



**OREGON
STATE
TREASURY**

Inside the Vault

State Agency Edition

EFT BSR: Phase 2 Progress Continues

Phase 2 of the EFT Business Systems Renewal (EFT BSR) project continues to steadily progress with one third of the customers of ACH services (representing more than half of all ACH company IDs) having transitioned to KeyBank. Particularly noteworthy successful transitions have included DAS Statewide Financial Management Services and Oregon Statewide Payroll Services—both customers with statewide significance.

By the end of June, eight more customers will transition all ACH origination activity and six others will transition STAN Online ACH origination activity. This will mark a major milestone: the complete transition of all STAN Online ACH origination activity (STAN Online will continue to support book transfer services until Phase 3 of the project).

Customers with received wire transfer and received ACH activity only (no ACH origination) are targeted to transition in the second half of 2022. Customers that originate ACH via file transmission will continue to transition in small groups into early 2023.

Treasury continues to appreciate our customers' readiness and support as we work together through transition activity. Contact project staff at EFT.BSR@ost.state.or.us, or reach out to a project KeyHolder within your agency, with any questions about the project.



Upcoming Holiday

Due to Memorial Day, Treasury, the Federal Reserve, and financial institutions will be closed Monday May 30. Customer statements and files will not be produced for May 30 due to the closures. In addition, ACH files sent to Treasury after the deadline on Friday, May 27, will be sent to the bank on Tuesday, May 31, and must have an effective date of June 1 or later.

Interest Rates

Average Annualized Yield	
April	0.63%
Interest Rates	
April 1–6	0.55%
April 7–30	0.65%

Online User Validation

It is time once again to complete annual online user validation. This validation is part of Treasury's security plan to assure only authorized access to cash management systems. User reports will be sent soon, by e-mail, to designated Password Administrators and contain a listing of authorized agency users set up to access Online Reporting and U.S. Bank SinglePoint (for those agencies using SinglePoint services). In addition, we will send a separate, more detailed user report for each agency using STAN Online.

Agencies are asked to review the reports and verify that the authorized users are appropriate for agency business purposes. We strongly encourage agencies to review users who have not accessed these systems within the past six months to determine whether access is still appropriate (*note that the report does not reflect actual user access activity for SinglePoint*). If changes are needed, users easily can be deregistered using Treasury's C.26 Registration/Deregistration form. The form should be submitted by a Password Administrator via e-mail to ost.banking@ost.state.or.us.

Treasury also would like to remind users that *user IDs and passwords for Treasury applications must not be shared*. A process is in place for resetting passwords and for registration/deregistration of individual users. If you have questions regarding that process, please work with your agency Password Administrator. Protecting the security and integrity of the state's banking and cash management systems is a task that is shared by all users. Treasury thanks you for your diligence in this important effort.

Service Spotlight

Automated Clearing House (ACH) is an electronic method of sending or receiving money and payment-related information. ACH transactions flow through the ACH Network, which is overseen by Nacha and governed by the Nacha Operating Rules.

ACH can be used for credit transfers (such as direct deposit and vendor payments) and debit transfers (such as bill collection and loan payments). ACH also can be used for specialized transactions such as converting paper checks to electronic transactions and international transactions. Transactions require pre-authorization from the recipient and can be set up as one-time or recurring.

Agencies can originate ACH transactions through Treasury-provided systems, agency-provided systems, or via third party providers. There are many factors to consider when adopting electronic payment methods like ACH, but generally a shift to such methods has the potential to result in significant savings and efficiencies. If you are interested in evaluating your business needs and available options, or have questions regarding electronic payment methods generally, contact Customer Solutions at customer.solutions@ost.state.or.us.



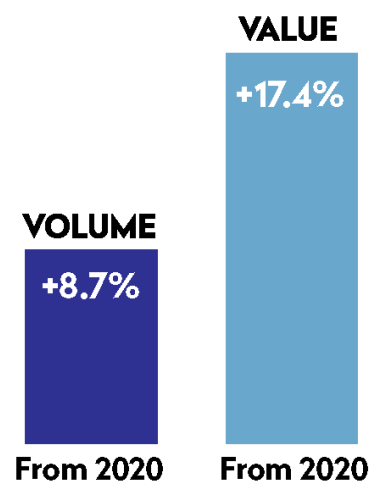
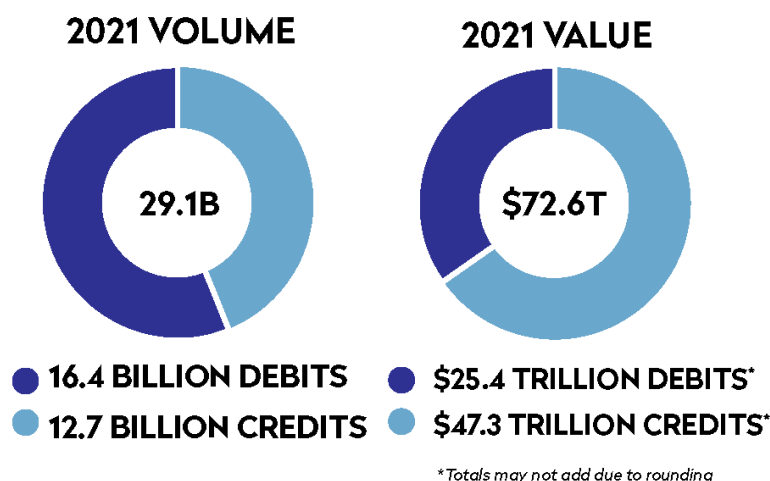
ACH Network Growth Accelerates Due to Pandemic

Earlier this year, Nacha announced that the ACH Network experienced significant growth in 2021. Volume increased by 2.3 billion transactions, hitting a new high of 29.1 billion transactions worth more than \$72.6 trillion. The volume translates to more than 87 transactions per person in the U.S. and reflects an annual increase of more than one billion transactions for each of the last seven years. Business-to-business payments increased 20.4% to 5.3 billion transactions, and direct deposit payments grew 4.3% to 8.4 billion transactions. Person-to-person payments again saw the greatest increase, growing 24.6% to 271.2 million transactions. “Throughout 2021, the ACH Network proved its resiliency and value to the nation. Working with our partners in government, at financial institutions, and the ACH Operators, the ACH Network last year seamlessly handled 143 million economic impact payments, 182 million Advance Child Tax Credit (ACTC) payments, and hundreds of millions of unemployment benefits, all by Direct Deposit. These payments brought help to Americans at a time when they needed it most,” said Nacha President and CEO Jane Larimer.

Treasury also continues to see growth in state ACH volume, as agencies modernize systems and processes to leverage the efficiencies and cost-savings of electronic payments. In fact, Treasury’s own Electronic Funds Transfer (EFT) Business Systems Renewal—currently underway—is expected to increase ACH volume as the project progresses and brings enhancements to wire transfer, book transfer, and ACH services.

2021 ACH NETWORK VOLUME AND VALUE

29.1B TRANSACTIONS TOTALING \$72.6T



ACH Questions & Answers

With many state employees now splitting their time between working in the office and working remotely, below is information that agencies should find useful for staff who provide coverage for ACH processes. Agencies should have access to the current Treasury ACH Communication Plan for the ACH notification and error resolution process. Please contact customer.solutions@ost.state.or.us if you do not. We also have included a few frequently asked questions related to ACH processing for your benefit. Please make this information available to the staff that will have any responsibility for ACH processing within your agency at any point in time. This information also may be a good reminder for current staff or good training for new hires into ACH-related positions.

What do I need to do with ACH Confirmations?

▲ **For agencies that send ACH origination files to Treasury:**

An ACH Confirmation is notice to the agency that Treasury picked up the agency's ACH file. At least one person should be designated to verify that the item count and dollar amount on the ACH Confirmation match the item count and total dollar amount of the file sent. Contact Treasury at ach.exception.notify@ost.state.or.us to inquire about any discrepancies on ACH Confirmations.

▲ **For agencies that send ACH origination files to KeyBank:**

An agency sends a control totals e-mail with file count and amount information to KeyBank before submitting its ACH file. The agency then receives a controls total receipt back from KeyBank. This e-mail confirms receipt of the control totals—*not the ACH file*—and provides summary information for the control totals e-mail received. KeyBank will reach out to the agency if no corresponding file is received or if the file received does not match the control totals e-mail.

What do I need to do with ACH Confirmations?

▲ **For agencies that send ACH origination files to Treasury:**

An ACH Confirmation is notice to the agency that Treasury picked up the agency's ACH file. At least one person should be designated to verify that the item count and dollar amount on the ACH Confirmation match the item count and total dollar amount of the file sent. Contact Treasury at ach.exception.notify@ost.state.or.us to inquire about any discrepancies on ACH Confirmations.

▲ **For agencies that send ACH origination files to KeyBank:**

An agency sends a control totals e-mail with file count and amount information to KeyBank before submitting its ACH file. The agency then receives a controls total receipt back from KeyBank. This e-mail confirms receipt of the control totals—*not the ACH file*—and provides summary information for the control totals e-mail received. KeyBank will reach out to the agency if no corresponding file is received or if the file received does not match the control totals e-mail.



(Continued on page 5)

(Continued from page 4)

What if I don't receive an ACH Confirmation?

- ▲ **For agencies that send ACH origination files to Treasury:**
If an agency sent an ACH file to Treasury but did not receive an ACH Confirmation by 11:00 a.m., Treasury likely did NOT pick up the file. Contact Treasury at ach.exception.notify@ost.state.or.us to inquire about the missing ACH Confirmation.

What if I don't receive a Control Totals receipt?

- ▲ **For agencies that send ACH origination files to KeyBank:**
If an agency sent an ACH file control totals e-mail to KeyBank but did not receive a Control Total receipt, contact Treasury at ach.exception.notify@ost.state.or.us.

What is the cutoff time for sending ACH files?

- ▲ **For agencies that originate ACH via Treasury:**
The daily cutoff time for sending ACH files to Treasury via FTP is 10:00 a.m. The daily cutoff time for STAN online transactions is 1:00 p.m.

Note: Treasury will not correct errors in ACH files. It is important for agency ACH contacts to be available between 10:00 a.m. and 2:00 p.m. for error resolution.

Limited exceptions can be made to the FTP cutoff time, though agencies must contact Treasury at ach.exception.notify@ost.state.or.us prior to 10:00 a.m. with any processing issues or requests for a late pickup.

- ▲ **For agencies that originate ACH via KeyBank:**
The last ACH window at KeyBank is 6:00 p.m. Treasury recommends that agencies not wait till the last ACH window to submit files as this leaves no time to address errors (assuming transactions are effective the next business day). Treasury further recommends that agencies not adjust their file submission schedule when transitioning to KeyBank.

The daily cutoff time for KeyNavigator ACH transactions is 5:00 p.m. for next business day settlement.

Who should I contact if I have issues with ACH?

All ACH issues should be reported to ach.exception.notify@ost.state.or.us. Contacts made directly to individual Treasury staff will not guarantee that your needs are met in a timely manner.

Director of Finance

Cora Parker
503.378.4633

Deputy Director of Finance

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

customer.solutions@ost.state.or.us
503.373.7312

Analysts

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

867 Hawthorne Ave SE » Salem, OR 97301-5241
oregon.gov/treasury