



FedReceipt® Plus Non-Imageable Service Case Study Union Bank Company

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The Non-Imageable Items Service is an excellent option for us to reach the final mile of end-to-end electronic check processing.”

Orlando Mesa, Senior Vice President, Union Bank, N. A.

Customer Profile

Union Bank, N.A. headquartered in San Francisco, California is a full-service commercial bank, providing a broad mix of financial services to businesses and individuals. Among the bank's markets are consumers, small business, middle market, real estate, corporate, correspondent and trade finance. Union Bank employs more than 10,000 people at over 330 branches located in California, Washington, Oregon, Texas and at two international offices.

Business challenge

Union Bank was already receiving items via the Federal Reserve Banks' FedReceipt Plus Service and experiencing the associated operational efficiencies that include:

- Reduced costs as a result of reductions in paper processing and image capture being done in-house
- Improved balance reporting
- Elimination of transportation delays

With the majority of inclearings converted to electronic presentment, the only items left to move off paper and convert to electronic processing were non-imageable items.

Solution

Having moved to the FedReceipt Plus Service for imageable items, Union Bank was well-positioned to receive non-imageable items electronically using our FedReceipt Plus Non-Imageable Service. “The Non-Imageable Service is an excellent option for us to reach of end-to-end electronic check processing,” according to Orlando Mesa, Senior Vice President, Union Bank, N.A.

According to Mesa, the process for preparing to receive items via the Non-Imageable Service was seamless. “We just signed the agreement, and we were ready to go,” said Mesa. By using the Non-Imageable Service, Union Bank was able to have all inclearing items imaged. Though staff had seen less than 1 percent of their presentments in paper form, they wanted to take full advantage of the benefits of having these items presented electronically.

Case Study at a Glance

Customer Profile

Headquartered in San Francisco, California, Union Bank is a full-service commercial bank with more than 10,000 employees at over 330 branches that provides a broad mix of financial services to businesses and individuals.

Business Challenge

Union Bank wanted to process all inclearings electronically. Since it was already receiving items via the FedReceipt Plus Service, the only items left to move off paper and convert to electronic were non-imageables.

Solution

After assessing the situation, Union Bank decided the FedReceipt Non-Imageable Service was an excellent option to reach its electronic goals.

Benefits

- Increased operational efficiencies
- Minimized delivery delays associated with paper
- Reduced exposure to fraud
- Provided complete MICR line data for posting
- Improved funds availability

Benefits

Union Bank staff has found tremendous value in the Non-Imageable Service. They have been able to minimize issues related to delivery of paper items, which helps reduce processing delays that may occur in paper exchanges. Reducing delays, in turn, may make it easier for all of the banks to respond more quickly to exception items and thus to minimize losses related to fraud. As the Federal Reserve Banks move all paper check processing to Cleveland in 2010, the delays associated with non-imageable checks that are presented or returned in paper form from across the country will grow greater.

With the Non-Imageable Service, all items are imaged rather than shipped via courier in paper cash letters, which helps financial institutions minimize exposure to fraud since the items are able to be viewed sooner and acted upon more expediently, if necessary. "Basically the Non-Imageable Service helps remove this risk for us," commented Mesa. Complete MICR line information is provided electronically for posting, which helps increase funds availability. "Because the Federal Reserve Banks have the most stringent image quality assurance (IQA) requirements, they are able to image just about everything," commented Mesa. Union Bank is able to post items that in other circumstances would have been handled via paper. "The Federal Reserve Banks are capturing the images and sending them to us. It's a win-win," continued Mesa.

Positioned for the Future

Since implementing the Non-Imageable Service in 2009, and processing 100 percent of inclearings electronically, Union Bank is well-positioned to take steps to convert fewer items internally to close the gap on image exchange. "We're better off being able to review a non-imageable item from the Fed, instead of getting paper cash letters and reviewing on our end. In the end, we are likely to see the same outcome, meaning the item is likely to be non-imageable," according to Mesa.

For More Information

The pace of migration to an all-electronic check collection system has been impressive, and receipt of non-imageable items in a FedReceipt Plus file is one more step in the process. For more information regarding our Check 21-enabled product suite, visit the [Check 21 Resource Center](#) or contact your [account executive](#).

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