



**OREGON
STATE
TREASURY**



Inside the Vault

State Agency Edition

Legislative Impacts on Cash Management

During the recent legislative session, bills may have been approved that made organizational or programmatic changes to agencies. It is important to remember that whether legislative changes resulted in combining agencies, moving a program between agencies, approving a new revenue stream for an agency, or establishing a new account, each of these modifications have a cash management impact. If your agency experienced any of these changes, and you are not already working with Treasury on the matter, contact Customer Solutions at customersolutions@ost.state.or.us to evaluate the potential impact to your existing Treasury accounts or other cash management functions through Treasury. Adequately planning for the changes in a timely manner will help make the transition more efficient for all involved.



Service Spotlight

Remote Deposit Capture (RDC) is a service that allows an organization to deposit checks electronically by capturing an image of a check and sending the image to the organization’s financial institution. The service requires use of a desktop check scanner and specialized software (either on-premises or software as a service). Because the check image becomes a legal substitute for the paper check, scanners must comply with industry standards for image quality.

RDC is an innovative and efficient alternative to processing paper checks and can result in enhanced cash flow and reduced processing costs—especially for agencies with multiple departments or locations receiving checks. Agencies can access RDC through Treasury or approved third party vendors. If you are interested in evaluating your business needs and available options, or have questions regarding remittance processing methods generally, contact Customer Solutions at customersolutions@ost.state.or.us.

Interest Rates

Average Annualized Yield	
June	2.75%
Interest Rates	
June 1–30	2.75%

YEAR-END PERFORMANCE 2018

Invested for you

Helping Oregon keep its promises to our public servants

Every day I come to work, I'm focused on how my team can ensure that Oregon keeps its promise to our valuable public sector workers, by seeking strong and stable investment returns.

As our public servants have committed their careers to making Oregon stronger and safer, Oregon has made a commitment as well, to make secure retirement returns.

Treasury is working – and excelling – when it comes to investing the Oregon Public Employees Retirement Fund. This is your money – collectively there are about 300,000 beneficiaries, according to the PERS agency – and we are managing it for your sake and retirement benefits.

At the end of 2018, the pension fund stood at \$75 billion. And industry rankings show Oregon consistently beats its peers in terms of long-term investment performance.

The fund is paying benefits that average about \$2,800 a month to retired workers who spent their entire careers teaching our children, providing essential social services, protecting our collective quality of life, and keeping our communities safer.

The long-term success of our investment program is paying dividends. An amazing 75 cents of every dollar in pension benefits come from investment performance. That's money that doesn't need to come from any other source.

I have had the privilege to serve as your Treasurer for the past two years, and I am proud of our team's continued efforts to drive the investment program ever more effectively and efficiently.

Last year, we revamped the structure of the Individual Account Program to better align age and risk exposure, which protected late-career workers from losses during the sharp downturn in equity markets during 2018's fourth quarter. We also expanded our internal investment capacity, which has already resulted in millions in higher net returns. Finally, we recently initiated formal research efforts focused on the identification and management of Environmental, Social and Governance risks, which in turn will allow us to advance our portfolio's sustainability and resiliency.

At the same time, we are always looking to improve, and the Oregon Investment Council – on which I serve – is setting a high bar for principled and thoughtful leadership. We are building for our future, and for ours. By investing for the long term and making smart decisions, we are protecting your retirement security while also meeting today's expectations for good government.

As always, thanks for everything you do, for Oregon.

OREGON STATE TREASURER TOBIAS READ

IN THIS ISSUE

- OREGON TREASURY BEATS PEERS FOR 10-YEAR RETURNS
- 10P TARGET DATE FUNDS WORKED AS EXPECTED IN LATE 2018 MARKET SWS
- OREGON INVESTMENT COUNCIL: QUALITY IMPROVES PERFORMANCE

Oregon Public Employees Retirement Fund
75.0 Billion
Dec 31, 2018

INVESTED FOR YOU | SPRING 2019 | 11

Invested for You

Public employees work hard to serve their fellow Oregonians, and Treasury works hard to ensure that Oregon keeps its promise of a secure retirement for our valuable public employees by seeking strong and stable investment returns. PERS members can stay informed about Treasury's investment program and fund performance—including Individual Account Program Target Date Funds—through our twice-yearly newsletter called *Invested for You*. The publication is aimed at beneficiaries of the funds we invest, notably the Oregon Public Employees Retirement Fund. If you are a PERS member, this fund is managed for your benefit!

Click [here](#) to read the current and past issues, and be sure to [subscribe](#).

EFT Business Systems Renewal: What's Changing and What's Staying the Same

In last month's issue of Inside the Vault, we talked—at a high level—about how the Electronic Funds Transfer (EFT) Business Systems Renewal (BSR) project will impact our agency and university customers. While the project is specifically focused on ACH, wire transfer, and book transfer services, we thought it would be helpful to provide more detail about which services will and won't be impacted.

Services Impacted	Services Not Impacted
Originated ACH—including tax payments, international ACH (IAT), and prepaid card funding	Outgoing International Wire Transfers
Received (Incoming) ACH	Book/Account Transfers via SFMA
Returned ACH Items	Check Redemption
Outgoing Domestic Wire Transfer	Check Deposits
Received Domestic Wire Transfers	Positive Pay
Received International Wire Transfers	Reverse Positive Pay
Book/Account Transfers via STAN Online	Remote Deposit Capture—both onsite electronic deposit and image cash letter
	Lockbox
	E-Payment
	Merchant Cards
	Prepaid Cards

While ACH and wire transfer services will transition to KeyBank, the solution for book transfers has not yet been fully determined. Services not impacted by the project will remain with their respective service vendors, including U.S. Bank, Elavon, and Western Union.

Contact project staff at EFT.BSR@ost.state.or.us with any questions about the project and look for more information in future issues.

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Cash Management

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