



COMMUNITY BANKERS

B A N K

Resourceful. Responsive. Reliable.

CB Solutions

May 2011

Issue 10

RETURN ITEM MANAGEMENT

Q: Are you experiencing a costly delay in the physical delivery of your return items?

A: When the Federal Reserve Bank discontinued the Return Item E-mail Notification Service, your bank's Return Item management may have been impacted. Currently, banks have three options for return item delivery from the Federal Reserve Bank. These options are:

1. Converting to the FedReceipt Plus for Returns Service,
2. Receiving return items as substitute checks in a PDF format through the FedLine Web access solution,
3. Delivery of physical return items

Community Bankers Bank ("CBB") has an alternate option for client banks. Banks can designate CBB as the servicing agent for PDF Delivery of Return Item Substitute Checks and allow CBB to transfer the file to the bank through secure e-mail. This low cost solution allows delivery of returns earlier than paper items are currently delivered, and eliminates the need to enroll in a Fedline Web access solution.

The requirements for implementation are minimal:

1. Completion of two Check 21 FED Agreements,
2. Standard printer with double-sided print capability and standard 8 x 11 inch paper (24 lb laser paper suggested),
3. MICR ink cartridge to print legal substitute checks, and
4. Adobe Acrobat Reader software

After agreements are completed and accepted by the FED, a conference call is scheduled with a FED representative, CBB, and you. Details of the program are discussed and a test date is scheduled. The test file will be sent via secure e-mail in order for your institution to test access, printers, etc. After successful testing, at least a one-week notice will be required prior to production implementation. The implementation date is set and your return item file will be sent to you from CBB through secure e-mail for processing.

This solution, as well as being cost effective, will provide your bank the opportunity to transition to a more electronic return item management operation.

If you would like to have more information regarding this option, please contact Kathleen Mojica at kmojica@CBBonline.com or via phone at 804-794-5885 x 126.