August 2022

OREGON STATE TREASURY

Inside the Vault

State Agency Edition

Third Party Vendor Cash Management Solutions

According to state law, the State Treasurer is the sole banking and cash management officer of the state. As part of that role, Treasury partners with various financial institutions to provide a variety of banking services—including deposits, electronic funds transfers, merchant card acceptance, prepaid card issuance, check and warrant issuance, and more—to state agencies and certain public universities.

Treasury recognizes that an agency may have a need for a cash management service or a program-focused application with a cash management component that is not available through our partners. In such an instance, an agency is to contact Treasury to request approval *before* contracting with a third party vendor for such a service (see Treasury policy FIN 214 for third party vendor review requirements).

While agencies should reach out to Treasury prior to engaging in procurement activities, we encourage agencies to first coordinate discussions related to cash management needs internally before having their finance teams reach out to Customer Solutions. This

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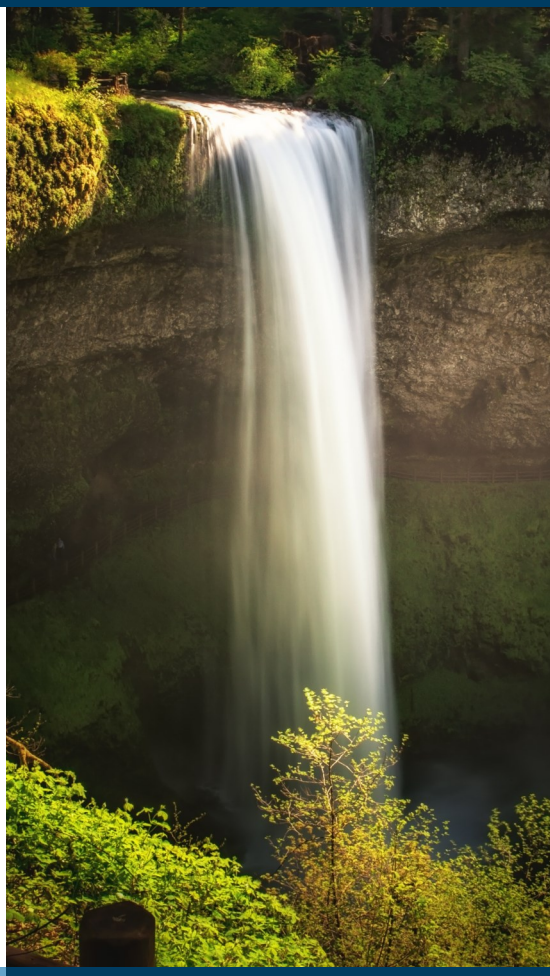


Upcoming Holiday

Due to Labor Day, Treasury, the Federal Reserve, and financial institutions will be closed Monday, September 5. Customer statements and files will not be produced for September 5 due to the closures. In addition, ACH files sent to Treasury after the deadline on Friday, September 2, will be sent to the bank on Tuesday, September 6, and must have an effective date of September 7 or later.

Interest Rates

Average Annualized Yield

July	1.2468%

Interest Rates

July 1–19	1.15%
July 20–31	1.40%

(Continued from page 1)

coordination may need to involve an agency's finance, program, procurement, and IT staff and should include discussions of the agency's cash management needs/goals, proposed use of a third party vendor and the vendor's role, timeline, etc.

After engaging Customer Solutions, we can help refine an agency's needs, identify and describe possible solutions, outline legal and policy requirements, inform the procurement process, and share best practices.

Pursuing and implementing new cash management services can be complex and requires the investment of an agency's staff, time, and resources. Preparation, planning, and open communication while engaging with Treasury will all help an agency best accomplish its goals and serve its customers.

For questions about cash management services generally or contracting with a vendor for cash management services, contact Customer Solutions at customer,solutions@ost.state.or.us.

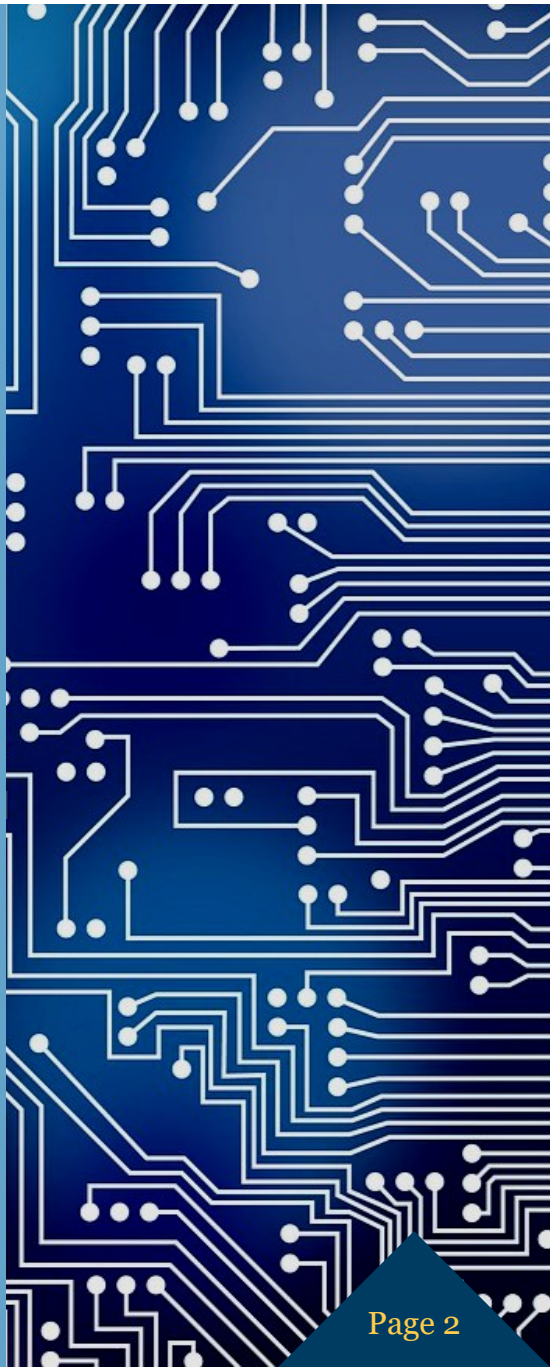
Service Spotlight

E-commerce is the selling or purchasing of goods and services online. 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 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.



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