should be actionable and concrete."

Meet applicants where they're at

To address these challenges, program administrators should consider offering multiple application options—such as mobile-first applications with in-person navigation or phone-based application screening options—in addition to online options. Providing support resources such as translation services, instructional videos, FAQs and help desks can further improve accessibility and ensure that all program participants have the tools they need to successfully navigate the application process.
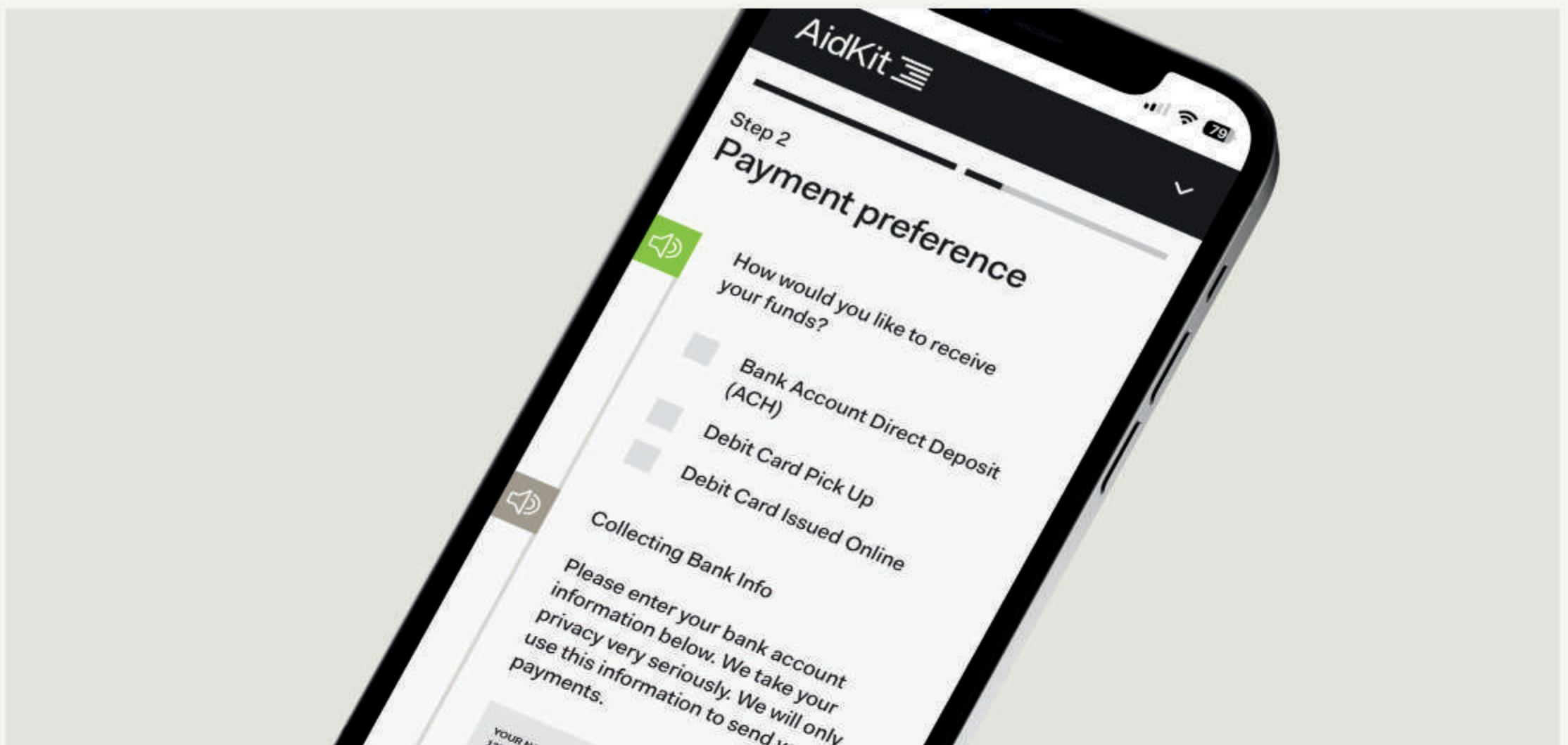
Take only what you need

Out of respect for applicant and staff time, don't ask for information you don't need, and don't ask for public information that can be obtained elsewhere, such as from public records. Avoid asking for the same information multiple times. For example, once you've received an applicant's name and phone number, there's no need to make them fill them in again on every page. Long forms with unnecessary or repetitive requests for information are frustrating for everyone, but they make it especially difficult for people with visual, learning or language challenges to complete an application.

Instead, set up your system so that all of the data, documentation or communications a participant has submitted gets logged into their unique user record. This will eliminate the need for an applicant to provide the same information more than once, reduce filing errors and prevent accidental duplication.

Provide language accessibility

Another important consideration is making sure that the language used in the application materials

is clear, simple and easy to understand. This is particularly important for individuals with limited English proficiency or those with lower literacy levels. Program administrators can prioritize plain language and work with community organizations and advocates to ensure that the application materials are culturally relevant and accessible to all. Applications and all supporting documentation should be available in multiple languages, and communications about the application should also be available in the applicant's preferred language.

Offer real-time feedback and autosaving

Automated ineligibility flags can help applicants determine if they meet program criteria early in the process so they can avoid wasted effort if they don't. User mistakes, such as incomplete fields, should be flagged in real time for applicants to correct; this helps minimize follow-up and reduces recollections. Autosaving also ensures that no work is lost—applicants should be able to start, stop and switch between devices as needed to complete the application.

Accessibility needs to be more than a buzzword—it should be actionable and concrete. Robust user testing with audiences that are similar to the program's intended audience is key. Smarter program design stems from gathering and incorporating direct feedback.

03 Applicant outreach

A direct cash program is only as equitable as its outreach. To ensure that your launch efforts include the communities that are most in need, you will need to track outreach data and equip local nonprofits with the necessary tech tools and training to engage their constituencies.

CBOs can access critical and hard-to-reach populations that your program might otherwise miss. Populations that don't engage with traditional aid programs for a variety of reasons—such as language barriers or cultural views of such programs—are much more willing to work with CBO partners they know and trust. You can support these efforts by making it easy to generate unique application invitation URLs that CBOs can share with their constituents. This functionality makes it possible to attribute applications to specific CBOs, driving accountability and data-driven outreach decisions.

04 Applicant and participant assistance

When individuals need help with their application, many traditional aid programs direct them to the general inbox of a government office. This approach can overwhelm staff, create support fatigue and result in a scattershot approach to customer service. People's lives and livelihoods depend on the ability to respond to tickets and to dispatch timely, accurate information. That requires a customizable system that can manage a high volume of support tickets.

To efficiently manage applicant and participant support, look for a system that offers the following tech components:

- **High volume capacity:** Your system should be able to handle an influx of support tickets over a variety of channels, such as voicemail, text and email.

- **Case tracking capability:** Support team members should be able to update ticket status and find tickets efficiently by filtering the status and owner.

- **Conversation routing:** A conversation happening across different channels should be consolidated into a single workstream, routed to the relevant manager or escalated as needed.

- **Bidirectional communication:** Applicants and participants should be able to proactively engage with your support channels, in real time or asynchronously.

- **Automated bulk communication:** An automated system enables you to push large-scale status updates via email or text.

- **Multilanguage support:** Built-in translation tools enable partners or managers to respond to the query in the applicant's own language.

05 Detecting fraud and protecting privacy

The best way to identify fraudulent application activity is with a solid tech stack backed by human reviewers.

Start with automation. Use an automated process to flag suspicious applications and then use a human reviewer to investigate and make a decision. While algorithms can be useful for categorizing or replacing rote processes, real-life complexity often requires the nuance of human judgment. For example, the system might automatically flag two applicants as duplicates because they list the same address or phone number. A human reviewer may be able to distinguish that these are two distinct applicants who live together and are both eligible, or they may recognize suspicious behavior and confirm a fraud attempt. Yet another outcome is that a human review recognizes the honest mistake of someone applying twice.

To start, every program should have the following fraud-detection capabilities:

- **Deduplication:** Spot duplicate applications based on name, address, phone number and date of birth (DOB), and flag applicants with near-similar names or addresses for human review.

- **ID verification:** Flag attempts at using fake IDs while preventing legitimate IDs from being reused.

- **IP address monitoring:** Monitor the location of the applicant at the time of application, ensuring they are in the target geography and flagging IP addresses that are being used at an unusually high volume.

Protecting privacy

Direct cash programs often gather highly sensitive personally identifiable information (PII) from vulnerable populations. Because you'll have many different types of users interacting with your system, a tight chain of consent is a must. A reviewer or volunteer shouldn't have access to a participant's banking information, for example.
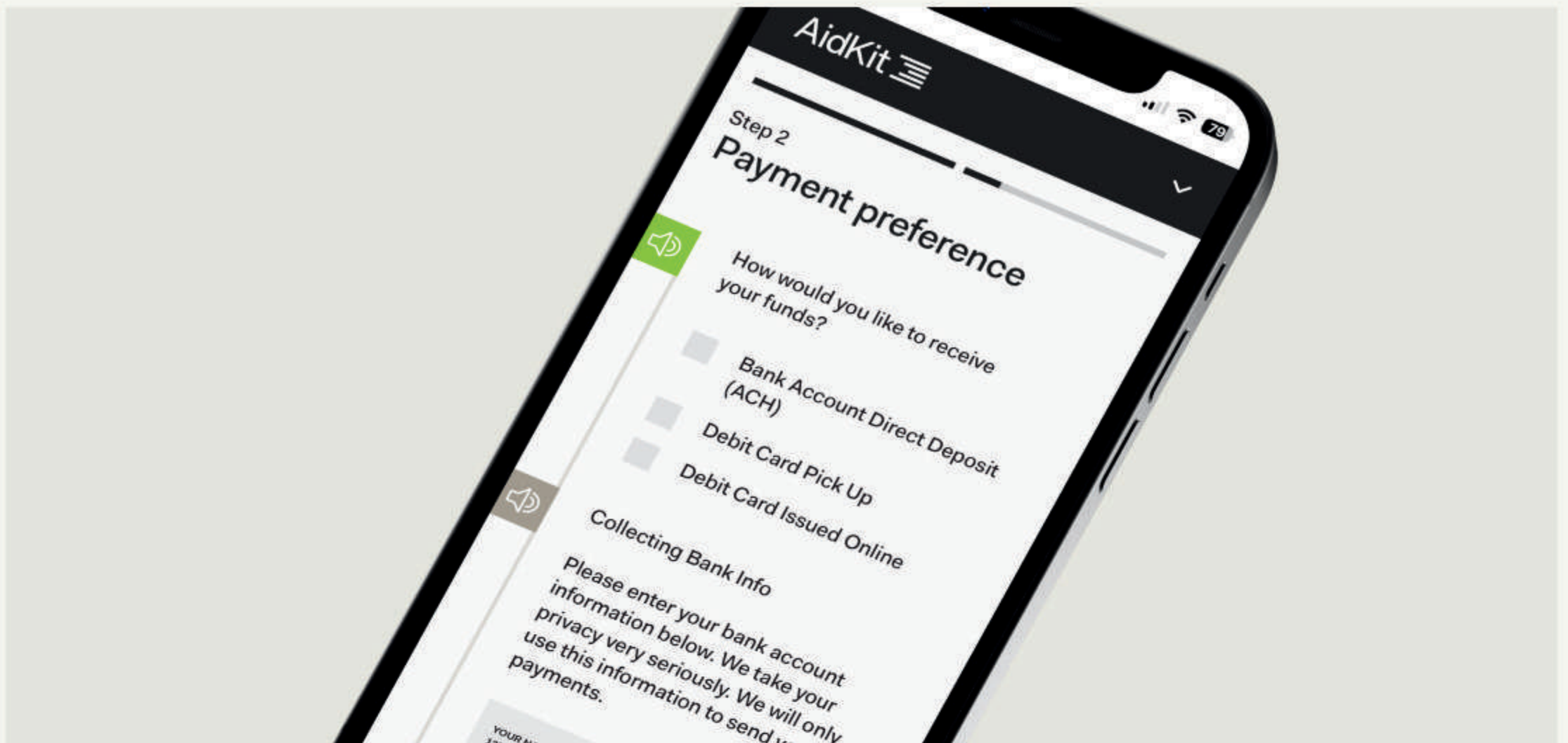
Consider implementing the following best practices to start:

- **Contact authentication:** For security purposes, anyone interacting with the system for any reason should be required to enter a code sent to a phone or email that they have unique access to, or complete some alternative form of two-factor authentication.

- **Tiered access permissions:** Set access level permissions on a need-to-know basis and ensure proper training for anyone with access to PII.

- **Encrypt information:** All information should be encrypted and only accessible to those who need it to execute their responsibilities.

- **Minimize the PII you collect:** Don't ask for anything more than you need. For example, it's rare to have a legitimate reason to ask for an applicant's Social Security number. There are other ways to prove an applicant's identity that don't require that level of PII.

06 Disbursing cash

When designing the disbursement stage of your tech stack, it's crucial to think through how participants will be actually using the money on a daily basis. Some may be unbanked and need to receive funds via debit card. Those living in vulnerable situations may have their cards at risk for theft, loss or coercion, so you'll need provisions in place to protect their funds. Finally, many participants rely on stipends to pay for essentials like food, rent, gas and child care. Card activation should be seamless, and money should be transferred to them quickly upon activation—in days, not weeks.

Enabling multiple payment methods

A good payment system will make funds highly accessible, secure and instantly available. Some common direct cash payment types include:
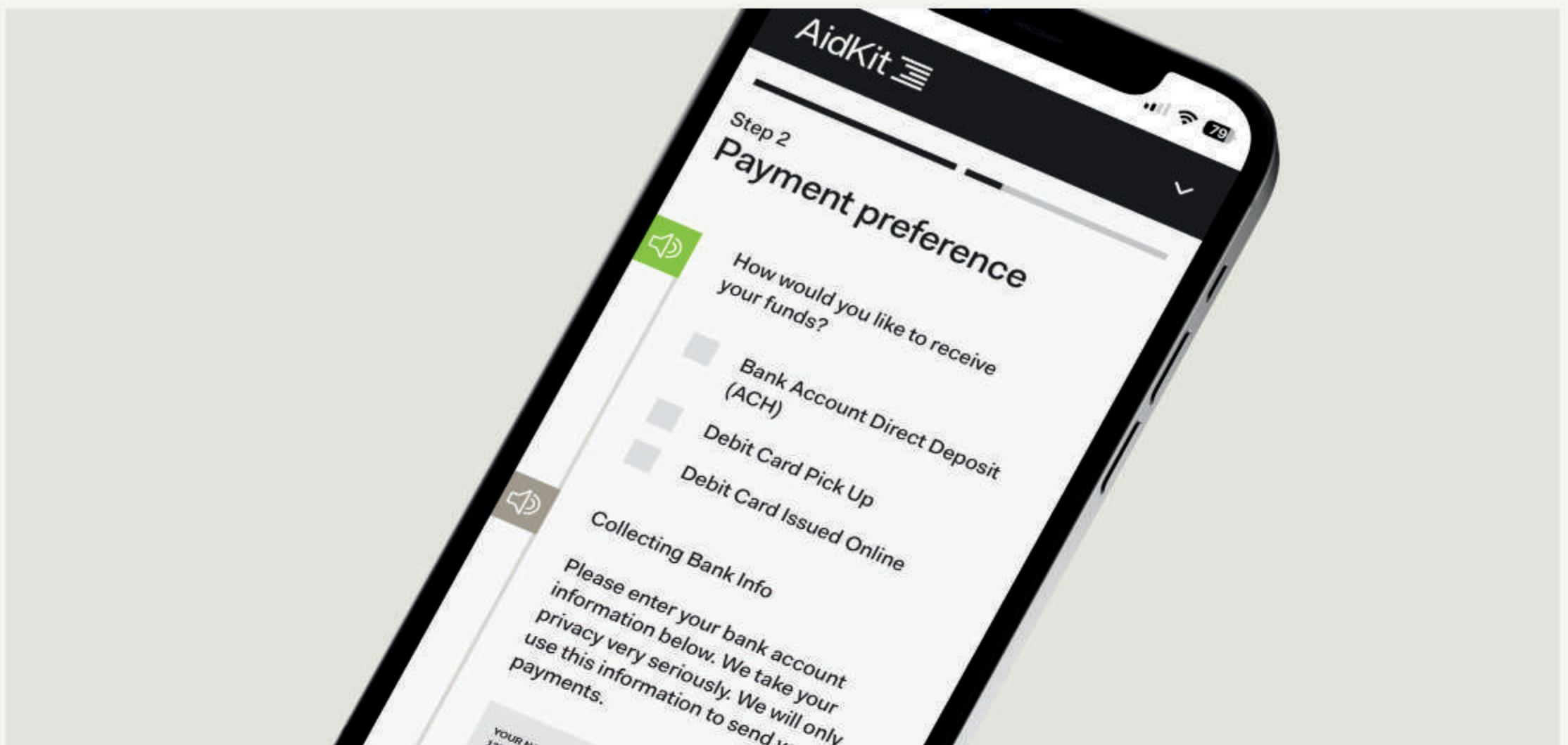
- Interbank ACH (direct deposit) with same-day transfer.
- Preloaded cards, reloadable and trackable, with ATM withdrawal.
- Virtual debit cards, reloadable and trackable, with instant delivery.

Keep other best practices in mind, such as that placing limits on cash withdrawal defeats the dignity and purpose of no-strings-attached cash. Direct cash programs need to serve participants with all types of financial lifestyles and serve them well.

Be prepared to pay beneficiaries who are unhoused or unbanked by following these tips:

- Provide options and let participants select their preferred payment method. Allowing applicants to switch methods if needed also provides flexibility. For example, applicants who start with ACH transfer but experience a loss of funds due to abuse or theft could opt for a debit card for the next round of transfers.
- Give unhoused or insecurely housed participants the option to pick up a preloaded debit card at a local office or CBO, rather than sending it to a home address they may not have or not have consistently.

- Prepaid cards can also be good options for unbanked individuals, though the services offered can vary. Make sure your prepaid card is ATM-enabled. If the card program doesn't support ATM withdrawals or only supports a narrow network of ATMs, that can pose significant barriers to a participant's ability to access their funds.

- Standard direct deposit can work well for banked participants since it enables same-day transfer of funds. However, it's important to double-check that direct deposits can go to any bank, as some payment systems may have limitations.

Recovering lost, stolen or compromised cards

No matter what type of payment method they choose, beneficiaries should have access to the same transaction and issue resolution services available on any consumer card.

For starters, all cards should be trackable in the event that they're lost or stolen. Funds tracking can help here, too. Many guaranteed income programs track merchant category codes to monitor the anonymized and aggregated use of funds. Organizers often look at spending patterns for proof points of fund efficacy —demonstrating, for example, that participants used the cash to alleviate their food insecurity, go back to school or move their family into better housing. Funds tracking can also pinpoint where unauthorized spending began if a card is lost, stolen or used under coercion. Asking for consent before tracking participants' use of funds ensures compliance and respects their privacy and dignity.

07 Ongoing communications for continued success

Once cash disbursement is underway, in addition to dispatching automated updates such as when funds are disbursed, you may want to gather feedback about the program.

Integrated surveys are a reliable way to understand how participants' lives are changing as a result of the program. Collecting stories or photos can help change the narrative around direct cash and ensure future funding. Post-payment surveys also give beneficiaries the opportunity to flag if they haven't received their stipend that month or if they've lost money to theft or coercion so the program can investigate.

Surveys can yield key insights into fund success, but it's important to make sure they aren't asking for superfluous information. For example, since beneficiaries are already enrolled, you don't need to ask for their name and phone number again every month. Use branch logic to ensure that participants are only answering questions that are relevant to them and only supplying additional information when necessary.

Conclusion

By prioritizing the dignity and autonomy of program participants, leveraging technological innovations and facilitating open and honest communication, you can design and implement a direct cash program that is equitable, impactful and efficient. Centering accessibility and intuitiveness for participants ensures support is offered to all who qualify without reinforcing barriers or introducing new ones. Layering automated solutions while including manual fallbacks can help free capacity-constrained staff from repetitive and redundant tasks, leaving more time for complex cases. Finally, ensuring transparent communication helps you prevent unnecessary work, stay compliant and keep showing up for the communities you serve.

About AidKit

AidKit is a Public Benefit Corporation that helps government agencies and large nonprofits administer aid programs efficiently, securely, and transparently. Built to meet the complex demands of large-scale aid and benefits distribution, AidKit's all-in-one technology platform streamlines workflows, accelerates disbursements, and reduces administrative burden—configuring to the needs of each community rather than forcing programs into rigid systems.

With integrated fraud prevention, compliance tracking, and real-time caseload management tools, AidKit ensures programs operate with precision, accountability, and data security. Drawing on a proven record of successful implementations, AidKit expands operational capacity and elevates service delivery for its partners.

From disaster relief to benefits modernization, AidKit delivers results that maximize impact and build public trust. Founded in 2021, AidKit is a woman-led Certified B Corporation that has supported over 200 agencies and nonprofits, processed more than 500,000 applications, and distributed $380 million in aid to over 90,000 recipients.

Learn how AidKit can help your direct cash program.

Book a demo →

More case studies detailing successful direct cash programs.

Read more →