



Check 21-Enabled Products Implementation Overview

FedForward[®], FedReturn[®] and FedReceipt[®]

The Federal Reserve Banks want your adoption of our Check 21-enabled products to proceed as smoothly as possible. This overview guide will help you understand how to prepare for and what to expect during the implementation process. By following these guidelines you can join the growing ranks of financial institutions that have expressed satisfaction at how smooth a process this can be.

For more detailed information, reference the *Customer Implementation Guide*, located at www.frbservices.org/Retail/pdf/C21ImplementationGuide.pdf.

Pre-Implementation Planning

Following the steps below can help ensure your readiness for implementing Check 21-enabled products and assist us in establishing a testing timeframe for your institution.

Pre-Implementation Planning Steps

Step 1: Determine third-party vendor and software readiness to meet technical requirements.

Inquire whether or not your software vendor and, if applicable, your third-party processor have experience in implementing the Federal Reserve Banks' Check 21-enabled services that your financial institution plans to implement. Verify that applicable vendors and your applications provide the ability to send and receive an image cash letter file that complies with the Federal Reserve Banks' Adoption of DSTU X9.37-2003 and meets image quality standards.

For more information on technical requirements, visit www.frb services.org/Retail/check21TechInfo.html and reference the *Image Cash Letter Customer Documentation* and the *Image Quality Assurance (IQA) Settings* document.

Step 2: Evaluate and implement an appropriate connectivity option.

Considerations for choosing a connection include the required file transfer rate, estimated daily volume, desired location for network connectivity points and contingency requirements. Be sure to allocate adequate lead time and resources to obtain, install and set up your chosen connection option.

There are three connectivity options for transferring image cash letter files:

- Internet using the FedLine Web[®] access solution (< 2,000 checks per day or file transfer within 20 minutes).

- Internet using FedLine Web and Tumbleweed SecureTransport[™] Client (< 75,000 checks per day).
- Direct network connection using Sterling Commerce[®] Connect:Direct[®] Secure+ Software (> 75,000 checks per day).

For more information, visit www.frb services.org/Retail/pdf/C21ConnectivityGuide.pdf and reference the *Guide to Connectivity Options*.

Customers using the Internet to transfer image cash letter files, may benefit from reviewing the FedLine[®] Hardware and Software Requirements available at www.frb services.org/Electronic-Access/FedlineWebSetup.html.

Step 3: Provide key information to your Account Executive.

Your Account Executive will need to know your daily forward, return and receipt volumes, anticipated deposit deadlines and any processing situations unique to your financial institution.

Step 4: Execute applicable forms, agreements and credential modifications.

Your Account Executive, Check 21 Product Specialist or Implementation Manager will distribute the required forms and agreements via e-mail and will be available to assist you in their completion and submission to the Federal Reserve Banks.

Step 5: Establish a dedicated implementation team.

Designate a project lead to serve as the primary contact with the Federal Reserve Banks throughout the implementation process and team members from all affected functional areas, such as technology, business and operational areas.

Pre-Implementation Planning

- Determine vendor technical readiness
- Evaluate connectivity options
- Provide key information to Account Executive
- Execute applicable paperwork
- Establish implementation team

Implementation

- Participate in Kickoff Call
- Conduct internal testing
- Conduct testing with the Federal Reserve Banks
- Execute production cutover

Post-Implementation

- Identify potential re-testing needs
- Monitor deposit volumes
- Access ongoing support

Implementation

Kickoff, Testing and Production Processes

Kickoff

Once you have addressed all of the pre-implementation considerations, your Account Executive, Check 21 Product Specialist or Implementation Manager will contact you about setting up a Kickoff Call. This call will detail the testing process and preliminary testing schedule, identify roles and responsibilities and outline overall expectations and success criteria for moving your institution into production. During this call, you should be prepared to discuss any testing aspects that may be unique to your institution.

Testing

The Federal Reserve Banks' Check 21 Implementation Team will work with you to establish the testing schedule. Testing requirements will vary based on the products you have selected. Tests occur over a multi-week period and vary both in format and level of complexity to help ensure that various processing scenarios can be accommodated. Since the testing process is cumulative in nature, it is imperative that you meet testing deadlines. Subsequent tests will be rescheduled if earlier testing deadlines cannot be met.

A successful testing program encompasses the following milestones:

Successful Connectivity Testing

Regardless of the products selected or your connection type, you will be required to verify that your connection is in place and that you are able to view file acknowledgements.

Successful File Format Verification

File format verification is directly related to the products you have selected. Completed testing includes:

- Successfully transmitting an image cash letter to the Federal Reserve Banks using a test deck (supplied by us) and, subsequently, an image cash letter using your own data (FedForward and FedReturn).
- Successfully receiving an image cash letter using test data derived from your inclearing items and successfully processing an image cash letter through all of your back-end systems and processes (FedReceipt and FedReceipt Plus).

When testing FedForward and FedReturn image cash letter deposits, we must verify that the image cash letter data complies with the Federal Reserve Banks' Adoption of DSTU X9.37-2003.

Testing schedules will provide sufficient time for you to ensure that your back-end systems are able to process image cash letter data. While we are available to provide assistance as you work through your internal testing process, your vendor(s) must be involved to assist you with any hardware or software changes that are necessary within your operation. **In all cases, you must submit notification to the Federal Reserve Banks stating that you were able to satisfy your internal testing requirements.**

Production

Once testing has been successfully completed, we will schedule your production cutover date. On the production cutover date, you should be ready to use the services to which you've subscribed, electronically depositing and/or receiving image cash letters.

While you are waiting for your cutover date, there are several things you can do to help ensure an easy adoption of your new services:

- Complete the Check 21 Training Tool (<http://learn.frbsecurities.org>).
- Review the new check adjustment transaction types and codes for Check 21 at www.frbsecurities.org/Retail/pdf/CheckAdjInvestigationTypes.pdf.
- Enroll all first-time subscribers to FedLine Web Check Services by contacting the Customer Contact Center. For more detailed contact information, visit www.frbsecurities.org/Electronic-Access/app/LocalCustServ.jsp.

Internal Software/Hardware Considerations

Be prepared to evaluate all internal software/hardware systems to determine if changes are needed for a successful production cutover. Federal Reserve Bank staff can assist you throughout this process to help ensure that all necessary tasks are incorporated into the cutover plan.

Production Implementation

Specific dates will be established for executing cutovers from the testing environment to the production environment, including various checkpoints to provide status updates. Please note that the cutover date will be set no earlier than five business days from completion of successful testing.

Post-Implementation

Image Processing Changes

Re-Testing

If you plan to make major modifications to your image processing platform, you should contact your Account Executive to discuss re-testing your FedForward, FedReturn and FedReceipt/FedReceipt Plus services. Major modifications include:

- Substantial software or hardware upgrades.
- Changes to the architecture that underlies your check processing platform.
- Changes to your connection option.
- Adding new branch or remote capture streams.

Changes to Deposit Volumes

If the volume of items in your FedForward or FedReturn deposits increases to the point of exceeding the file size you specified during your initial implementation, please contact your Account Executive prior to sending these files.

Customer Support

Please direct all production questions to our Check 21 Customer Support Center at (800) 762-0713 for assistance with Check 21-enabled services.

Federal Reserve Financial Services

The Federal Reserve Banks offer a full range of financial services to assist depository institutions in achieving a sustainable competitive advantage. We provide innovative and progressive services that enable you to capitalize on growth and revenue opportunities. Our services are designed to provide the accessibility and flexibility you need to compete in a dynamic and evolving industry.

Where Can I Get More Information?

To learn more about Check 21-enabled products, please visit the Destination Check 21 Online Resource Center at www.frbservices.org/Retail/Check21.html or contact your Account Executive

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