



**OREGON
STATE
TREASURY**

Inside the Vault

State Agency Edition

Merchant Card Interchange Rate Changes

Effective April 1, Visa will implement changes to the interchange rates charged for certain transactions (other card brands are likely to follow). The changes could result in an increase of up to 80 basis points (0.8%) to the interchange rate for card-not-present transactions submitted for authorization and settlement without address verification system (AVS) information.

Card-not-present transactions occur when a card is not physically dipped, tapped, or swiped at the time of sale (this includes e-commerce, mail order/telephone order, and manually entered transactions). Capturing AVS information can reduce fraud risk and lower processing fees for these types of transactions.

AVS compares the billing address submitted by the card user during checkout to the cardholder's billing address on file at the card issuing bank. This is done as part of the merchant's request for authorization of the credit card transaction. The credit card processor sends a response code back to the merchant indicating the degree of address matching, thereby authenticating ownership of a card. This process helps the merchant in determining whether a card transaction should be accepted or rejected.

To access the lowest interchange rates available, agencies accepting merchant cards should ensure they capture a card user's ZIP code (Partial AVS) during checkout for all card-not-present transactions. Staff also should be trained to enter the ZIP code when available rather than bypassing the field. If your agency uses acceptance equipment/software not provided by Elavon, work with your solution provider to ensure AVS is enabled. For further questions, contact Customer Solutions at customer.solutions@ost.state.or.us.

Upcoming Holiday

Due to Presidents Day, Treasury, the Federal Reserve, and financial institutions will be closed Monday, February 21. Customer statements and files will not be produced for February 21 due to the closures. In addition, ACH files sent to Treasury after the deadline on Friday, February 18, will be sent to the bank on Tuesday, February 22, and must have an effective date of February 23 or later.

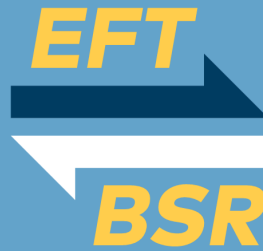
Interest Rates

Average Annualized Yield	
January	0.45%
Interest Rates	
January 1–31	0.45%

EFT BSR File Transmission Forum

Treasury will host an online forum on Wednesday, February 23, from 10:00 a.m. to 11:30 a.m. for all agencies that currently send/receive ACH files to/from Treasury. Attendees will receive detailed information about the transition to KeyBank, including the following:

- ▲ Transition tasks and timing
- ▲ Steps to take now to prepare for transition
- ▲ Agency/program-specific file changes (minimal)
- ▲ Clarification of what’s changing and what’s staying the same
- ▲ And more!



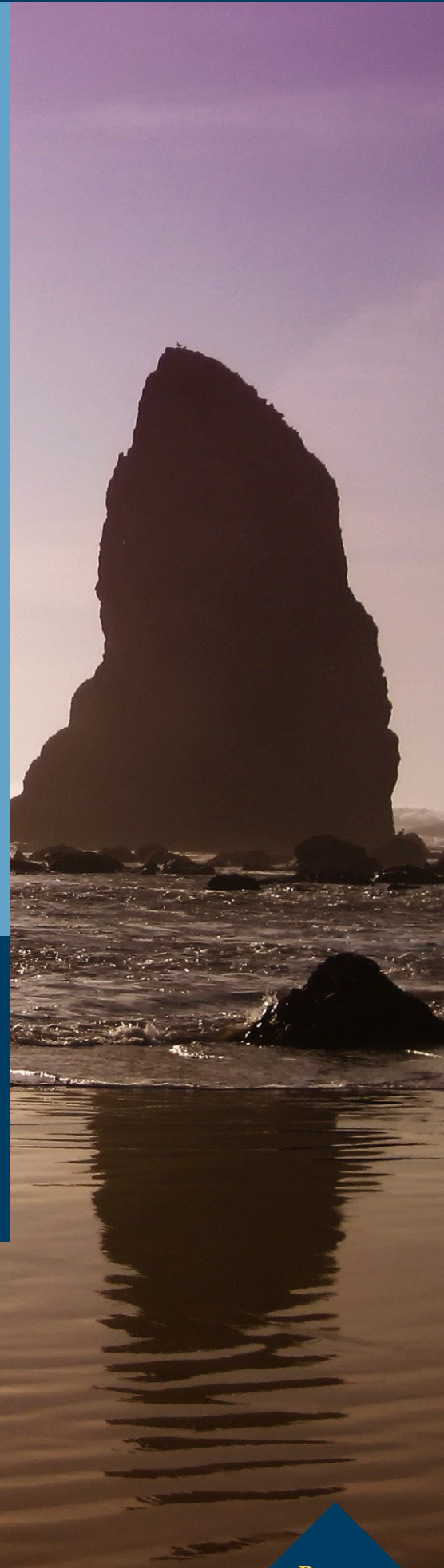
Registration closes at 5:00pm on February 22, so [sign up](#) today.

About the Project

The Electronic Funds Transfer (EFT) Business Systems Renewal (BSR) project will transform both how Treasury internally operates ACH, wire transfer, and book transfer services and how we deliver those services to our customers. Treasury is partnering with KeyBank to deliver ACH and wire transfer services while exploring other solutions to deliver book transfer services. The new service delivery model will streamline processing while reducing risk and enhancing service to our customers.

Signing & Submitting Cash Management Forms

With many state employees working remotely, Treasury recognizes that agencies may face challenges signing and submitting cash management forms. To assist agencies, we have revised certain forms to accommodate electronic signatures. The forms, and instructions on how to complete them, are now available on our [website](#).



New Deputy Director of Finance

Following last month's retirement of Mike Auman, Bryan Cruz González has been named Treasury's new Deputy Director of Finance. Bryan has served as the Finance Division's Policy & Strategy Manager for the past four years overseeing statewide cash management policies, strengthening engagement with Treasury customers, implementing new banking services and products, and coordinating the division's legislative activities.

Bryan has more than 15 years' experience with the State of Oregon and has focused his career on implementing new programs across state government. Before joining the Finance Division in 2014, he was a national leader in administering the Hardest Hit Fund—a federally funded foreclosure prevention initiative—while serving at the Oregon Housing and Community Services Department. Bryan coordinated statewide reporting under the American Recovery and Reinvestment Act as part of Governor Kulongoski's Economic Recovery Executive Team and helped implement a voter-backed land use initiative while at the Oregon Department of Land Conservation and Development.



Service Spotlight

Prepaid cards are a cost-effective alternative to issuing checks—especially for customers who do not have access to traditional banking services. When disbursing funds to a customer, the funds are deposited to a reloadable debit card that the customer can then use to withdraw cash or make purchases.

Treasury has contracted with U.S. Bank to provide prepaid card solutions that offer customers several features and benefits:

- ▶ Convenience - Withdraw cash at ATMs 24 hours a day and make purchases anywhere debit cards are accepted, including retail stores, grocery stores, restaurants, and pharmacies. The card may also be used to pay bills via bill pay, and for online, phone, and mail order purchases.
- ▶ Reliability - Payments are automatically deposited to the card, which means no more lost or stolen checks and no more check cashing fees. The card provides quick access to funds without waiting in line to cash or deposit a check.
- ▶ Security - No need to carry large amounts of cash. Funds are protected by the Visa Zero Liability Policy and are FDIC insured.

If you are interested in evaluating your business needs and available options, or have questions regarding prepaid cards generally, contact Customer Solutions at customer.solutions@ost.state.or.us.



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Check Image Requests

Check Stock Testing

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**Cash Management
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