



Article Reprint

FedEDI[®] Plus Service helps American Savings Bank deliver value to its customers

NOTE: To better reflect the broad FedACH[®] Services reporting capabilities of the FedEDI Plus Service, on February 27, 2012, the name of the service changed to FedPayments[®] Reporter Service.

Value can be mined from the information that flows along with payment transactions, but efficient collection and delivery of complete information to business customers can pose a challenge. For automated clearing house (ACH) transactions, the FedEDI Plus Service can deliver the solution by providing, among other things, ACH remittance reports available for population to Internet banking sites. American Savings Bank implemented the FedEDI Plus Service as a solution to deliver value, in the form of complete information, to its customers.

The challenge: To provide competitive online business banking services

American Savings Bank, headquartered in Hawaii, has been in business for more than 85 years. Operating in a place most consider paradise — the warm, tropical, beautiful Hawaiian Islands — is not an ideal location, however, if you are trying to collect payments in a timely manner.

Running a full six hours behind the Eastern time zone and separated from the mainland by 2,500 miles of ocean, both time and distance conspire against speedy collection. There is no reason to fight these battles for payments being transacted between island financial institutions. Many Hawaiian institutions participate in an efficient inter-island exchange of mutual ACH transactions, keeping them out of the traffic flow to the mainland and back again. There is a downside to this exchange. If an institution wants to provide ACH payment reports via the FedEDI Plus Service to its business customers, FedACH Services may not have handled all of the transactions. As a consequence, the reported information may not be complete.

With a business customer base consisting of small to large businesses headquartered in the islands and regional branches of national corporations, American Savings Bank staff was interested in the FedEDI Plus Service for its ability to help them provide competitive online business banking services. Of particular interest was online availability of ACH payment detail in the form of the FedEDI Plus Service's remittance advice detail or summary reports. These reports provide translations of the electronic data interchange (EDI) information, such as invoice and purchase order numbers, which might accompany the payment.

Kalei Dagulo, American Savings Bank Vice President and Electronic Payment Services manager, has been with the bank for 12 years. The



majority of those years have been spent in operations for a variety of service lines ranging from return items to wires and ACH. She explains the bank's situation, "Here in Hawaii, we have a local, regional processing center, and we split off items locally rather than sending them through the Fed. For the FedEDI Plus product, not having those local clearing items meant we would not be providing the whole picture for our customers."

The solution: An integrated end-to-end solution

In response to such challenges, the FedEDI Plus Service recently introduced two new options designed to enable efficient delivery of complete remittance information to account holders.

One of the new options delivers reports to the FedLine Advantage[®], FedLine Command[®] or FedLine Direct[®] connection of an institution or an institution's service provider. The institution, or its provider, can then download the reports and use programming to make them available to online banking applications for viewing by the institution's business customers.

The other recently added option allows the inclusion of the missing on-us/on-we transaction information in remittance advice reports, a component for which American had been searching.

"We're always looking for innovative and useful technology that we can bring to our customers. That's why this FedEDI Plus product caught our attention."

Laurie Cateriano, Senior Vice President
Cash Management Services
American Savings Bank

Laurie Cateriano, American Savings Bank Senior Vice President for Cash Management Services explains the appeal of the FedEDI Plus Service and its expanded capabilities. “We can offer reports through the encrypted email option or the e-docs module within our cash management business Internet product. Before this service, we didn’t have that option and knew we weren’t delivering the information in the most efficient manner – for us and our customers.”

With the availability of On-us Inclusion and delivery of reports via the FedLine® access solution, American’s total FedEDI Plus solution was now just an implementation away.

The result: Straight-through processing automation delivers value

The Federal Reserve Banks work with various service providers to develop FedEDI Plus Service solutions, including the straight-through processing automation that populates Internet banking sites. For American Savings Bank’s implementation, collaboration with Fiserv was key.

Working together, American and Fiserv were among the first to test and use the FedEDI Plus Service’s new On-us Inclusion feature. American uses the XRoads™ Automated EDI Report and Delivery Service from Fiserv to send a file of on-us/on-we ACH transactions to FedEDI Plus for inclusion into eligible reports. The FedEDI Plus Service delivers the reports it generates for American’s account holders to XRoads via the Fiserv FedLine Direct connection. The XRoads system retrieves the report files, converts them to an indexed format and sends them into American’s Nautilus® COLD storage system from Fiserv. From there, American’s account holders are able to access the reports using the e-document interface of the bank’s commercial online banking application, Banklink® Cash Management, also from Fiserv.

Bill DiSenso, Vice President of Business Development at the Fiserv Government Services Group, addressed the benefit of the collaboration effort. “We recognize that the Federal Reserve Banks are a critical driving force in the payments infrastructure throughout the country, and Fiserv is eager to continue to work with the Reserve Banks to provide solutions that offer greater efficiency and cost savings,” he said.

For American, both Dagulo and Cateriano described the implementation process as uncomplicated. “Not only did the FedEDI Plus Service present us with a more efficient system, it was very easy to build,” Cateriano said.

Dagulo explained the bank’s implementation approach. “We basically implemented it all at once,” she said. “We had signed up for the FedEDI Plus Service before the ability to include the missing items was available, mostly so our operations area could gain familiarity with the service and the reports, but there were no reports going out to our customers. We didn’t set up any of our business customers until we went through this implementation.”

Cateriano admitted to being wary of the implementation. “When converting or adding a new system, it’s wise to be cautious,” she said. “You make contingency plans and hope that you don’t have to resort to them. In this case, we didn’t, and the implementation was just as simple as they said it would be. In fact, it may have been easier. I’ve

been involved with many implementations, set up lots of services, and this was very, very easy, very seamless: no mishaps, no hiccups or bumps. My staff had no concerns. Testing went as expected. The whole thing was simple. I was pleasantly surprised. It’s our larger commercial customers that use this service, and we didn’t want to create an inconvenience for them. Things turned out okay and I’m happy to report we had no problems.”

“I felt like the FedEDI Plus Service was very intuitive when I was in the system looking at the screens, setting people up,” Cateriano added. “And, everyone we dealt with was very helpful,” Dagulo concurred. “On the Fed side, we got great support from our account executive,” she said. Cateriano continued, “Our XRoads rep at Fiserv was also very helpful. We have the time zone difference here, but everyone was responsive.”

Bill Rambadt, American’s XRoads Account Executive, elaborated, “American’s implementation of the FedEDI Plus Service gave us a great opportunity to work with the Fed and develop these EDI delivery capabilities. In today’s market environment, it’s not enough to just offer a great product. Clients demand integrated solutions, and many times those solutions require several products and multiple vendors. Our processing and programming capabilities are a good fit with the Fed’s FedEDI Plus Service, and together we are able to provide an integrated, end-to-end solution that benefits both financial institutions and their customers.”

Now that implementation is over, the FedEDI Plus Service searches the complete set of American’s ACH data to create reports and delivers them to the designated FedLine access solution connection, all automatically. Dagulo appreciates the automation. “There’s not anything else to do after you set it up,” she said. “We used to have to fax reports. Customers would call saying they didn’t get their reports, and we’d have to re-fax them. Now if they need it, they can just go into their email or into their e-docs.” Cateriano added, “I’ve not heard of one concern, or even one customer frustration. It’s like we’ve been doing it forever. In fact, we’ve added a couple of customers since we started, and that can be a test, too, of how well things work. There were no issues.” Dagulo continued, “We haven’t had to do anything at all since we set it up. It’s been wonderful.” Cateriano agreed saying, “I would recommend it. If anyone called to ask about it, I would recommend it without hesitation,” she said.

Your next step: Learn all about it

Federal Reserve Financial Services contacts are well-versed on the service and ready to provide information and direction. Find their contact information via the My FedDirectory® Service or visit the FedPayments Reporter (formerly FedEDI Plus) Service product Web page and request that we contact you.