



ELECTRONIC CURRENTS

December 1994

News and Views
on
Electronic Services

We Help Carry the Ball



If you've been wanting to become a player in the ACH origination business, but have been reluctant to tackle the stacks of information on the subject, the Fed is here to support you during the

start-up process and help you become a Fedline originator much more quickly.

Our Fedline

origination advisory service is designed to guide the new originator through the process as easily as possible. The service includes:

- Fed presentations to you and your corporate customers to educate them about the benefits of becoming an ACH originator.
- Fedline origination training classes for your staff, covering software options, balancing, simplified explanations of

ACH rules and hands-on Fedline data entry;

- assignment of a knowledgeable Fed staffer as a single point of contact to help coordinate your start-up project;
- test scripts and help with interpreting test results to ensure a clean implementation;

(See **ACH**, Page 5)

1995 Price Changes Effective Jan. 1, 1995

Electronic Connection Fees

Fedline and Bulkdata dial connections will increase from \$65 to \$75 per month. Multi-drop leased line connections will increase from \$300 to \$450 per month; dedicated leased line connections will increase from \$700 to \$750 per month. These adjustments are necessary to fully recover the Fed's cost for supporting these connections.

Funds Transfer Service

Funds Transfer prices will decrease from 53 cents to

50 cents per wire originated or received. The offline surcharge will remain at \$10.

ACH Service

The price of a paper Government Notification of Change will increase from \$5 to \$10; all other ACH transaction prices will remain unchanged for 1995. With the implementation of Fed ACH during 1995, several new value-added services will be offered. Decisions about pricing of the new services will be deferred until all districts have converted to the centralized software.

Securities Transfer/Book-Entry Safekeeping Service

Securities Transfer and Book-Entry Safekeeping transaction fees will remain unchanged for 1995.

If you have any questions about these changes, please contact Customer Support at (314) 444-8680 or toll-free at 1-800-333-0869.

FEDLINE

update

Fedline Training

Below are the training sessions scheduled for the first quarter of 1995.

Date	Class	Location
Feb. 7	Fedline ACH Origination Training	St. Louis
Feb. 8-10	Fedline Training	St. Louis
Feb. 14	Fedline ACH Origination Training	Memphis
Feb. 15-17	Fedline Training	Memphis
March 7	Fedline ACH Origination Training	St. Louis
March 8-10	Fedline Training	St. Louis
March 21	Fedline ACH Origination Training	Memphis
March 22-24	Fedline Training	Memphis

The introductory Fedline training sessions last three days — a ½ day for Local Security Administration (LSA) training and 2 ½ days for Fedline training, which includes the following applications: ACH, Accounting Services, Check Services, Electronic Information Services, Funds Transfer, Reporting & Reserves, Savings Bonds and Treasury Tax & Loan.

The ACH Origination sessions last one day. This hands-on session will show you how to use Fedline software so that you can become an ACH originator. The agenda includes all aspects of ACH origination, including a review of agreements, processing flow, internal controls, balancing and marketing.

Each financial institution may send two staff members to a training session. For training cost information, or to register for any of the classes, please contact Customer Support at (314) 444-8680 or toll-free at 1-800-333-0869.

Fedline Software Releases in the Works

Centralization Patch

During the next few months, Electronic Access Support will roll out the Fedline Centralization Patch. The patch realigns our communications sessions to support the Fed's movement to a standard System-wide configuration. The software has an additional session that will provide direct communications to our new centralized applications as they become available (Funds Transfer, ACH, Accounting).

The Fedline patch also supports the ANSI X9.32 compression algorithm, which will substantially shorten the transmission time of a file to or from the Fed. In addition, the patch includes the Funds

Transfer product code (CKS) for Check Same Day Settlement wires.

The installation of the patch on your Fedline PC must occur on the same date that communications changes are made to the Fed application data bases. We will notify you later of the exact installation date.

Miscellaneous Patch

In the first quarter of 1995, we will roll out the Miscellaneous Patch, which contains several Fedline enhancements. Check Services will now include a feature that allows retrieval requests and derived returns. In the Check Adjustments application, the import/export option and the ability to browse

and reprint messages have been added. The ACH portion of Fedline will offer the ability to derive dishonored returns, create reversal batches and update the tran code in the Quick Active Update feature.

Another great new feature in this patch will allow us to electronically transmit future software patches directly to your Fedline terminal. This feature will eliminate the diskettes that were previously used to manually load a patch onto your Fedline PC.

ELECTRONIC News Briefs

SPOTLIGHT



Dwana Davis, a technician in our Securities Section, started at the Fed 8 1/2 years ago in the General Services Section. She has been in her current position for two years. Dwana is responsible for all of the testing related to the Securities Transfer/Book-Entry system. She tests new releases of Securities and Fedline software to ensure that the Securities application is functioning correctly. In addition, Dwana also tests with depository institutions when they make changes to their software. Dwana said that she enjoys working in Securities because of the challenges presented in both the securities market and the oversight of the Securities Transfer system.

The National Dial Center

All Eighth District Fedline and FLASHLight dial customers are now enjoying the benefits of connecting to the National Dial Center (NDC) by dialing 1-800-401-1555. The St. Louis Fed began this project in September and has now completed the dial customer conversion.

Approximately 10,500 depository institution customers nationwide will use this toll-free number to transmit or receive data from Fedline or FLASHLight terminals.

To handle the volume of calls, the three computer sites (East Rutherford, Richmond and Dallas) will each contain 400 circuits and more than 400 modems. All calls will be directed through the most efficient route to the appropriate processing center. The route will depend on geography, availability and the sophistication of the telephone carrier's routing program.

When your institution makes the switch to the NDC, you can expect fewer busy signals during peak periods. You will also benefit from improved contingency procedures. For example, the NDC is capable of recovering from minor communication outages without drawing on external resources, such as backup or disaster recovery sites.

Components are modularized and redundant so that a communications failure would affect only those callers using a failed piece of equipment at the time of the problem. By

redialing the 800 number, the caller can then reconnect and be automatically routed through the functioning circuits.

After converting all dial-up customers to the NDC, we expect to begin converting non-dial or leased line customers during the second quarter of 1995.

Don't Go Home With A Little "o"

Take a good look at the lower-left corner of your Fedline screen. That's where you find the communications sector that reflects some important, but often overlooked, information about the status of your transmissions.

The first three positions in the communications sector represent the three available sessions. If all queued outgoing work has been transmitted by your Fedline, the sector looks like this: ..._ _

If the sector displays a lower case 'o' in one of the first three positions, you have traffic remaining in your Fedline's queue:

- o.. Indicates outgoing work is queued for Session 1, Message traffic.
- .o. Indicates outgoing work is queued for Session 2.
- ..o Indicates outgoing work is queued for Session 3, File traffic.

In the near future, you will receive a "Centralization Patch" (See *Fedline Software Article, Page 2*). This patch will increase the number of available sessions and also change

the session some transactions currently use. The length of the communications sector will also be expanded to continue reflecting the session that has queued traffic awaiting transmission to the Fed.

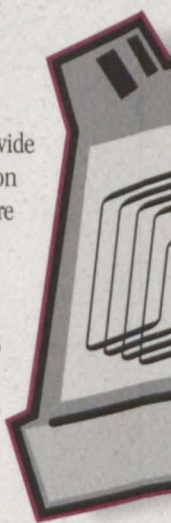
If you haven't noticed the communications sector before, start paying attention to it today. When a lower case 'o' appears, you may have not yet transmitted critical traffic, like a wire transfer or ACH file. Unless you intend to leave something in queue overnight, "Don't go home with a little o."

Vendor Payments Made Easier

For several years, the St. Louis Fed has been advising financial institutions that it is good business to convert corporate customers to ACH origination. Now, we have renewed our efforts to convert all of our own vendor payments from check to ACH, too.

We recently contacted 450 companies that regularly provide us goods or services to educate them about ACH benefits. We asked each vendor to provide its account information on our sign-up form to ensure proper posting at the vendor's financial institution. As of this printing, 270 vendors have converted to receiving their payments via ACH.

Here's how it works: The vendors continue to send the paper invoices



directly to us. Then, after our usual verification of the invoice and services, we create the ACH credit item on our accounts payable software for deposit to the ACH system.

Our vendors now enjoy earlier payment, and we no longer have problems with lost or delayed checks. Operations also became more efficient because the conversion reduced the amount of

time it takes to control blank check stock manually. In addition, fewer steps are now required to complete a payment transaction, and reconciliation of outstanding checks is virtually eliminated.

If you want to hear more about encouraging your vendors to switch to ACH payments, call Tim Brown of our Financial Sales and

Support Unit at (314) 444-8950 or toll-free at 1-800-333-0810, extension 8950.

Dialing-Out Overnight

Dial-Out Overnight Manager enables the Fed's host computer to call your Fedline terminal overnight to transmit incoming messages and files as they are queued for delivery.

During business hours, you have the flexibility to switch from Fedline to local PC applications and make connections at any time you choose, rather than be interrupted by calls from the Fed throughout the day.

We ask that our Overnight customers have:

- a dedicated telephone line;
- a compatible modem; and
- the ability to leave your Fedline terminal on overnight with the "Fedline Local Sign On" screen showing. (You can turn the monitor down so the screen will appear blank.)

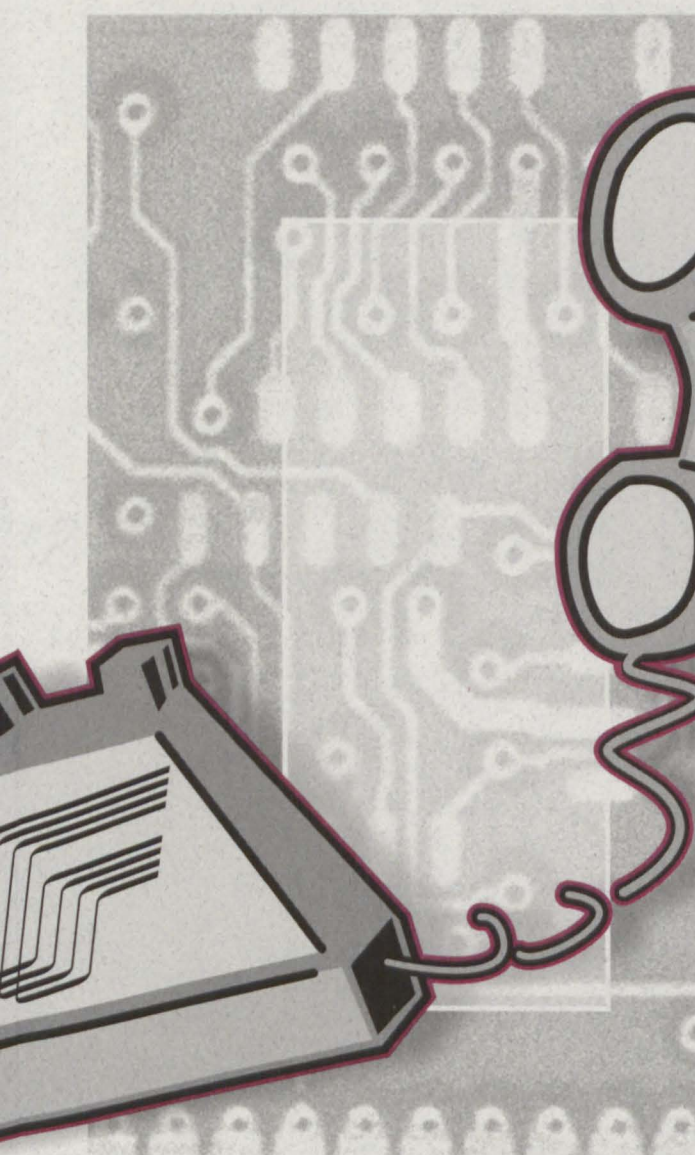
This free service will be available during the fourth quarter of this year. If you would like more information, please contact Customer Access Support at (314) 444-8711 or toll-free at 1-800-333-0861.

Many Thanks

The following institutions volunteered their time and personnel to assist Customer Access Support with the Fed's system tests that were conducted during the third quarter of 1994. Many thanks to all who participated!

Bank of the Lead Belt, Flat River, MO
Boatmen's National Bank of St. Louis, MO
Citizens Bank of Collierville, TN
Community First Bank, Germantown, TN
DeWitt Bank & Trust, DeWitt, AR
Farmers National Bank of Danville, KY
First Commercial Bank, Little Rock, AR
First National Bank of Effingham, IL
First National Bank of Eldorado, AR
First National Bank of Lawrence County, Walnut Ridge, AR
First National Bank of Russell Springs, KY
First National Bank of Searcy, AR
First State Bank of Warren, AR
First Stuttgart Bank & Trust, Stuttgart, AR
Franklin Bank & Trust, Franklin, KY
Granite City Steel FCU, Granite City, IL
Germantown Trust & Savings, Germantown, IL
Mercantile Trust, Quincy, IL
Merchants and Farmers Bank of Kosciusko, MS
Metropolitan National Bank of Little Rock, AR
Missouri League Corporate Credit Union, St. Louis, MO
National City Bank, Louisville, KY
Normandy Bank of St. Louis, MO
Phelps County Bank, Rolla, MO
Planters National Bank of Hughes, AR
Scott County State Bank, Scottsburg, IN
The Bank of Yellville, Yellville, AR
Trans-Financial Bank, Bowling Green, KY
Volunteer Bank of Jackson, TN

If you would like to participate in future tests, please call Barb Mettelle of Customer Access Support at (314) 444-8711 or toll-free at 1-800-333-0861.



'Twas an Hour before Cutoff

was an hour before cutoff
and all through the bank,
not a user could sign on,
even those of high rank.

With a billion in wires to
send here and there,
the boss starts pulling out
what's left of his hair.

We looked in our phone
book and called EAS,
to find someone to help us
get out of this mess.

The help desk "techie" said
the problem was clear,
but what I was told I did
NOT want to hear.

He got straight to the point,
no techno-chatter,
suspended local IDs; that was
the matter.

"You really have trouble,"
the technician did say,
"if you don't have
a back-up LSA."

Our primary LSA was on a
week-long vacation;
no one else had access to
Local Administration.

It seems all our local
IDs were suspended;
without an LSA,
it couldn't be mended.

Data Security said we
were plain out of luck;
the Fed can only
unsuspend a HUC.

When what to our wondering
eyes should appear,
but an envelope labeled
MASTER, dated last year.

We tore open the package
ever so quick,
hoping the contents would
do the trick.

We found several passwords
we hoped would match,
but no passwords worked,
not one in the batch.

Not "Dasher," not "Dancer,"
not "Prancer," not "Vixen,"
Was busting into Watergate
this tough for Nixon?

No one had a local
password they knew,
without an LSA there
was little to do.

We couldn't send wires
or ACH files;
all of our work
just sat there in piles.

If only we had a trained
back-up onsite,
we could have avoided this
terrible plight.

So have trained back-up, do
what is right,
and Merry Christmas to all
and to all a "Good Night."

The moral of this story: As
you prepare to leave for holi-
day vacations, please be sure
you have a trained back-up
Local Security Administrator
(LSA) to handle any problems
your financial institution may
have with local security on
Fedline. You need a back-up
LSA who has adequate access
in Local Administration to
unsuspend and reissue local
passwords.

If you have any questions,
please call the Data Security
Help Desk at (314) 444-8711
or toll-free at 1-800-333-0861.

A New Look

We are pleased to unveil
our new look for *Electronic
Currents* with this edition.
As you can see, we've
updated our style, but will
continue to bring you the
same kind of information
on Fed electronic initiatives
and developments that we
have in the past.

ACH

(continued from Page 1)

- materials about the rules,
SEC codes, field formats
and edits;
- assistance with balancing
ACH and Fed accounting
reports to origination data.

We hope that this advisory
service will encourage the
conversion of checks to the

electronic ACH method,
which benefits the originating
financial institution and
its customers through lower
costs and other efficiencies.

If you want to find out more
about origination, please call
one of the following ACH staff
members at (314) 444-8444
or toll-free at 1-800-333-0810:

John Hargett at extension
8713, Cheryl Whitworth at
extension 8947 or Langston
Scott at extension 8461.

CURRENT QUESTIONS

QUESTION: Will you review how a structured drawdown transfer is created on Fedline?

Here's how:

1. Select "Create a Message" from the Funds Transfer menu.
2. Select "Structured Drawdown Wire" from the Create a Message menu.

3. Enter the following information in the fields provided:

Receiver ABA: Type the RTN of the bank to which you are sending the drawdown request or response.

Name: Type the name of the bank to which you are sending the drawdown request or response.

Type Code: Press **F6** and select a Type Code.

For Non-Accountable Drawdown Requests: Use these type codes to ask an institution to initiate a sub-type 32 accountable transfer according to your instructions.

- Type **1031** Request for a customer drawdown.
Use product code **DRC** (customer-to-corporate drawdown).
- Type **1631** Request for a bank-to-bank drawdown.
Use product code **DRB** (bank-to-bank drawdown).

Accountable Drawdown Transfers: These type codes are for initiating a transfer in response to an incoming non-accountable sub-type 31 request.

- Type **1032** customer drawdown response.
Use product code **DRW** (drawdown response).
- Type **1632** bank-to-bank drawdown response.
Use product code **DRW** (drawdown response).

Amount: Type the amount of the drawdown.

Reference #: Assign a reference number.

Product Code: Press **F6** and select a Product Code.

DBT: Type your bank name and the account number your correspondent should debit. *Leave this field blank on a DRW.* (Example: Bank One/AC-1111111)

CDT: Type your bank's nine-digit RTN. *Leave this field blank on a DRW.*

BNF: Optional field on DRB. Mandatory field on a DRC, or on a DRW in response to a DRC. The ultimate party to be credited as a result of the transfer. Structured Funds Transfer edits apply.

RFB: Optional field used to convey a reference #, etc.

BBI: Optional field used to convey bank-to-bank information.

4. Press the <enter> key. Fedline will respond **ENTER/UPDATE TRANSACTION**, assign a CNTL # and display a status of **ET**.
5. Verify and transmit to the Fed host computer in the usual manner.

If you have any questions or need additional information, please call Customer Access Support at (314) 444-8711 or toll-free at 1-800-333-0861.

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