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OREGON STATE TREASURY

# Inside the Vault

## Cash Management News

OCTOBER 2014

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### BANK HOLIDAY

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

## CASH AVAILABILITY AT LOCAL BANK BRANCHES

Have you noticed that cashing payroll and/or benefit checks is not as easy as it used to be? In a world of ever-growing electronic movement of money, use of cash is becoming less prevalent. This is also the case at many local bank branches. The amount of cash that branches actually have on hand at any given point in time is a policy decision for each branch. However, the need for cash continues to decrease, making it a challenge at times for customers to either make large withdrawals or cash checks. Generally speaking, with teller cash drawer limits imposed at the individual bank branch level, customers may need to wait 24 – 48 hours to obtain cash in excess of \$1,000. For cash requests greater than \$10,000, it is

recommended that a branch be given notice at least five business days in advance.

Agencies may find that their customers encounter difficulties cashing checks for large dollar amounts without sufficient notice to a local bank branch. With that in mind, agencies should inform their customers of possible branch cash limitations, especially if customers plan to withdraw large sums of cash. If your customers experience problems with cashing checks as described above, or if you would otherwise like to evaluate options to replace physical checks, contact Treasury Management Services at [tms@ost.state.or.us](mailto:tms@ost.state.or.us).

## UPCOMING VETERANS DAY HOLIDAY

Because of the Veterans Day holiday, the Oregon State Treasury, the Federal Reserve, and Oregon banks will be closed on Tuesday, November 11. Customer statements and files will not be produced for November 11 due to the closures. In addition, ACH files sent to the Oregon State Treasury after the deadline on Monday, November 10, will be sent to the bank on Wednesday, November 12, and must have an effective date of November 13 or later.

## INTEREST RATES

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

The rate for September was as follows:

September 1 - 30  
**0.54 percent**

## PRENOTE WAITING PERIOD REDUCED

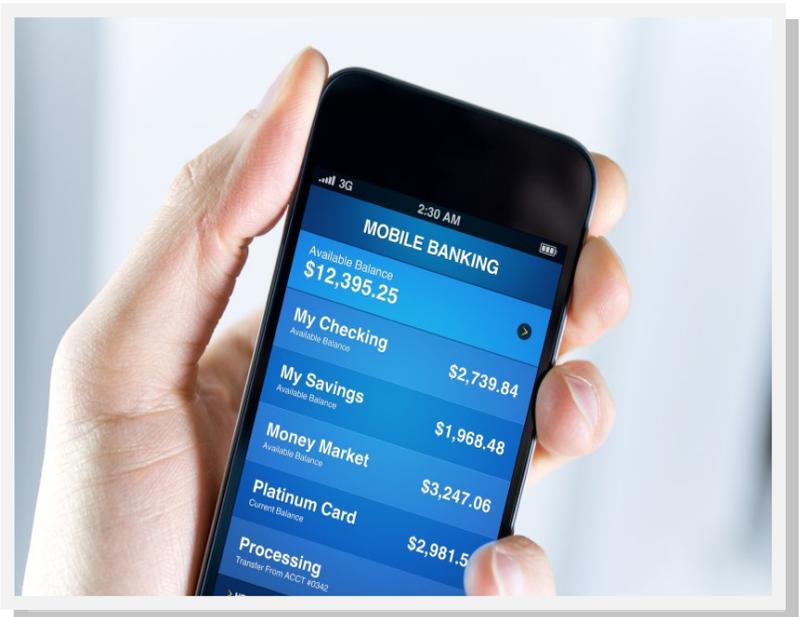
On September 19, 2014, an Automated Clearing House (ACH) rules update went into effect with regard to the prenote waiting period. This waiting period is the number of days that an originator should wait following a prenote before initiating a live entry to ensure that a Notice of Change (NOC) is not received. The rule change reduces the prenote waiting period from six banking days to three banking days. Treasury is in the process of updating the State ACH Network (STAN) Online application to reflect the change. As a reminder to agencies, OST ACH Policy 02.18.07 requires agencies to prenote all recurring ACH entries and recommends prenoting all new entries as a best practice. With the shortening of the waiting period, agencies now have a more timely assurance that they are debiting or crediting a valid account, thereby reducing the number of ACH returned items. Please send questions regarding this update to [tms@ost.state.or.us](mailto:tms@ost.state.or.us).

## MOBILE BANKING FRAUD REMINDER

Mobile banking has become the latest trend in the financial world. There is no longer a need to go to a bank branch, check cashing store, or even an ATM when you can simply deposit a check through an app on your mobile phone. Unfortunately, as the popularity of mobile remote deposit capture grows, so does the risk of fraud related to duplicate depositing of checks. As with any new technology, customers and clients are finding ways to “manipulate” this new process by depositing checks through a mobile device to their financial institution, then fraudulently presenting the same check “physically” for cash at another bank or check cashing location. In essence, the check is being presented twice, leaving the check issuer potentially liable to pay on both the transactions.

In July, OST provided information in this newsletter on mobile deposit fraud risks and how agencies should handle these situations. **Remember that if you experience a duplicate redemption of an item that you feel is associated with a mobile deposit application, please contact Nicki McMillan at 503.378.2462, as there are specific steps that need to be taken to attempt recovery of the mobile redemption.** You can read the entire July article by clicking [here](#).

As outlined in the July article, one key step an agency can take to reduce duplicate deposit risk is to reduce the number of checks issued. Alternative payment options, including mandating electronic payments, may be a beneficial option. Please note that a customer or client who can deposit a check by mobile app already has access to a bank account, meaning that mandated electronic payments would be workable. Options, such as prepaid card payments, are available for customers or clients who do not have access to a bank account. If you would like to evaluate alternative payment options, please contact Treasury Management Services at [tms@ost.state.or.us](mailto:tms@ost.state.or.us).



### CMIRP CORNER

*The Cash Management Improvement & Renewal Program (CMIRP) is a continuous improvement program focused on the renewal, replacement, and refinement of processes and technology supporting Treasury cash management services.*

Treasury continues to plan the implementation phase of the ACH Business Systems Renewal. Treasury has begun meeting regularly with the Legislative Fiscal Office (LFO) to ensure that LFO has a good understanding of the renewal efforts and to meet LFO's expectations leading into the next legislative session.

Treasury also has been working internally to assemble a dedicated project team that reaches across functional areas. The team will begin meeting with our current treasury management services provider, U.S. Bank, later this month to further review and analyze the proposed product/service alternatives that meet the Transform path identified during business case development. The ultimate goal is to select the product/service that best meets the requirements of the Transform path, as well as Treasury's and its customers' business needs, by the end of 2014. Actual implementation would likely begin mid-2015, with ideal completion well before the end of 2015.

If you have questions or comments about the ACH Business Systems Renewal effort, please contact us at [cmirp@ost.state.or.us](mailto:cmirp@ost.state.or.us).

## COLLECTING PAYMENTS IN TODAY'S BANKING ENVIRONMENT FORUM

**Tuesday, October 28**

**9:00 a.m. - Noon**

**Employment Auditorium**

**875 Union Street, Salem**

Please join us for a receipting forum, presented by U.S. Bank, on collecting payments in today's banking environment. This will be an opportunity for agencies to interact with payment experts regarding best practices in receipting, including industry trends and tools to help you achieve receipting efficiencies.

Payment experts from U.S. Bank will be on site to lead an informative and interactive discussion aimed at answering your banking questions surrounding payment collections. We encourage you to share this event with staff within your agency who may be connected to the receipting process.

Pre-registration is encouraged, though you are still welcome to attend the event if you are unable to pre-register.

- Pre-registration: Send your first and last name, as well as your agency name, in an e-mail to [tms@ost.state.or.us](mailto:tms@ost.state.or.us)
- Day of Event Registration: Doors open at 8:30 a.m. at the Employment Auditorium

## DEADLINE REMINDER



The 2014 annual deadline for completion of ACH Risk Assessments and Payment Card Industry Data Security Standards (PCI DSS) Self-Assessment Questionnaires (SAQs) is December 31. Reminder e-mails with instructions for each assessment were sent to agency Points-of-Contact (POC) on September 30. If you are the POC for your agency and did not receive an e-mail, please let us know by contacting us at [tms@ost.state.or.us](mailto:tms@ost.state.or.us) with your agency name and your POC information. We will ensure that the risk assessment information is forwarded accordingly. If you have other questions about the process, please contact us via [tms@ost.state.or.us](mailto:tms@ost.state.or.us) or as instructed in your POC e-mail.

## CONTACT INFORMATION

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