



Electronic Receipts Acceptance

Remote Deposit Capture
and
Internet Payments



Remote Deposit Capture

RDC allows an agency to scan checks directly to the state's account for deposit

Secure checks for 14 days then destroy
(GS 01068)



Benefits of RDC

- No need to fill out deposit slips
- No more waiting for a courier to pick up a deposit or make time consuming trips to the bank or Treasurer's Office
- Desktop scanner is small, takes about the same space as your phone
- Easy online reporting information available to look up check deposits or check images
- Agency pays no fees



RDC requirements

- PC with internet connection
- Internet Explorer version 7 or higher
- Access to SinglePoint, US Bank's online banking system (granted by OST)
- Deposit Cash as usual
 - Treasurer's office can grant a waiver of the 24 hour deposit rule to minimize trips to the bank for small cash deposits (cash must be safe guarded if waiver is granted)



Next Steps

- Email Request to OST: kristy.sartain@tre.wa.gov
 - Average monthly number and dollar amount of checks
 - Delivery Address with individual contact name and phone
- OST Orders Scanner
 - Cost is \$525.00
 - Paid for by OST as long as budget allows
- Scanner arrives in 2-3 weeks
- Installation
 - Approx. 1 hour to install scanner and drivers
 - Requires admin authority to your PC
 - May need to involve IT



Remote Deposit Administrators

Primary Administrator

Kristy Sartain

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Backup Administrator

Lesa Williams

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Questions





Internet Payments

RCW 43.17.095 states in part:

In any instance where a state agency requires that a business submit a document, form or payment of a fee in paper format, the state agency must provide the business and option to submit such requirement electronically.



Internet Payment Options

Bankcards – Credit or Debit Cards

Most recognized/requested internet payment

Greatest cost to Agency of any payment option

ACH – Automated Clearing House

National Electronic Payment Network

a.k.a. direct debit, internet check, e-check



Benefits of ACH

- Lowest cost electronic collection method
- Especially suitable for internet payments
- Reduces cash/check handling
- Expedites NSF/bad check notification
- Accelerated availability of funds
- Predictable cash flows

In FY 14, State Agencies collected \$14.8 billion using Agency Supported ACH at a cost of approximately \$20,000 in banking fees.

To collect the same amount using bankcards it could have cost almost \$300 million dollars!



Two Options

US Bank E-Pay Service

- Fees paid by the Agency
- All Customer Data is collected and maintained at the bank

Agency Created ACH File

- Lowest cost (free to Agency)
- More work needed by agency IT Staff to build and maintain system



US Bank E-Pay

Pay button redirects customer to the bank's website

The bank:

- Collects & retains customer data
- Creates and processes ACH file
- Accepts and processes returned/NSF transactions
- Ensures compliance with the ACH Rules
- Settles to a Zero Balance Account (ZBA)

E-Pay can be used to accept bankcards for payment



Agency Created ACH File

Agency supports programming behind pay button

Collect Customer Specific Data

- Customer Name
- Bank Info - Routing number and account number
- Transaction Amount
- Unique Customer ID

Create ACH file and transmit to OST

Compliance

- Data security of personally identifiable information – Category 3
- ACH Rules

Receive returned/NSF transactions electronically



Transaction Costs

Bankcards vs. ACH

Bankcards

\$100 Transaction

Interchange -	\$1.46
Assessment -	\$0.11
Discount -	\$0.03
Processor -	<u>\$0.01</u>
TOTAL -	\$1.63

Total for 20,000 transactions:

\$32,600

Agency Supported ACH

Per transaction Bank Fee for ACH
\$0.025

Total for 20,000 transactions:

\$500

Bank Supported ACH

EPayments has monthly fees, plus per transaction fees. These fees can vary based on business need of the Agency. Estimated Total for 20,000 transactions:

\$5300



More Information

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Meeting should include IT, Fiscal and Mgmt



Questions





Role of the Treasurer

RCW 43.08.015 authority to represent the state in all contractual relationships with financial institutions

RCW 43.88.160 The Treasurer shall coordinate agencies' acceptance and use of credit cards and other payment methods