OREGON STATE TREASURY

Inside the Vault

Cash Management News

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BANK HOLIDAYS

Veterans Day
November 11th
(Oregon State Treasury
and
Banks closed)

MERCHANT CARD SECURITY: NEW STANDARDS SOON

The Payment Card Industry Security Standards Council (PCI SSC) will soon publish *PCI Data Security Standard (PCI DSS) and Payment Application Data Security Standard (PA-DSS) Version 3.0.* The new version of the standards will be issued in November 2013 and will become effective from a "best practices" perspective on January 1, 2014. Full compliance with the new standards will be required by January 1, 2015.

Changes planned for Version 3.0 are designed to help organizations take a proactive approach to protect cardholder data with more focus on security rather than simply compliance. The new standard tries to make the PCI DSS program an ongoing, business-as-usual practice. Key themes emphasized throughout Version 3.0 include:

Education and awareness**:** Lack of education and awareness around payment security, coupled with poor implementation and maintenance of the PCI Standards, gives rise to many of the security breaches that occur today. Updates to the standards are geared towards helping organizations better understand the intent of requirements and how to properly implement and maintain controls across their business.

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INTEREST RATES

The average annualized yield for September was: **0.54 percent**

The rate for September was as follows:
September 1st - 30th
0.54 percent

UPCOMING BANK HOLIDAY

Because of the Veterans Day holiday, the Oregon State Treasury, the Federal Reserve, and Oregon banks will be closed on Monday, November 11th. Customer statements and files will not be produced for November 11th, due to the closures. In addition, ACH files sent to the Oregon State Treasury after the deadline on Friday, November 8th, will be sent to the bank on Tuesday, November 12th and must have an effective date of November 13th or later.

MERCHANT CARD SECURITY: NEW STANDARDS SOON

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Changes to PCI DSS and PA-DSS will help drive education and build awareness internally and with business partners and customers.

Increased flexibility**:** Changes in PCI DSS and PA-DSS 3.0 focus on some of the most frequently seen risks that lead to incidents of cardholder data compromise, including: weak passwords and authentication methods, malware, and poor self-detection. The changes also provide added flexibility for ways to meet the requirements. This will enable organizations to take a more customized approach to addressing and mitigating common risks and problem areas. At the same time, more rigorous testing procedures for validating proper implementation of requirements will help organizations drive and maintain controls across their business.

Security as a shared responsibility**:** Securing cardholder data is a shared responsibility. Today's payment environment has become more and more complex, creating multiple points of access to cardholder data. Changes introduced with PCI DSS and PA-DSS focus on helping organizations understand their entities' responsibilities when working with varied business partners to ultimately ensure cardholder data security.

Note that version 3.0 updates are still under review by the PCI community. Final versions of the PCI DSS and PA-DSS 3.0 will be published on November 7, 2013. The standards become effective January 1, 2014, but to ensure adequate time for the transition, version 2.0 will remain active through December 31, 2014. A change "highlights" document with tables outlining anticipated updates is available on the PCI SSC website at https://www.pcisecuritystandards.org/documents/DSS_and_PA-DSS_Change_Highlights.pdf

Treasury plans to host a PCI DSS training forum in January 2014. The forum will focus on the impacts of version 3.0. An expert from Coalfire Systems Inc. will provide the training. More information about the forum will be provided in an upcoming newsletter.

DEADLINE REMINDER

The 2013 annual reporting deadline for both ACH and PCI DSS assessments is December 31st. E-mails about this year's process for each assessment were sent to agency Points-of-Contact (POC) on September 30th. If you are the POC for your agency and didn't receive an e-mail, please let us know by contacting us at tms@ost.state.or.us with your agency name and your POC information. We will ensure that the process information is forwarded accordingly. If you have other questions about the process please contact us via tms@ost.state.or.us or as instructed in your POC e-mail.

GETTING TO KNOW OUR PARTNERS

The Treasury Management Services team (TMS) has initiated engagement visits with our agency partners for the 2013-15 biennium. During September and October, visits with the following agencies are scheduled or have already taken place: OSAC, DHS/OHA, Judicial, Mortuary and Cemetery Board, Occupational Therapist Licensing Board, DMV – Motor Carriers Division, Construction Contractors Board, ODOT – DMV, Department of Administrative Services, Board of Dentistry, OLCC, ODOT – Central Services, and the Long Term Care Ombudsman. We will begin including brief updates in upcoming newsletters as to the status of these visits and any emerging themes or best practices to be shared. If your agency hasn't yet heard from TMS about scheduling a visit, you can expect them to contact you after the first of the year. In the meantime, you can contact the team at tms@ost.state.or.us if you have any questions.

STAFFING CHANGES AND OPPORTUNITIES

In last month's newsletter, we mentioned that the Banking Support Specialist position in the Banking Operations team had become vacant. We are pleased to announce that Nicki McMillian has recently joined the Banking Operations team to fill this position. Nicki is assuming the duties Lisa Davis had previously filled, which include data entry, redeemed check image requests, check stock testing, online user maintenance and several bank reconciliations. Nicki comes to us from within Treasury, where she has most recently been working as an Executive Support Specialist in our Capitol Office. Nicki has been with Treasury for five years. Nicki is currently working on completing an Accounting degree from Eastern Oregon University. Outside of work, Nicki enjoys spending time with her family and playing softball. Nicki may be reached at 503-373-1944 or nicki.mcmillian@ost.state.or.us

We are also pleased to welcome Wendy Finley to the Finance Division team. Wendy joins us as the Project Manager for our Cash Management Improvement and Renewal Program (CMIRP). In the near-term she will be project managing efforts to develop the business case for replacement or renewal of several of our critical cash management systems. Wendy also joins us from within Treasury, where she was, most recently, the agency-wide project management coordinator. She also has experience with investment accounting and public funds collateralization programs. Wendy has a bachelor's degree in Business Management from Linfield College and is a certified Project Management Professional (PMP) and Oregon Project Management Associate (OPMA). Wendy can be reached at 503-373-1966 or wendy.finley@ost.state.or.us.

Recruitments for the Finance Division Deputy Director and for a business analyst associated with the CMIRP program are underway, with first round interviews for both being held in the next few weeks. A recruitment for the Banking Operations Team Coordinator (Accountant 4) will open in the near term. You can find Treasury job opportunity postings here or on the State of Oregon Jobs webpage.

CASH MANAGEMENT IMPROVEMENT & RENEWAL PROGRAM (CMIRP) CORNER

In previous newsletters we've discussed how we've been building a foundation for cash management process and system improvement projects. Most recently, in the July newsletter, we referenced the approval of related resources by the 2013 Legislative Assembly. Hiring for the approved positions is underway and development of the business case for replacement and/or renewal of Local Government Investment Pool (LGIP) and Automated Clearing House (ACH) infrastructure and activities has been initiated. We plan to include a brief update on related activities in monthly editions of this newsletter on an ongoing basis. The newsletter will be just one form of communication with our partners as we move through this important effort. You can contact Cora Parker, Wendy Finley, or Angel Bringelson if you have questions about these efforts.

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