

## **Major Inefficiencies of not going paperless.**

### **Inefficiency: Incoming check processing**

#### **The issue**

Checks enter the credit union either by mail, thru an ATM or a typical teller transaction. In some cases, the teller must separate the checks into 3<sup>rd</sup> party and “on us” categories. At the end of the day, or in many cases at various times during the day, the tellers checks are collected and taken to a place in the branch where they are encoded, copied or microfilmed. This can be done by a runner but in many cases is done by the teller.

In some cases, large credit unions have proofing departments in which all checks are balanced, encoded, micro-filmed and batched into cash letters for presentment to a depository. Once copied the 3<sup>rd</sup> party checks are sent out to the clearing house along with a daily cash letter.

Ideally, checks are deposited on the same day as received. In many cases, checks are not deposited until the following day because staff was too busy to prepare the batches to meet the courier deadline, a teller was out of balance and the checks were held over, or a courier schedule could not be arranged to meet the depository deadlines. The checks that have been processed have important content that is almost never used because the checks have been separated from the teller receipt transaction. Once the checks are separated and batched it is impossible to find these checks for other useful purposes.

Furthermore, the cost of copying or filming the checks is largely a waste of time and money because the images are almost never used. The only reason copies are made is to make sure there is a copy in case the physical checks are lost in transit.

#### **Ask yourself these questions:**

- When are checks sent to the depository?
  - Same day or next day?
- What is the average daily cash letter total?
- Are checks filmed prior to leaving the branch?
- How frequently do members ask for information about checks previously deposited?
- How many items are reported as “lost in transit?”
- How much time is spent retrieving documents?
- How much has been charged off as the result of lost items you were unable to locate or were not reproducible from film?
- Are “on-us” items outsourced or submitted to depository?
- How many “on-us” items do you clear each day?
- How much do you pay for each item deposited?
- How much do you pay for each item cleared?

## Major Inefficiencies of not going paperless- inefficiency: Incoming check processing...cont.

- If on-us items are out-sorted, where are items retained?
  - Daily work?
  - Filmed?

### What is the solution?

Use of **FASTdocs** makes archives available immediately and eliminates the costly microfilming process. As an alternative, credit unions can scan and index items in a batch mode into FDMaster. C21 **Teller Capture** captures checks have the added advantage of being available for member service through the member-centric file eliminating costly research and irritating delays for the member.