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THE CHECK EXCHANGE

June 1994

News and Views
on Check Services

Return Item Reclearing Enhanced

On April 25, our return item Reclearing service became even better. We introduced two new service levels and a modified pricing structure. You can now select from \$100, \$200 or \$500 service levels, whichever best meets your needs.

With Reclearing, items equal to or less than your selected

dollar cut-off are outsourced from your other return items. We then review any items returned for the first time because of "not sufficient" or "uncollected" funds and enter them back into the forward collection stream. This service reduces return item volumes by as much as 60 percent.

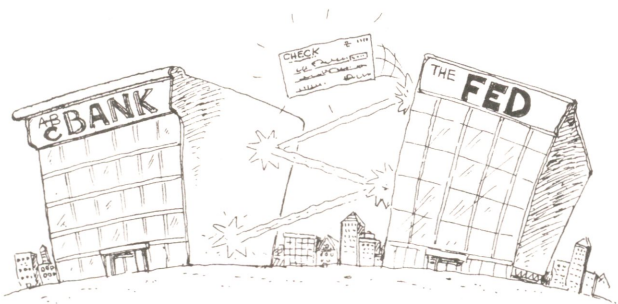
By using Reclearing, you'll also reduce labor costs and eliminate the burden of handling low dollar return items.

To more accurately reflect our costs of offering Reclearing, we have changed our pricing structure to a \$3 daily fixed fee, which includes the first 25 items we review. On days that your volume exceeds 25 items,

you will be charged the daily fixed fee plus a per-item fee for the additional items. The per-item fee is based on the service level you have chosen. Prices for all three dollar cut-offs are outlined below.

- \$100 service level 12¢
- \$200 service level 13¢
- \$500 service level 14¢

If you're looking to reduce your return item handling, you can sign up for our Reclearing service, or change your service level, by calling Customer Support at 1-800-333-0869 or locally at 444-8680.



Shining the Spotlight on Service

The Federal Reserve System recently launched "Spotlight on Service," a program for Check Adjustments staff members in all 12 districts. The program is part of the System's effort to achieve consistency among Reserve Banks in providing quality customer service.

The standard Adjustment Request Form and the Check Adjustment Quick Reference Guide have already proven to be successful tools for achieving consistency, and the "Spotlight

on Service" program further ensures that you receive a high level of quality customer service from all Reserve Banks.

The program emphasizes customer satisfaction, innovation in check adjustments automation and the quick and consistent resolution of errors.

"Spotlight on Service" seeks to build on each staff member's experience and customer service skills through a three-part training program. All of our Adjustments staff members have

already completed "Shining the Spotlight on Service," which is the first phase of the program, and will be attending refresher sessions throughout the year.

We would welcome your comments on how well we are performing in relation to our mission to provide high-quality, consistent adjustment services.

Credit Unions Profit from ChecKeeper

With ChecKeeper™ fast becoming one of our most popular services with

credit unions, we thought we'd take this opportunity to speak with the president of a local credit union to find out why she chose to begin using our check safe-keeping service.

The S.W.I.C.S.I.U. Credit Union, which is located on the campus of Southern Illinois University, Edwardsville, Ill., began using ChecKeeper in June of last year. With more than 2,900 members and close to \$7 million in assets, S.W.I.C.S.I.U. is typical of other financial institutions in southern Illinois and eastern Missouri. Its primary business is to provide financial services to community residents at competitive prices and rates.

Like most institutions today, one ever-present goal is to reduce operating expenses without sacrificing quality. Maxine Pakovich, president of the credit union, says that a cost-saving opportunity sparked her interest in Fed services.

CE: What led to your decision to use ChecKeeper?

MP: Actually, we weren't aware of ChecKeeper until the Fed representative called on us. The comparison of costs prompted us to investigate further.

CE: What advice do you have for other institutions thinking about using ChecKeeper?

MP: We recommend institutions investigate ChecKeeper. Ask for a cost analysis and for references from institutions that have implemented the ChecKeeper service. Call them. They have experienced the transition and should be willing to share their knowledge. We recommend the service to anyone online with our data processor. We know how well it runs and the cost benefit to us. Most of all, the program is accurate, fast and well-staffed.

CE: What has been your experience with return and item retrievals?

MP: Our previous check processor took one day longer to credit return items to the accounts. This caused

confusion and could result in errors. We also receive item retrievals two days faster.

CE: Did you have any concerns about switching to the Fed?

MP: We had a great number of concerns: service, returns, retrieval of items, adjustments and the possibility of increasing our workload. We contacted another credit union already using ChecKeeper to assure ourselves we weren't overlooking any details. To be honest, it just seemed too good to be true!

CE: What do you like most about using this Fed service?

MP: Customer service far surpasses the previous processor. We need immediate action when we have problems, and the Fed responds.

For more information on ChecKeeper or our other Electronic Check services, or to obtain a free cost comparison, call Customer Support at 1-800-333-0869 or locally at 444-8680.

Say Goodbye to Paper

We are proud to offer our customers high-quality, low-cost check collection services. To help keep our prices low, we continually look for ways to streamline our operation.

With the implementation of our new CPGS 1.11 software (See Page 4), we can now eliminate the paper copies of check advices sent to Fedline® customers. If you currently use

Fedline to obtain your advices (automatic charges and mixed cash letter advices), you receive the most timely and accurate check settlement information. In fact, the paper copies generally arrive with the courier, or by mail, one day later than via Fedline.

Beginning Oct. 3, 1994, we will no longer provide paper advices to institutions with a

Fedline connection. If you're a Fedline customer and are not currently set up to receive check advices, please contact Customer Support toll-free at 1-800-333-0810 or locally at 444-8680.

ShopTalk

Answers to Your Questions

As reported in the March issue of *The Check Exchange*, all check depositors and electronic check services customers were recently asked to complete surveys about the quality of service we provide you. Although we are still tabulating the results, we want to address some of the questions raised in the survey responses. We hope you find these answers beneficial.

Q. What are the current Postal Money Order, Treasury Checks and EZ Clear Savings Bond deadlines?

A. On July 1, 1993, we replaced our 4 p.m. deposit deadline for separately sorted EZ Clear Savings Bonds, Treasury Checks and Postal Money Orders with

12:01 a.m. and 3 p.m. deadlines. These changes were made to give you earlier intraday credit. Credit for items deposited by the 12:01 a.m. deadline will be posted to your account at the opening of business, while credit for items deposited by the 3 p.m. deadline will be posted at 4 p.m.

Q. When ordering cash letter forms, I periodically receive the wrong ones. What can I do?

A. To reduce check forms and simplify the ordering process, we have made some changes. For example, in 1992 we updated and consolidated many of our cash letter forms. In doing so, we assigned a new identification number to each one. In addition, late last year we

introduced Form 8H-3033, a Requisition for Forms and Supplies. This universal order form lets you request all the forms you need for doing business with the Fed, including ACH, government securities, cash and check. If you would like copies of this new form, simply contact Customer Support at 1-800-333-0869 or locally at 444-8680.

Q. When calling the Fed, I sometimes get transferred and occasionally don't get the right person the first time. What number should I be calling?

A. We are continually looking for new ways to make obtaining information from the Fed easier. We have two help lines in place that enable us to address your

check questions and problems faster and easier.

If you are interested in general information on our check services, call Customer Support at 1-800-333-0869 or locally at 444-8680. If you are interested in information about check adjustment issues, call 1-800-333-0810, extension 8455, or locally at 444-8455.

Because we're interested in providing you with high-quality service, feel free to contact Bill Little, Check Processing Manager, or Johann Johnson, Check Adjustments Manager, if you ever experience difficulties in getting your questions answered fast. You can reach them at 1-800-333-0810 or locally at 444-8444.

Checking in with *Beverly Wilkins*



Beverly Wilkins

Good morning, Check Adjustments. This is Beverly Wilkins. May I help you, please?" This is the standard greeting you get if you call Beverly about a check adjustment.

Beverly, a senior clerk in our Adjustments Unit, first joined the bank in 1974 as a work study student in our Accounting Department while in her senior year of high school. A year

later, she joined our Check team. Beverly enjoys all of her assignments, but likes the post-ing desk best because she can see exactly how much work is coming in to the unit. She receives the adjustments, logs them into the system and distributes the cases.

Beverly is a team player and receives great satisfaction from helping customers. Recently, she completed the "Shining

the Spotlight on Service" program (*See Page 1*). "This program has increased my awareness of quality customer service because I now have a better understanding of the changes in the check processing environment and the importance of providing quality service to all our customers," Beverly said.

And Then There Were None

April 25 marked the completion of our upgrade to CPCS 1.11, our new check processing software. The last phase of our software conversion was officially complete with the implementation of a new return item processing system.

The CPCS 1.11 software upgrade will give you a more

efficient and higher-quality service, as detailed in our Page 1 story on recent Reclearing enhancements and our Page 2 story on recent advice enhancements.

During our conversion, we strived to maintain quality service and meet our service goals. However, as with the implementation of any soft-

ware, we encountered several system difficulties during these changes. Our thanks goes out to you for your continued patience and support through the final phase of implementation.

New Saturday Deadlines Implemented

Beginning May 7, several Saturday deposit deadlines were extended to better accommodate our customers' depositing needs. You can now take advantage of a two-hour extension on various deposit types, as outlined below. Our decision to extend the Saturday deadlines is part of our continuing effort to improve the quality and availability of our

check processing operation. We hope you'll benefit through

improved operational efficiencies and better funds availability.

Product	New Deadline
Mixed and Other Fed	10:00 p.m.
Other Fed Preprocessed	10:00 p.m.
Amount Encoding	8:30 p.m.
Qualified Mixed and Other Fed Returns	10:00 p.m.
Raw Mixed and Other Fed Returns	10:00 p.m.



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WELCOMING...

Our New Check Depositors

Security Bank of Pemiscot County, Caruthersville, Mo.

Centralia Savings Bank, Centralia, Ill.

Peoples Bank, Jamestown, Mo.

Capital Bank of Southwest Missouri, Ozark, Mo.

Meramec Valley Bank, Valley Park, Mo.

Our New MICR Line Customers

Dent County Bank, Salem, Mo.

Teutopolis State Bank, Teutopolis, Ill.

Farmers State Bank & Trust Co., Mount Sterling, Ill.

United Community Bank, Greenfield, Ill.

First Midwest Bank, Piedmont, Mo.

Bank of Cairo and Moberly, Moberly, Mo.

Clay City Banking Co., Clay City, Ill.

Security Savings Bank, FSB, Hillsboro, Ill.

Mid America Bank, Cairo, Ill.

Our New MICR Plus™ Customers

Madison-Hunnewell Bank, Madison, Mo.

First State Bank, Grand Chain, Ill.

First Independent Bank, Seligman, Mo.

Centennial Bank, St. Ann, Mo.

Webster County Bank, Marshfield, Mo.

Centralia Savings Bank, Centralia, Ill.

Our New CheckKeeper Customers

Centralia Savings Bank, Centralia, Ill.

Olin Employees Credit Union, East Alton, Ill.