

# Check 21 adopters report little effect from check restructuring

The Federal Reserve Banks recently announced an accelerated check restructuring schedule due to rapidly declining paper volume (see May 2008 *FedFocus*). The check processing shift from one Reserve Bank to another often spurs financial institutions to examine their conversion timelines to FedForward Services and other Check 21-enabled services.

Institutions that have adopted Check 21-enabled services report little, if any, effect on their daily operations when their local Federal Reserve paper check processing moves to another office.

“The Federal Reserve Bank of Kansas City moved its paper check processing to Dallas in April. It was a non-event for us as we had been pursuing as paperless a process as possible,” states Lloyd Davidson, president of the \$170 million First Bank Kansas, headquartered in Salina, Kansas. First Bank Kansas began conversion to Check 21-enabled electronic processing services with FedForward Services in 2005, and concluded with FedReceipt Services in February 2008 — two months before the Kansas City processing move.

Barb Proper, vice president of deposit services at Five Star Bank in Warsaw, New York, agrees: “The Utica Office’s impending move was just the impetus we needed to convert to FedForward, FedReturn and FedReceipt Plus in early 2008, just before the processing moved to the Federal Reserve Bank of Cleveland. We were pleased we made the change before Utica moved their operation. It was a timely thing to do.” When asked about the benefits of Check 21, Proper stated, “Even more important than timing are the ongoing benefits of risk reduction, automated inclearings and improved deadlines we’re enjoying today.”

By fully adopting electronic check services, First Bank Kansas and Five Star Bank positioned themselves to reap the ongoing benefits of Check 21. To learn more about Check 21-enabled services, contact your account executive, or visit [FRBservices.org/Retail/Check21.html](http://FRBservices.org/Retail/Check21.html).

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Right now, we are working to enhance the contact information we have for your organization to help ensure we can deliver relevant and timely information about your services to the right individuals via e-mail. Additionally, we are investing in a new e-mail tool that will allow us to send messages tailored to you and your preferences. In the near future, you will have the flexibility to update your preferences and contact information through a convenient online tool.

### Electronic publications

We are also working to develop new electronic versions of *FedFocus* and its operational companion, *FedFlash*<sup>®</sup>, to make it easier for you to access and share the articles that are most important to your institution. Upcoming enhancements will include a searchable publications archive so that you can quickly reference pertinent information when you need it.

The Federal Reserve Banks are committed to improving our eCommunications to provide rapid delivery of critical service information and news. We appreciate your survey responses, and we’re listening! We will continue to share details in future *FedFocus* and *FedFlash* issues as we make progress on these initiatives.