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TECHNOLOGY REPORT

Teller Capture Captures Big Efficiencies

By Kevin Jepson, *Technology Correspondent*

TAMPA, Fla.—MacDill FCU has raised the ante on Check 21.

MacDill is the first credit union to instantly present check deposits to the clearinghouse as the member waits at the teller counter.

Tellers scan an electronic image of the check when the member presents it, complete an automated check for fraud, and then transmit the image directly to the item processor—all in real time, said Gail Wean, chief financial officer at the \$1.6-billion CU.

“Teller Capture”—different from batch-level capture—will save MacDill \$1-million per year, mainly by reducing check float, Wean said.

C21 Teller Capture is provided by San Diego, Calif.-based Bluepoint Solutions, Inc.

“Each check goes instantaneously from the member’s hands to the check processor,” Wean explained. Back items or fraudulent checks are identified before the member walks away from the teller line, she said.

Teller Capture only keeps the member waiting about two seconds longer per check, according to Bluepoint.

“The MacDill installation is historic,” said Hal Tilbury, CEO of Bluepoint. “It’s the first time that a credit union has successfully captured deposited items at the teller line in real time and transmitted these items in real time to their item processing provider.”

MacDill’s superfast check-clearing process was made possible two years ago by The Check Clearing for the 21st Century Act, or

Check 21, which allows financial institutions to accept substitute checks at the point of deposit, reducing the transportation, theft and fraud costs associated with moving paper checks to a clearinghouse.

MacDill is processing about 95% of all checks from its 18 branches with Teller Capture, said Beth Griffin, vice president,

finance at the CU. Check deposits made at ATMs are processed through a batch capture solution.

Previously, MacDill manually encoded all checks, prepared a daily cash letter and sent checks by courier, first to headquarters, and then to the Federal Reserve.

“We wanted to improve our efficiency, and our biggest barrier was the float time presented by physically transporting all checks back to our central location,” Wean said.

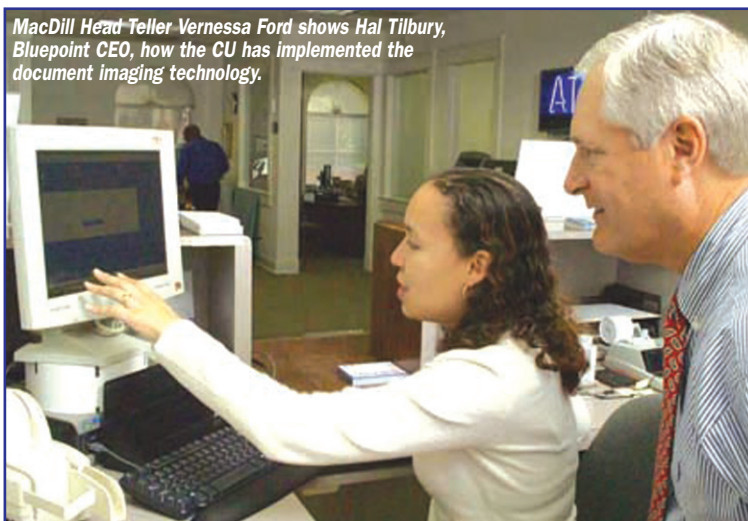
“Teller Capture is the ultimate in efficiency, and MacDill is without question the credit union pioneer in capturing checks right at the teller counter,” said Brad

Ganey, director of item processing services at Plano, Texas-based Southwest Corporate FCU, which provides MacDill’s Imaged Check Processing solution in partnership with Bluepoint.

In contrast, batch capture solutions require additional steps, including back-counter check scanning in batches and reconciling after-the-fact.

“Credit unions may start out with batch captures to take advantage of Check 21, but they’ll want to move to Teller Capture,” Ganey asserted.

MacDill Head Teller Vernessa Ford shows Hal Tilbury, Bluepoint CEO, how the CU has implemented the document imaging technology.



MacDill FCU Projecting \$1M In Annual Savings With Teller-Level Check Capture

Southwest Corporate employs Bluepoint's Check 21 Transport Server software to accept check image data from MacDill in real time.

MacDill installed 134 Teller Capture workstations for tellers and card services representatives, and an additional 200 licenses of research software, according to the credit union's IT support manager, James Stock.

Batch capture solutions have also been installed at each branch for processing single deposits that contain a large quantity of checks.

A similar Check 21 rollout at a smaller credit union "would be a breeze," Stock said.

Teller Capture at MacDill works in tandem with Bluepoint's Receipt Manager, which can capture electronic signatures and create an instant record of each transaction. The electronic receipt is then immediately available to any authorized employee.

Tellers have a "second pair of eyes," as Teller Capture and Receipt Manager catch errors related to data entry, reconciling and signatures, said Debbie Hopkins, market manager at MacDill's beta-test branch for the Check 21 technologies.

And tellers save time because they don't have to manually stamp or add checks, Hopkins said.

"Tellers love it because it eliminates their balancing work at the end of the day," Hopkins added. "If a teller makes a mistake when entering transaction data, the Check 21 tools alert the teller."

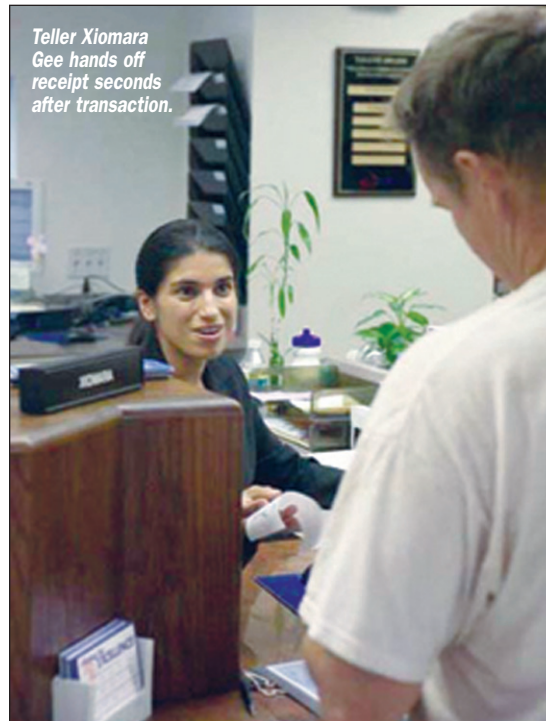
Tellers often used to discover, during end-of-the-day reconciling, that member signatures were missing, said Hopkins. The teller would have to void the relevant transactions and contact each member to request signatures.

Other credit unions need not wait any longer to take advantage of Check 21: the regulations are well established and the technology has matured, said Brad Sears, chief information office at MacDill.

"We feel very comfortable with the interpretation of the regulations, and, with all the money the larger financial institutions have spent developing these solutions, our confidence is strong in the technologies," he said.

"Any change in the regulations or the technology could be accommodated easily enough," Sears added.

MacDill spent about three months rolling out the Check 21 solution, said Stock. In addition, beta-testing took nine months, whereas MacDill had been searching for a solution for several years, said Wean.



Teller Xiomara Gee hands off receipt seconds after transaction.