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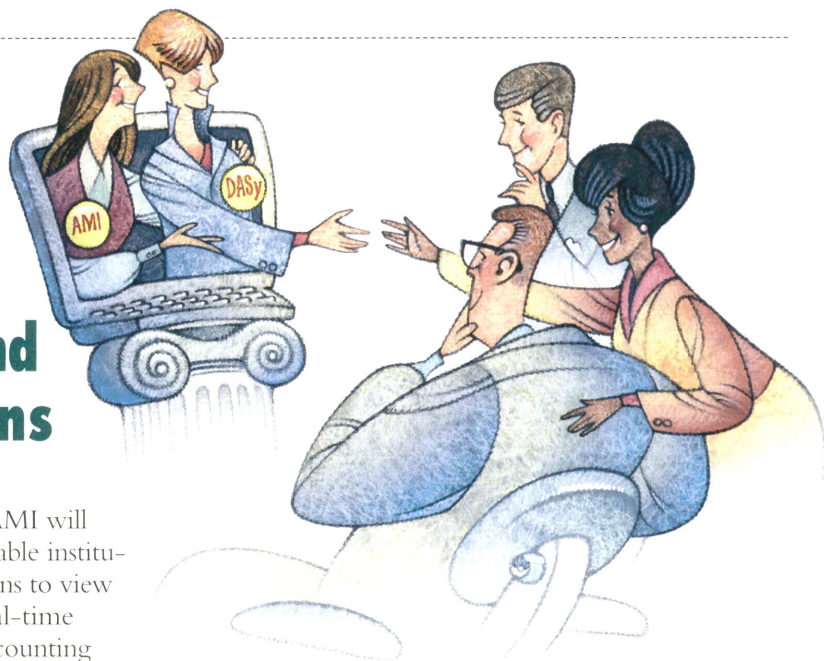


Payments Quarterly

News and Views on Eighth District Financial Services

JAN 04 2002

We're Pleased to Introduce AMI and DASy—Two New Accounting and Billing Applications



The Federal Reserve System is introducing two new web-based systems designed to give customers better access to accounting and billing information currently received via paper or FedLine®.

The new Account Management Information system (AMI) and Data Access System (DASy) for billing will debut this fall when more than 48 financial institutions nationwide pilot both applications.

AMI will enable institutions to view real-time accounting transactions, with drill-down capability, from the summary level to more detailed information on individual transactions. Customers will also have the option to download daily accounting statements and view several account monitoring reports.

DASy will offer customers online access to monthly service charge statements, similar to AMI, as well as drill-down capability.

Shortly after the pilot period concludes, self-guided computer-based training CDs will be distributed to customers in preparation for the application rollout, beginning in the first quarter of 2002. If you have any questions, contact Ranada Williams at (314) 444-8343 or 1-800-333-0810, ext. 44-8343. ■

District Gears Up for Check Standardization Testing

After months of preparation, the District will soon be ready to put its new systems to the test. We are in the midst of planning customer testing, one of the most critical steps of the Check Standardization project. As previously announced, this project is one of the four components of the Federal Reserve System's Check Modernization initiative.

Check Standardization involves converting the differing check processing platforms at all

Reserve Banks across the country to one standard system. This initiative will introduce efficiencies and savings to our check services, and the benefits will become increasingly noticeable to customers over time. Your institution will notice some differences immediately after we convert to the new systems in 2002. (Visit our web site at www.stls.frb.org to learn about the specific changes you will see.)

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District Hosts Customer Service Focus Groups

This summer, the Federal Reserve Bank of St. Louis hosted two focus groups to gain insight into what our customers expect in terms of service. Eight depository institutions participated in each session, bringing their ideas about what the Fed does, or might do, to deliver exemplary customer service.

While the focus groups identified several positive things we do, they also told us our service is inconsistent from staff member to staff member.

Participants also felt that Fed employees are process-driven rather than solution-oriented—wrapped up in bureaucratic process, sometimes at the expense of finding solutions as quickly as possible.

To help address these issues, the Fed has rolled out a comprehensive customer service program designed to help all Eighth District employees incorporate service-related behaviors into their jobs.

This program, teamed with steps we've already taken to improve our customers' first point of contact—such as creating the new Services Directories—should go a long way toward improving our level of service.

You can help us improve further by providing us with feedback. In the past, you were sent several "We're All Ears" feedback cards. Please complete those cards and send them to us. If you need more, contact the Customer Service Program Office at (314) 444-4663 or 1-800-333-0810, ext. 44-4663. ■

Improvements to Check Operations Will Provide Better Service to Customers

Major improvements and renovations are being made to Check operations at all four of our District offices, as part of the System's Check Modernization initiative. Some changes are already evident to customers, while some will be completely transparent. The end result of all improvements, however, will be faster, more efficient service.

Renovated Check Departments

In **St. Louis**, the Check department was moved from the fourth floor to the renovated lower level over Labor Day weekend. The Check Adjustments department also relocated to the new Check area from the third floor.

At the **Little Rock** office, the first phase of the Check renovation project was completed in June, including relocation of all Check processing staff and equipment. In September, the Adjustments and support staff were relocated to the newly renovated area as well.

The **Louisville** office got a head start by completing its Check renovations over a year ago.

The **Memphis** Check processing and Adjustments areas are scheduled to move from the third floor to the newly renovated fourth floor over Columbus Day weekend in October.

All of these changes will improve customer service by improving the Bank's overall workflow and allowing the Check and Adjustments units to share important customer information more freely and expeditiously.

Office Tours

We are excited to show off these improvements and welcome visits from our customers. Feel free to contact one of our coordinators to schedule a tour:

St. Louis
Shannon Fox (314) 444-8560 or 1-800-333-0810, ext. 44-8560

Little Rock
Tiffany Guynes (501) 324-8263 or 1-800-482-9463, ext. 24-8263

Louisville
Lisa Locke (502) 568-2971 or 1-800-292-3596, ext. 292

Memphis
Margie Taylor (901) 579-2431 or 1-800-552-5132, ext. 431

Check and Adjustments Contacts

Customers in St. Louis can now contact Sabrina Gaby or Betty Seigler in the Check Front Office at (314) 444-8455 or 1-866-433-3227. Customers in Little Rock, Louisville and Memphis should continue to direct their Check- and Adjustments-related calls to their usual contacts.

We are pleased to inform you of these improvements to our Check operations and welcome any comments or questions you might have. ■

Changes in the FedACH Arena

FedACH Consolidation

As announced in a letter dated Aug. 21, all FedACH™ operations support and the voice response application (EDITH) for ACH were consolidated on Sept. 14 to a central location. The chart on the right provides details.

The Federal Reserve Bank of St. Louis' ACH staff has enjoyed serving all of its customers in the Eighth District. We are confident that you can continue to count on receiving quality support from the FedACH Central Operations Support and the FedPhone system. The Minneapolis Fed has served as the central site for ACH operations since 1996, and its staff members possess a great deal of technical knowledge.

If you have questions or concerns about these changes, contact Cheryl Whitworth in St. Louis at (314) 444-8612 or 1-800-333-0861 (press 3).

FedACH Price Changes

In a letter dated Aug. 31, the Federal Reserve announced changes to its FedACH fee schedule. The revised schedule, which became effective Oct. 1, includes changes to certain variable and fixed fees and the addition of a fee for FedACH settlement. The following is a summary of FedACH price changes:

- Half-mil (\$.0005) **decrease** in the per-item origination fee for items deposited in large files;
- Two mil (\$.0020) **decrease** in the per-item receipt fee for all items;
- Single, standard input file processing fee of \$5, which represents a **decrease** of \$1.75 for large volume files and an **increase** of \$3.25 for small volume files; and
- **New** \$20 per month fee for FedACH settlement.

The following is a summary of the fees that changed on Oct. 1. The fee for items originated in small files remains at \$.0055, and the fee for account servicing remains at \$25.

Service	Fee through 9/30/01	Fee effective 10/1/01
Items originated in large files	\$.0045	\$.0040
Items received	\$.0070	\$.0050
Input file processing, small file	\$1.75	\$5
Input file processing, large file	\$6.75	\$5
FedACH settlement	NA	\$20

ACH Operations Support — Minneapolis

Services

- Computer Interface (CI) customer support
- Pended or rejected files
- Service-change database updates
- File traces, research requests and file remakes
- Input and output file status issues
- Questions about NACHA rules and formats
- Testing requests
- FedMail® retransmissions
- Accounting and billing statement inquiries
- Contingency paper fax returns
- Extension requests

Contact Numbers

1-888-883-2180
(612) 204-5555
Fax
(612) 204-5575

ACH Voice Response System — Minneapolis

Service

- Create ACH return items and NOCs

Contact Number

1-888-699-5561

ACH Voice Response Support — St. Louis

Services

- Password re-sets
- User sign-up
- Other support

Contact Numbers

1-800-333-0871
Fax
(314) 444-8610

FedLine Help Desk — St. Louis

Services

- Problems with connectivity or transmission
- Set-up or testing of FedLine software or CI Frame Relay conversion
- Use of FedLine to create an ACH origination, a recurring batch, a standard batch
- Contested/dishonored returns, return-items or NOC batches, and reversal files
- Cleanup of the origination queue in FedLine
- Importing or exporting of ACH files into FedLine
- Assistance creating EFTPS items via FedLine

Contact Numbers

1-800-333-0861, press 1
Fax
(314) 444-8610

Business Development — St. Louis

Services

- Questions regarding the ACH participation agreement
- Assistance with ACH customer service change requests
- Merger coordination

Contact Numbers

1-800-333-0810, ext. 44-4773
Fax
(314) 444-4654

If you have questions about these FedACH price changes, please contact your local account executive or refer to the FedACH section of our national web site, www.frbstls.org. ■



Kentucky State Quarter to Be Released

Have you been wondering when the first state quarter from the Eighth District will be released? Well, your wait is almost over. Kentucky's commemorative quarter will be released in the fourth quarter of this year.

The Kentucky quarter, the fifth and last quarter in the 2001 series, shows the stately mansion Federal Hill with an inscription that reads, "My Old Kentucky Home." A thoroughbred racehorse is positioned behind a fence in the foreground of the quarter.

Kentucky's First Lady Judi Patton led the Kentucky Quarter Project Committee. The Committee received 1,800 design suggestions statewide and narrowed the submissions to 12 finalists. Over 50,000 Kentucky residents cast votes for their favorite concepts, which included "My Old Kentucky Home," a horse and a jockey, Abraham Lincoln's birthplace and Daniel Boone. Gov. Paul E. Patton selected the final design.

You can learn more about the 50 State Quarters™ Program on the U.S. Mint's web site, www.usmint.gov. ■

Reserve Notes

Be Alert for Counterfeit Postal Money Orders

Recently we have noticed an increase in the number of counterfeit U.S. Postal Money Orders being circulated. Please share the following detection tips with your staff.

You can tell if a Postal Money Order is authentic just by holding it up to the light. First, look for the **watermark portrait** of Benjamin Franklin found in the gray oval on the left side of the money order.

Second, look for the **security thread** with "USPS" imprinted on it, located just to the right of the gray oval. The thread will run from the top to the bottom of the money order. Some older money orders will contain only the security thread without the "USPS" imprint.

If you find you have accepted a counterfeit U.S. Postal Money Order, please contact your local U.S. Postal Inspection Service office or:

Travist C. Wiggins
Postal Inspector
P. O. Box 771368
St. Louis, MO 63177-2368
(314) 436-6895

Thank you for helping us stamp out fraud. If you have any questions, contact Helm Kurtz at (314) 444-8474 or 1-800-333-0810, ext. 44-8474. ■

Direct Payment Is Just a Phone Call Away

Signing up for Direct Payment is getting easier by the month. In March, consumers could start initiating ACH debits over the Internet. This September, NACHA further amended the ACH rules to enable electronic debit authorizations over the telephone.

These special ACH items are classified by the new Telephone-Initiated Entry (TEL) Standard Entry Class code. Originators

initiate TEL transactions in response to a customer's oral authorization over the phone to transmit a one-time ACH debit to his or her account to collect payment for goods and services.

TEL entries can be transmitted only in circumstances where the originator and consumer have an existing relationship, defined as when a written agreement is in place between the originator and the consumer for the provision of goods or services (e.g., an insurance policy), or when the consumer has made a purchase from the originator within the past two years. If a relationship doesn't exist, TEL transactions are still acceptable if the consumer initiates the phone call.

The rule amendment governing TEL transactions became effective Sept. 14. ■

Updated Services Directory Enclosed

At the beginning of September, Services Directories were revised and distributed to all Eighth District customers. We've enclosed another copy of the new directory for your convenience. The updated directories contain the names and phone numbers of your contacts around the Fed. You'll note that the extensions for the St. Louis office have changed from five to six digits, and extensions for the Little Rock office have changed from three to six digits. If you need more copies, you can find the Services Directories posted online at www.stls.frb.org/general/directory or contact Tracie Mueller at (314) 444-8810 or 1-800-333-0810, ext. 44-8810. ■

North of the Border

ACH Crosses into Canada

The Federal Reserve has begun offering Canadian International ACH Service to all financial institutions interested in making ACH payments in Canada. This new FedACH service provides a cost-effective, convenient and efficient method for exchanging payments between the United States and Canada.

An originating financial institution can use the Canadian International ACH Service to send both credits and debits to receivers in Canada. The transactions are originated using the National Automated Clearing House Association formats for cross-border payments. New Standard Entry Class codes CBR and PBR were created for corporate and consumer payments, respectively, and these items can be deposited in the same file as domestic payments.

However, international ACH items are batched separately and settle on the value date indicated in the ACH entry, either one or two days after origination for credits and one day after origination for debits. Financial institutions originate ACH transactions via FedACH in U.S. dollars and identify the currency that will be applied to the transactions upon receipt in Canada as either U.S. or Canadian dollars.

There are two important things to remember about cross-border payments—settlement is in U.S. dollars, and the Office of Foreign Asset Control regulations apply to these transactions.

You can initiate Canadian International ACH Service by completing the ACH Master Agreement Appendix H-International ACH Service Request form. Afterwards you will receive an implementation manual and testing support to help establish your Canadian cross-border service.

More information, including process and pricing data, is available on our national Financial Services web site, www.frbstls.org, or from your local account executive. ■

Too Many Canadian Checks? We Can Help!

If you are seeing an increase in the number of Canadian checks you are receiving and would like a clearing alternative, the Federal Reserve can help.

Here's how it works: Contact your local account executive, who will work with you and the Business Development staff at the Helena Branch of the Federal Reserve Bank of Minneapolis to provide you with instructions and the necessary forms for depositing your Canadian cash letter.

You can then begin sending your separately sorted Canadian cash letter, along with your regular daily cash letter deposits, to your local Federal Reserve office, which will forward your Canadian deposit to FRB-Helena for processing.

For more information, contact your local account executive or visit FRB-Helena's web site at www.minneapolisfed.org/frfs/check/canadian. There, you will find the Canadian Check Collection Service User's Guide.

FRB-Helena Canadian Fees

\$0.25 per item fee

\$3 inter-territory cash letter fee

\$7 return item fee

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To minimize the effect of these changes, we encourage payor banks to test electronic file receipt and posting capabilities during the first part of next year. Our goal is to make sure institutions can receive and process incoming files from us, as well as ensure that we can receive and process their outbound files.

Scheduling a test date for your financial institution is simple. Just visit www.stls.frb.org to view

our test schedule and access the online scheduling form. You can also call Margie Saulka at (314) 444-8684 or 1-800-333-0810, ext. 44-8684, for a copy of the form. We encourage you to take advantage of the testing opportunities to ensure a smooth conversion. ■

Meet Me in St. Louis

Plan now to attend the annual Mid-America Payment Exchange (MPX) conference Nov. 6-8 at the Adam's Mark Hotel in St. Louis. You're also invited to attend a reception the evening of Nov. 7, just down the street at the Federal Reserve Bank of St. Louis.

This year's conference, "A Payments Odyssey," will feature daily keynote addresses by nationally recognized speakers, a broad spectrum of experts speaking on current electronic payments issues and future trends in the ever-present ACH network. There will also be an exhibit hall where you can view the latest in payment-related

products and services from exhibitors throughout the MPX region.

The conference registration price is \$300 per person through Oct. 5, then increases to \$350 per person. The registration fee includes conference presentations on CD-ROM, pre-conference workshops, all sessions, breakfasts, lunches, refreshments, plus two receptions.

To register, or for more information, contact Jennifer Birch at MPX at (816) 474-5630 or access the web site at www.mpx.org. For hotel reservations, call the Adam's Mark Hotel no later than Oct. 5 at (314) 241-7400. ■

Bankers Learn about Fed Services at Back to School Seminars

During September, the St. Louis Bank's Business Development department hosted Back to School seminars at each of its four District offices. Nearly 170 bankers from Eighth District financial institutions registered to attend the sessions to learn more about the various products and services we offer.

Sessions included updates on the System's Check Modernization project, Payment Risk Management functions, AMI and DASy accounting applications, customer communication efforts, customer service initiatives and a brief TT&L overview.

Here is some of the feedback received from the "report cards" completed at the end of each seminar:

"This is the best seminar I have been to. I liked how informative, helpful and responsive the speakers were to our questions."

"It's good to hear there's concern to meet customer needs and feel steps are already being taken."

"I can see and feel a big difference in customer service. There's a more touchable and accessible feeling."

"I'm new to my job and found a lot of the material helpful to my getting up to speed on my job."

"Great chance to meet Fed staff and see what's coming."

"You can see there is an effort to make communication better between Fed and customers."

Back to School



at the Federal Reserve Bank of St. Louis



FedContacts

If you have questions or comments, give us a call. Our account executives and their direct lines are listed below, along with their toll-free numbers:

ST. LOUIS OFFICE

DON BALDWIN
(Missouri customers)
(314) 444-7344
1-800-333-0810

ANDY LUECKENHOFF
(Illinois customers)
(314) 444-8647
1-800-333-0810

LITTLE ROCK OFFICE

KIM PETERS
(501) 324-8251
(in Arkansas) 1-800-482-9463
(outside Arkansas) 1-800-332-0813

LOUISVILLE OFFICE

RALPH ISING
(502) 568-9290
(in Kentucky) 1-800-292-3596
(outside Kentucky) 1-800-626-4507

MEMPHIS OFFICE

SUSAN BIVENS
(901) 579-2405
(in Tennessee) 1-800-552-5132
(outside Tennessee) 1-800-238-5293

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