

Mapping FedCash Services of the future: The direction is clear

In the January and May 2008 *FedFocus* issues, we discussed how standardization of service levels, operational efficiency and FedLine Web®-based service delivery will be the strategic focus of FedCash Services in the coming years. In this issue, we highlight the changes that your institution can anticipate as a result of our new strategic focus.

Examining cash operations processes

Development of a new technology solution that will provide a more consistent and efficient experience across the country is underway. The centerpiece of the new service delivery platform is a barcode scanning and tracking system that will speed deposit processing and order fulfillment, while reducing paper-based record keeping. Information about the status of your orders and deposits will be available online through the FedLine Web access solution, which will become the exclusive channel to place orders and notify us of incoming deposits. Many features of the new service delivery system, expected to roll out in stages beginning mid-to-late 2010, will streamline notification and resolution of differences and provide for better control and tracking.

Here are some highlights of the planned enhancements and process changes that will affect the way your institution orders and deposits cash, performs day-to-day cash operations and accesses FedCash Services.

Deposit processing

As your currency deposit arrives at a Reserve Bank dock, the barcode on each bag and/or container will be scanned. The system will automatically match the barcode against the detailed information about your deposit in our database and notify you immediately of any differences. Credit entries for your deposit will flow automatically to our accounting system as soon as we finish scanning your bags and your armored carrier electronically verifies the control transfer.

The FedLine Web access solution will be the channel you will use to pre-notify us of your incoming deposit. The information you submit will identify your deposit's contents, including the number of bags and/or containers and the denominational break down and associated barcode of each. To facilitate scanning and tracking, the Federal Reserve Bank will develop a barcode standard for use on currency bags.

Order fulfillment

The barcode tracking system will also be used to fill your orders, enabling us to more quickly verify that your order is complete. You will also be able to use the FedLine Web access solution to track when your order is picked up, and once you receive your shipment, what is in each individual bag. In addition, the FedLine Web access solution will notify you in the event your armored carrier does not pick up your order on the scheduled release date.

Use of the FedLine Web access solution will also help streamline the ordering process. You will be able to select any day of the week as your pick-up date. Please note that same-day pick ups typically will not be allowed, except in emergency situations on a special request basis. If you need cash prior to your regularly scheduled armored carrier pick-up, you will be able to place the order and make arrangements with your carrier without having to first consult with your local Reserve Bank. However, you will need to pay careful attention when selecting your desired pick-up date to ensure that your armored carrier is able to pick up your order on the date you specify.

Your one-stop information resource

In conjunction with the new system, the FedLine Web access solution will become a one-stop resource for information on the status of your deposits and orders, allowing you to track from origination to settlement details and communications with drill-down ease. For example, if a difference is detected in one of your deposits, you will be able to drill down to the original deposit notification and review (and download) an image of the strap in which the difference was detected. Should it be necessary to submit a dispute claim, you will be able to do so online.

FedCash Services/ Access Solutions

Similarly, you will be able to review details about how your order was packaged, including barcode detail, to help with verification when your armored carrier delivers your order. Additionally, you will be able to submit claims for differences you detect in Federal Reserve shipments via the FedLine Web access solution.

Getting ready

To assist with your preparation, we will continue to share details, and, in some cases, we will pilot and then transition certain processes early to provide valuable information and the opportunity to learn what works best for you. A number of these pilots and other transition activities will take place within the next 12 months, including:

- Institutions in the New Orleans zone will pilot the new daily pick-up ordering service to help ensure customers are making appropriate arrangements with their carriers whenever they order currency for pick up on days they do not normally have a carrier run scheduled. Feedback from this pilot will help us plan roll out for other Reserve Banks
- Institutions in the Boston, Chicago, Los Angeles, New Orleans, Richmond and San Francisco zones will begin to receive a printed image of their currency strap in lieu of the physical strap with their difference advice. In 2009 and 2010, we plan to roll this out to other offices as we upgrade our high speed processing equipment with strap imaging capability

- By mid-year 2009, the Federal Reserve Bank of New York will discontinue the use of trays for incoming deposits and will adopt the standard depositing containers and bags that are used across the Federal Reserve System

Preparing for change

You can start preparing for these changes now by ensuring that key staff at your institution is equipped with access to FedLine Web. For the latest on FedCash Services, visit FRBservices.org/fedcash.

Coming in the November *FedFocus*!

We will provide details about changes to the deposit and ordering processes, their potential effect on your institution and how to prepare for them by highlighting:

- What the new deposit notification process will look like
- What the barcodes are and how you will be able to get them
- What the new strap images will look like when we send you a difference advice
- When and how we will implement these changes

When information meets contemporary technology

Since 2006, many financial institutions have converted from the existing System Network Architecture (SNA)-based Computer Interface (CI) platform to the current IP-based technology of the FedLine Direct® and FedLine CommandSM access solutions. By converting their transaction services — FedACH, Fedwire Funds and Fedwire Securities Services — these institutions are now enjoying the benefits of contemporary technology.

In May 2008, Account Services, Billing Services and the Daylight Overdraft Reporting and Pricing System (DORPS) application became available via the FedLine Direct and FedLine Command access solutions. As a result, if you access information services via the CI platform, you may now begin the final phase of the conversion process, keeping in mind that you will have until June 30, 2009 to convert these information services. The Federal Reserve

Banks will work closely with you to help you manage and finalize your conversion process.

Our access solutions were designed to further leverage your investment in IP-based technology, while minimizing the impact to your infrastructure. Note that no changes were made to the actual file formats of the application data.

As a reminder, the sunset date for access to FedACH, Fedwire Funds and Fedwire Securities Services via the SNA platform is December 31, 2008. If your institution has not yet started its conversion, contact your district's designated Customer Contact Center (CCC) today:

Atlanta, Boston, Chicago, Kansas City, New York and Philadelphia: (888) 881-6700;

Cleveland, Dallas, Minneapolis, Richmond, San Francisco and St. Louis: (800) 769-3265.