



**OREGON
STATE
TREASURY**



Inside the Vault

State Agency Edition

EFT BSR: Phase 2 Pilot Group Progressing

On July 1, 2021, Treasury became the first agency to transition to KeyBank as part of the pilot group for Phase 2 of the Electronic Funds Transfer (EFT) Business Systems Renewal (BSR) project. The transition was especially noteworthy since it included ACH origination via file transmission supported by the OSCIO E-Government Program's statewide e-commerce service provider. Based on close monitoring, the project team identified valuable lessons to apply to future transitions including those involving the statewide e-commerce service provider.



Following Treasury's successful transition, Veterans' Affairs and Portland State University are both scheduled to transition in early September. Meanwhile, planning continues for an anticipated October transition of both DAS Statewide Financial Management Services and Oregon Statewide Payroll Services.

Looking ahead of the pilot group, testing activities related to Workday and the Payroll and Time Tracking Replacement Project are expected to start soon. Additionally, Customer Solutions is beginning to engage with current Site to Site agencies to gather information that will inform future transition timing.

As project activity continues to increase, and to enable timely and effective communication, it is important that agencies keep their lists of KeyHolders up-to-date. If you need to add or change KeyHolder contacts, or have any questions about the project, contact project staff at EFT.BSR@ost.state.or.us.

Upcoming Holiday

Due to Labor Day, Treasury, the Federal Reserve, and financial institutions will be closed Monday, September 6. Customer statements and files will not be produced for September 6 due to the closures. In addition, ACH files sent to Treasury after the deadline on Friday, September 3, will be sent to the bank on Tuesday, September 7, and must have an effective date of September 8 or later.

Interest Rates

Average Annualized Yield	
June	0.60%
July	0.5952%
Interest Rates	
June 1–July 28	0.60%
July 29–July 31	0.55%

Nacha Rules Update: Meaningful Modernization

On September 17, 2021, five new Nacha rules will take effect. Referred to as “Meaningful Modernization,” the rules are designed to improve and simplify the ACH user experience by modernizing aspects of ACH authorizations and other processes:

Standing Authorization

This rule defines a Standing Authorization as an advance authorization by a consumer of future debits at various intervals. Under a Standing Authorization, future debits may be initiated *by the consumer* through some further action, as distinct from recurring entries which require no further action and occur at regular intervals.

The rule specifies that a Standing Authorization may be obtained in writing or orally, that individual payments initiated based on the Standing Authorization will be defined as Subsequent Entries, and that individual Subsequent Entries may be initiated in any manner identified in the Standing Authorization.

The rule also allows an Originator to use the TEL or WEB Standard Entry Class codes for Subsequent Entries when initiated by either a telephone call or via the internet, respectively, regardless of how the Standing Authorization was obtained. In such cases, the Originator will not need to meet the authorization requirements of TEL or WEB but will need to meet the risk management and security requirements associated with those codes.

Oral Authorization

This rule defines and allows Oral Authorization as a valid authorization method for consumer debits distinct from a telephone call. Currently, only the TEL transaction type has requirements and addresses risks specific to an oral authorization; but it is specific to a telephone call. Many newer methods and channels make use of verbal interactions and voice-related technologies.

Other Authorization Proposals

This rule improves clarity by re-organizing the general authorization rules to better incorporate Standing Authorizations, Oral Authorizations, and other changes described below. It also defines Recurring Entry to complement the existing definition of Single Entry and the proposed new definition of Subsequent Entry, and align with terms in Regulation E.

Employment Opportunity

Treasury is currently recruiting for an Accounting Technician 3 ([Banking Support Specialist](#)) as a job rotation lasting until March 2022. The position performs centralized data entry of daily transactions for Treasury’s Banking Operations Section, which delivers banking services to all state agencies and certain public universities. The position also is responsible for certain check/warrant processing tasks and bank reconciliations. Attention to detail, accuracy, and successful experience working in high-production environments is desired. The recruitment is scheduled to close September 2

If you have questions about the position, contact Sarah Kingsbury, Banking Operations Manager, at 503.373.1501 or sarah.kingsbury@ost.state.or.us.

(Continued on page 3)

(Continued from page 2)

The rule also provides additional flexibility by explicitly stating that authorization of an ACH payment may be made by any method allowed by law/regulation and that only consumer debit authorizations require a writing that is signed or similarly authenticated.

Lastly, the rule is meant to foster consistency by applying the standards of “readily identifiable” and “clear and readily understandable terms” to all authorizations. For all consumer debit authorizations, the rule applies the minimum data element standards that are currently stated only in the TEL rules.

Alternative to Proof of Authorization

This rule applies to how financial institutions work together when proof of authorization is needed for a specific transaction.

Written Statement of Unauthorized Debit via Electronic or Oral Methods

This rule applies to how a financial institution works with its customer when the customer indicates that an ACH debit was unauthorized.

If you have any questions related to these new rules, contact Brady Coy at 503.378.2457 or brady.coy@ost.state.or.us.

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 customer.solutions@ost.state.or.us.



Service Spotlight

E-commerce is the selling or purchasing of goods and services online. And because the exchange takes place online, there are two primary payment methods that can be used. The first is the use of a merchant card (debit or credit), which requires adherence to the Payment Card Industry Data Security Standard (PCI DSS). The second is the use of bank account and routing information, which ultimately is used to produce an Automated Clearing House (ACH) or “e-check” transaction and requires adherence to the Nacha rules.

Agencies have three options when exploring e-commerce solutions:

- ▶ The OSCIO E-Government Program has contracted with private industry partners to provide statewide e-commerce services. An agency must still complete a work order contract specific to its implementation, but Treasury has qualified both ACH and merchant card options for the E-Government Program.
- ▶ Treasury has contracted with U.S. Bank to provide a solution that supports both ACH and merchant card options.
- ▶ Agencies may follow appropriate procurement processes to contract directly with third party vendors. Treasury must review and approve third party vendors for compliance with Treasury policy [FIN 214](#) and related public funds laws, PCI DSS, and Nacha requirements as may be applicable. Agencies should contact Customer Solutions early in the process to prevent delays.

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

Signing & Submitting Cash Management Forms

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

Director of Finance

Cora Parker
503.378.4633

Deputy Director of Finance

Mike Auman
503.378.2752

Policy & Strategy Manager

Bryan Cruz González
503.378.3496

Cash Management Analyst

Natalya Cudahey
503.378.8256

Policy Analyst

Ken Tennies
503.373.7453

Administrative Specialist

Kari McCaw
503.378.4633

Banking Fax

503.373.1179

Banking Operations Manager

Sarah Kingsbury
503.373.1501

Banking Operations Coordinator

Jeremiah McClintock
503.378.4990

ACH File Issues

ach.exception.notify@ost.state.or.us

Check Fraud/Stop Payments

Check Image Requests

Check Stock Testing

Ashley Moya
503.373.1944

Fed Wires/ACH Origination

Shannon Higgins
503.378.5043

Local Government Investment Pool

Sarah Kingsbury
503.373.1501

Merchant Card/U.S. Bank

Nikki Main
503.378.2409

Online User

Password Resets

ost.banking@ost.state.or.us

Safekeeping/Debt Service

Sherry Hayter
503.378.2895

Customer Solutions Team

customersolutions@ost.state.or.us
503.373.7312

Analysts/Consultants

Lyndsie DeOlus
Heidi Lancaster
Ellis Williams

▲ ▲ ▲

**Cash Management
Improvement &
Renewal Program**

cmirp@ost.state.or.us

Manager

Brady Coy
503.378.2457

Business Analyst

Angel Bringelson
503.378.5865

**Contracted Project Manager
(TEK Systems)**

David Riffle
503.373.7864

OREGON STATE TREASURY

350 Winter Street NE, Suite 100 ▶ Salem, OR 97301-3896
oregon.gov/treasury