

RDC PowerPoint Transcript

Welcome to the Adelfi overview of the Remote Deposit Capture

We will be going over the product resources and an overview of the Remote Deposit Capture

Deposit Timeframes

Deposit Limits

Check Storage and Safeguards

Scanner Maintenance

Adjustment Notices

Understanding a check

Processing your deposit

And an exercise of scanning a deposit and reviewing reports in Online Banking

The product resources that are available to you include the RDC User Guide, the RDC Support Line which is 800.921.1130 ext. 1546. We are available Monday – Friday from 8:30 a.m. – 4:30 p.m. Pacific Standard time. All RDC documentation may be obtained through the Online Banking “Help” menu.

Remote Deposit Capture is a software that allows you to capture checks and create an electronic deposit file which you will be securely transmitting to Adelfi for processing. The items that can be included in your RDC deposit include any check that is drawn on a US financial institution, this would include your personal and business checks, cashiers checks and travelers checks. You may also include money orders in your deposit but we do caution that you review the image quality after you have completed scanning the money order. Money orders typically have a very detailed picture in the background which can deteriorate the image quality – meaning that the payable to field, the dollar amount field, or the MICR line information may not be picked up correctly by the scanner. So if you do decide to scan a money order we just ask that you review the image on your screen after you have completed the scanning and make sure that everything is readable before you include that in your deposit.

When you first start your deposit you are going to make a tape total of your checks so that you know what the deposit is going to be. Once you have that tape total you are going to place the checks in the scanner and submit that deposit to Adelfi for processing. When Adelfi receives your deposit file we will review the file and may potentially reject a check or two that you have submitted. If that is the case, we will send you an email notification of any item that was rejected by us during our deposit review. The items that are not rejected will be submitted to the paying bank. The paying bank will then debit the check writer’s account. The paying bank may also return a check due to insufficient funds or an account being closed. If that is the case the paying bank will create a substitute check, send that to Adelfi, Adelfi would then adjust your account – debit your account for the returned item and through the US mail send you an

adjustment notice of that returned item along with the substitute check that the paying bank sent us. Once you are done scanning your checks we do recommend that you store the checks in a secure location – preferably a fireproof location. If it is fireproof then if there is a natural disaster or a fire you still would be able to produce the checks if needed. When you are ready to destroy your checks we do recommend that you shred them, and again we recommend that you keep your checks for a minimum of 30 days before shredding them.

Deposit timeframes:

Your scanning may be completed 24/7. Deposits submitted prior to 4:30 p.m. Pacific Time will be credited to your Adelfi account the same banking day. Any deposits submitted after the 4:30 cut off, on a Saturday or Sunday, or a federal holiday will be credited to your bank account the following banking day. If Adelfi were to reject any items that were submitted in your deposit – that deposit adjustment notification will be sent to you by 5:30 p.m. Pacific Standard time on the banking day that you submitted the deposit. The reports and check images are available for you to download for 15 months within the system.

Deposit Limits

Upon approval to process Remote Deposit Capture you are underwritten with a daily deposit limit. The system will not allow you to deposit any items that will cause you to exceed this daily deposit limit. If you try submitting deposits that exceed the limit you will receive an error message letting you know that you are exceeding the limit. When this happens you may request a temporary limit increase. The temporary limit increase does need to be initiated by the Online Banking Administrator or a Master Signer if the Online Banking Administrator is not available. The phone number that be used for the temporary increase is 800.921.1130 ext. 1546.

If you find that you are going to be exceeding that daily deposit limit on a regular basis a permanent limit increase may be requested. The permanent increase does need to be submitted in writing, on your letterhead, signed by the Online Banking Administrator, two Corporate Officers, or 1-2 Master Signers. The written request may be faxed 714.671.5789 or it may be scanned and sent through an email in Online Banking. The Online Banking Administrator may also initiate a permanent limit increase by sending the request through Online Banking in a secure email message.

Each deposit that you submit can have up to 299 checks. The multi-feed scanners cannot hold 299 checks so we do recommend that you place no more than 30 checks at a time in the scanner when you have a large deposit. You would place 30 checks in the scanner, feed them through the scanner, lay those checks aside, put in the next 30, and scan those checks through the scanner, lay those checks aside, etc.

Check Storage and Safeguards

We do recommend that you keep your checks for a minimum of 30 days. When you are storing your checks they should be stored in a secure location, preferably fireproof in case anything were to happen such as a fire or other natural disaster-the paper checks would not be destroyed. Checks also should be handled in dual controls. The checks do include sensitive information – account numbers, routing numbers, names and addresses of the people that wrote the checks. When checks are handled in dual control one person is less likely to write down that sensitive information with the intent to do fraud.

All reports and check images that you download should be stored securely. For example, the file should be encrypted. The network location where you are saving the downloaded information should be restricted to need to know only staff or you could password protect the file.

Once the retention period of your checks is up we do recommend destroying the checks by shredding – that is the most secure way to destroy the checks.

Once a check has been successfully submitted through the Remote Deposit Capture it should not be resubmitted a second time.

Scanner Maintenance Recommendations

Performing regular maintenance on your scanner will help ensure that you have good image quality, higher scanning speeds, longer life of the scanner, and fewer rejected items. When the scanner is not in use the dust cover that came with the scanner should be placed over the scanner. This will prevent the air particles that are in the air from settling in the scanner when it is not being used. Once you have completed scanning your checks one of those air spray cans can be used to spray out the paper particles that would have accumulated while the checks were going through the scanner. We also recommend that you clean the scanner with a cleaning card. The PowerPoint here does say on a weekly basis, which would be fine, but for sure a minimum of once per month or when your image quality starts to deteriorate or you have increased paper jams. Additional cleaning cards may be purchased at any office supply store. If your scanner is not functioning properly or you are having issues with it please do not hesitate to contact Adelfi – we would be more than happy to trouble shoot and resolve your scanner issue.

Adjustment Notices

You may receive an adjustment notice from Adelfi if one or more of your checks in the deposit that you submitted to us is rejected by us. A reason or two that Adelfi may reject a check from your deposit would include:

- Check image is incomplete or cannot be read

- The legal amount does not match the courtesy amount
- The check has already been processed – it is deemed as a duplicate check
- Payer did not sign the check
- Payee does not match the organization name we have on file for you

Adjustment Notice Sample

This would be a sample of what the adjustment notice would look like if Adelfi were to reject any items from a deposit you submit to us for processing. It would have Adjustment Notice as the subject, the name of your organization, once you complete a deposit the system assigns each deposit a deposit number, this would be included in the adjustment notice, it would also include the date that you submitted the deposit and the amount of your deposit that was submitted. The debit adjustment amount that will be deducted from the deposit – this would be the check that is getting rejected and it would also include the reason why Adelfi rejected the item. Each check is assigned an item number once you submit a deposit so it would include that item number of the check we are rejecting and it would also give you the reason why we rejected the item. You can always give us a call if you do not understand or have questions pertaining to a rejected item.

Understanding a Check

The different elements of a check that you want to take a look at while you are doing your check scanning or creating/preparing your deposit would be your courtesy amount and your legal amount. The courtesy amount is the number that is written on the check and the legal amount is the handwritten amount. If these two amounts do not match it is the legal amount that you should always use – which is that handwritten amount. The check number, the routing number and account number - it is good to know where these are located on the MICR line of the check in case you have any MICR line misreads when you are completing or submitting or scanning your checks in a deposit.

Preparing your Deposit

As you are making your adding machine tape you are going to want to take a look at those checks and make sure that the “Pay to the Order of” field is filled in and it is payable to your organization’s name. Third-party checks are not accepted through the Remote Deposit Capture. You want to make the amounts equal each other – the legal and courtesy amounts are the same and if not it is the legal amount that you are going to use. You want to make that the check has been signed by the payer and you want to ensure that the check is endorsed. We do recommend endorsing the checks but it is not required. The multi-feed scanners have a print text capability which would allow you to put your organization’s name on the back of the check. The single feed scanners you could have an Adelfi endorsement stamp and stamp the checks for your endorsement. The adding machine tape will give you the total of the checks for your deposit. And when you place the checks in the scanner – this is for the multi-feed scanner – you

want to make sure all the checks are aligned and the checks will be placed on the left side of the scanner and feed through to the right side.

Deposit Balancing

Once a deposit has been scanned, checks may be flagged for review – they will be in red if flagged for review. Some reasons for an item to be flagged for review is:

- A low courtesy amount recognition score
- A low image quality assurance score
 - The system has predetermined thresholds for these two scores and if your items do not match this threshold they will be flagged for you to review. You would have the opportunity to manually correct this information if needed

The system will also flag any MICR line misreads for you to review and correct and if the system deems that it is a duplicate check you will need to determine if it is in fact a duplicate check.

The system will allow you view the check from the previous deposit and the current check you are trying to submit to compare the two and determine if it is in fact a duplicate check.

All flagged checks must be reviewed, corrected or deleted before the system will allow you to submit your deposit.

The scanned amount – the system maintains a deposit total – that would be the scanned amount – and your Control Balance, which is that tape total balance that you entered when first starting the deposit – those two amounts must equal each other. If you have resolved all your flagged items and the amounts still do not match then your reconciliation practices come into play. Maybe redo your tape to make sure you did not have a key error when you originally made the tape. Review your tape against each scanned item to determine if the scanner picked up an amount incorrectly . If your tape total is incorrect then you will need to revise the Control Balance to reflect the correct deposit total. If the check amount is incorrect you will need to go to that item and fix the dollar amount in the system. Once your two balances are equal to each other you will be able to submit the deposit.

This concludes the PowerPoint presentation of the Remote Deposit Capture training. We are now going to move to Online Banking and review a deposit using the Remote Deposit Capture system.