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OREGON STATE TREASURY

Inside the Vault

Cash Management News

APRIL/MAY 2018

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HOLIDAY

**Memorial Day
May 28**

Treasury Closed
Banks Closed

See article for more information

MAY IS DIRECT DEPOSIT/DIRECT PAYMENT VIA ACH MONTH

NACHA—The Electronic Payments Association designates May as National Direct Deposit and Direct Payment via ACH Month. Treasury recognizes the importance of ACH as an easy, safe, convenient, cost-effective, and environmentally friendly way to make and receive payments. This month of observance is a good time to remind agencies about the potential savings associated with the use of ACH transactions. It also provides a good opportunity to revisit the rules, security issues, and other important business considerations that must be addressed when using the ACH network. Treasury's Customer Solutions team can assist your agency in learning more about the benefits and requirements of ACH and help determine whether ACH would be a good fit for your agency. For more information about ACH, visit www.nacha.org or contact Customer Solutions at customersolutions@ost.state.or.us.

SERVICE SPOTLIGHT

Automated Clearing House (ACH) is an electronic method of sending or receiving money and payment-related information. ACH transactions flow through the ACH Network, which is overseen by NACHA—The Electronic Payments Association and governed by the NACHA Operating Rules.

ACH can be used for credit transfers (such as direct deposit and vendor payments) and debit transfers (such as bill collection and loan payments). ACH also can be used for specialized transactions such as converting paper checks to electronic transactions and international transactions. Transactions require pre-authorization from the recipient and can be set up as one-time or recurring.

Agencies can originate ACH transactions through Treasury-provided systems, agency-provided systems, or via third party providers. There are many factors to consider when adopting electronic payment methods like ACH, but generally a shift to such methods has the potential to result in significant savings and efficiencies. If you are interested in evaluating your business needs and available options, or have questions regarding electronic payment methods generally, contact Customer Solutions at customersolutions@ost.state.or.us.

INTEREST RATES

Average Annualized Yield

March
1.9226 percent
April
2.10 percent

Interest Rates

March 1–22
1.85 percent
March 23–April 30
2.10 percent

NEW HIGHS IN ACH VOLUME

Last month, NACHA announced that ACH Network volume increased by more than one billion transactions for the third year in a row, hitting a new high of 21.5 billion transactions worth more than \$46.8 trillion. The volume translates to more than 66 transactions per person in the U.S., with the value more than double the country's GDP. Business-to-business payments increased 5.6 percent to 3.3 billion transactions, and payroll payments grew 5.8 percent to 6.5 billion transactions. "The continued robust growth comes as no surprise as the ACH Network continues to evolve to meet the needs of financial institutions, businesses and consumers," said NACHA Chief Operating Officer and General Counsel Jane Larimer.



LEARN MORE AT WWW.NACHA.ORG

704-18-6

UPCOMING HOLIDAY

Because of the Memorial Day holiday, the Oregon State Treasury, Federal Reserve, and Oregon banks will be closed on Monday, May 28. Customer statements and files will not be produced for May 28 due to the closures. In addition, ACH files sent to Treasury after the deadline on Friday, May 25, will be sent to the bank on Tuesday, May 29, and must have an effective date of May 31 or later.

MERCHANT CARD FORUM—SAVE THE DATE

Agencies currently participating in Treasury's merchant card acceptance program are invited to join Treasury staff and representatives from U.S. Bank/Elavon on June 28 for an overview of the program and to learn about topics such as security, compliance, and industry changes. Save the date and watch for more information in upcoming issues regarding specific time and location. Contact Customer Solutions at customersolutions@ost.state.or.us with any questions.

ACH QUESTIONS & ANSWERS

In anticipation of upcoming summer vacations, below is information that agencies should find useful for staff who may provide coverage for ACH processes. Agencies should have access to the current [Treasury](#) ACH Communication Plan for the ACH notification and error resolution process. Please contact customersolutions@ost.state.or.us if you do not. We also have included a few frequently asked questions related to ACH processing for your benefit. Please make this information available to the staff that will have any responsibility for ACH processing within your agency at any point in time. This information also may be a good reminder for current staff or good training for new hires into ACH-related positions.

What do I need to do with ACH Confirmations?

An ACH Confirmation is notice to the agency that Treasury picked up the agency's ACH file. At least one person should be designated to verify that the item count and dollar amount on the ACH Confirmation match the item count and total dollar amount of the file sent. Contact Treasury at ach.exception.notify@ost.state.or.us to inquire about any discrepancies on ACH Confirmations.

What if I don't receive an ACH Confirmation?

If an agency sent an ACH file to Treasury but did not receive an ACH Confirmation by 11:00 a.m., Treasury likely did NOT pick up the file. Contact Treasury at ach.exception.notify@ost.state.or.us to inquire about the missing ACH Confirmation.

What if I need to increase the dollar limit for ACH?

Agencies should plan for cash needs in advance. Review possible transactions prior to leaving for vacation and request limit increases in advance to avoid Treasury not being able to process transactions. If dollar limits are exceeded, Treasury will require proper authorization prior to increasing an agency's limits.

What is the cutoff time for sending ACH files?

The daily cutoff time for sending ACH files to Treasury via FTP is 10:00 a.m. The daily cutoff time for STAN online transactions is 1:00 p.m.

Note: Treasury will not correct errors in ACH files. It is important for agency ACH contacts to be available between 10:00 a.m. and 1:30 p.m. for error resolution.

If you miss the 10:00 a.m. cutoff and would like to request late processing, contact Treasury at ach.exception.notify@ost.state.or.us. In limited circumstances, Treasury can process late ACH files sent until approximately 1:00 p.m.

Who should I contact if I have issues with ACH?

All ACH issues should be reported to ach.exception.notify@ost.state.or.us. Contacts made directly to individual Treasury staff will not guarantee that your needs are met in a timely manner.



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ACH File Issues

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Online User

Password Resets

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