



# solutions

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Information and tips for more profitable banking

Summer 2009

## BUSINESS BUILDER™ Tip



## 5 Markets You Can Tap Now

### Great sources of low-cost deposits

While the struggling economy may be holding down interest income, it has opened opportunities for other revenue generating services. With revenue down, commercial customers are looking hard at ways to save money. Here are five markets you can tap now with payment processing services that cut their costs while you create new fee income every month and generate significant low-cost deposits.

- 1. Home owners associations.** HOAs take in significant dollars in monthly dues and assessments. Individual associations look for the peace of mind of professional servicing of their accounts, and faster access to information and funds. Firms specializing in HOA management want fast clearing and desire exceptions handling for large volumes of checks for their multiple properties.
- 2. Property management firms.** Like HOAs, these firms handle dues and assessments, as well as rent, mostly paid by check. As business people, they appreciate the value of professional service. They look for exception handling, special item processing for late fees and deposits, and remittance coupons tailored to their system.
- 3. Walk-in clinics and hospitals.** These health service providers accept large numbers of insurance co-pay checks. Many have multiple satellite locations, adding significantly to their volume. In addition to lockbox, you can offer them NSF handling and remote deposit services. You build your relationship by helping improve their collections and streamline their operations.

(See Markets on page 3)

## Good Returns On Bad Checks

### Banks boost earnings with NSF re-presentment

For your business customers trying to make ends meet in a slow economy, NSF payments are another costly headache for them—but an opportunity for you.

Traditionally, companies pay significant fees to a third-party collector and must share a high percentage of any money

recovered. Many banks are finding that the better solution is for them to take control of their customers' NSF management. With TMR's *CITATION™ e>Returns*, they are improving collection rates, strengthening customer loyalty by removing a pain point, and generating new hard-dollar fee income.

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## New Online Card Payment Option Added To e-Remit

### TMR's lockbox solution is first to offer the capability

Responding to the needs of banking commercial customers, TMR has integrated online card payments into its *e-Remit* lockbox check processing solution.

The new *i-Pay* module lets banks provide their commercial accounts with the ability to extend their payment options with online credit card remittance, satisfying the preference of a growing number of consumers.

Pioneered in partnership with ProPay, a leader in credit card processing and electronic payments, *i-Pay* gives banks a no-hassle, plug-and-play solution. All capture pages are created to brand to the bank or merchant as desired. The module includes: PCI Level I compli-

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Technology  
Management  
Resources, Inc.

*Solutions you bank on!*

800-867-2249

www.TMRsolutions.com

766 N. State Road 434  
Altamonte Springs, FL 32714

# Fortune Smiles At Gulfstream Business Bank

The recession may be dampening business in many places, but the outlook is sunny in South Florida for Gulfstream Business Bank. They're pulling in \$12 million a month in new deposits with a solid formula for success.

As its name suggests, Stuart, FL-based Gulfstream focuses on business banking, instead of retail services. At the core of those is lockbox and a high-level of personalized service, according to Michelle Tierney, VP of Corporate Deposits. "In our area, we target home owners' associations (HOA), medical services, property managers and country clubs," she said.

Each of the bank's four locations has a business banking team with a Relationship Manager assigned to every new account. Staff longevity – an average of nine years in their markets – lets the bank leverage employees' local knowledge and relationships. Tierney said the teams develop much of their new business through community involvement.

"We stay involved as members of local associations, participate in their trade shows, sponsor events and host seminars," she said. "Much of our business comes through these contacts." Other clients come to the bank for commercial loans. Once they are established with deposit accounts, the Relationship Manager refers them to Tierney's payment processing team.

"Many of our new customers come to Gulfstream because they see we have the banking stability they desire," she said. "They also want to know we don't outsource the work." With that comfort zone established, it's straightforward to introduce lockbox services. "Our clients like having complete accountability, a sense of security and timely deposits," she said. "They also like TMR's *i-View* account management tool to allow them to easily see the status of payments, their transaction history and get reports.

"Customers enjoy consistency of service because the overall relationship remains

with the local branch team."

Gulfstream makes lockbox an easier sell by not charging for it. Income accrues from leveraging the substantial lockbox deposits the bank takes in each month. The strategy seems to be working. Throughout 2008, the bank took in an average of \$12 million in deposits per month on processing of about 17,250 payments each month. The year-end projection was for \$144 million in lockbox deposits on more than 200,000 payments processed.

The recession has had little impact on deposits, according to Tierney. She noted that their customers – HOAs, for example – have regular, fixed monthly income that is not impacted like retail sales have been. So, while business may decline in one area, lockbox provides a solid hedge against the slow economy.

It looks like fortune will keep smiling, and depositing, at Gulfstream Business Bank.

## TMR answers clients' needs with virtual endorsement

A new virtual endorsement feature in *CITATION*<sup>TM</sup> *e-Remit* lockbox adds depository and payee endorsements to the "back" of scanned check images.

While not required for processing—all mandatory information is in the *e-Remit* data file—some banks will not accept check images without an endorsement. For a few of TMR's clients, this resulted in delaying deposits into their commercial customers' DDA accounts. So, TMR enhanced *e-Remit* with virtual endorsement at no charge to its clients. The feature can be turned on or off as

needed to meet requirements. The Depository Endorsement includes bank name, date of deposit, bank city and state and bank R/T number.

The Payee Endorsement can be customized per account with a choice of fields including 60 characters of text, run date, bank name, DDA account number, lockbox batch and sequence number, bank location and phone, and customer remittance.

Customers can contact a TMR Support Specialist to configure an endorsement matched to their needs.

(Online Card Payments from page 1)

-ance; direct funds settlement to client DDAs; payment of fees; and email notifications.

Online transactions integrate into *CITATION*<sup>TM</sup> *e-Remit* allowing centralization of all remittance management. Transaction data is delivered into *CITATION*<sup>TM</sup> *i-View* so merchants can view all payments in a single, detailed report.

TMR's *Business Builder*<sup>TM</sup> specialists will be contacting all *e-Remit* bankers to review the new option and sales and marketing strategies. For more information, call 800-867-2249, ext. 227.

# New Fed Fees Spur Branch Capture

## Hold down costs with a proven solution

The Fed made dramatic hikes in processing fees this year. While many institutions have postponed implementing branch capture, the increase provides motivation to look into the technology. Now a well proven solution, branch capture can help you hold down expenses and improve operational efficiency.

Concerns about reliability, support and risk continue to hinder acceptance of capturing checks at the teller level within the branch. Even some very large institutions still batch and transport checks from the branch. Problems with early systems have been worked out, and today teller capture is simple, intuitive to operate and requires little training while assuring accuracy.

TMR's *CITATION*<sup>TM</sup> e-Check desktop

solution offers the Courtesy Amount Read/Legal Amount Read (CAR/LAR) capability to reduce hand-keying and assure error-free processing. The system can be tailored to meet your institution's needs, allowing checks to be sent digitally to a central processing site, directly to the Fed or to a correspondent. Also, the package can easily fit into one office, or be scaled for multi-office or multi-region institutions.

The whole operation takes only four steps. Tellers scan checks at a desktop station on the back counter throughout the day, or when closing out. For most branches, a single station on the back desk is sufficient to handle all tellers' work. Deposits are then balanced. Next, all tellers' balanced deposits are merged and a cash letter is produced

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(Markets from page 1)

**4. Local government.** Local governments take in many checks for traffic tickets, licensing fees, tax payments, recreation fees, and so on. Usually understaffed, they need the support of professional remittance processing services. Given the budget struggle many governments are facing, the minimal investment needed is an attractive inducement for them to work with your bank.

**5. Home Services.** Security, pest control, maid, lawn and pool maintenance and other home services issue monthly statements with coupons. These companies have hundreds of accounts, and receive a similar number of checks each month. Their cash flow needs means they will appreciate rapid access to funds and easy account information management while reducing their staff requirements.

These prospective customers are common to most markets and have shown to be quick to adopt payment processing services. To the list above, you can add country clubs and marinas, health clubs, auto dealer repair shops, and grocers. The key is to look for those organizations in your community that take in large numbers of checks each month. The search is worth it – especially when you look to your own bottom line.

TMR's *Business Builder*<sup>TM</sup> marketing service includes sales strategies built on experience in working with our clients' customers in many industries. For more information, please contact TMR at 800-867-2249, ext 227.

## Letter From Tim



## Non-Toxic Liabilities

by Tim Clifford

Has anyone thought to hug your bank's *CITATION*<sup>TM</sup> e-Remit (lockbox) department lately? Well, someone should.

Day in and day out this group delivers great medicine for the current economic ills – low cost core deposits; deposits that can be leveraged into higher margin investments.

How about the *CITATION*<sup>TM</sup> e>Returns (returned check re-presentation) staff? They earn some well deserved attention as well! Daily, they contribute extremely profitable fee income while delivering a much appreciated service to your bank's commercial customers.

If you are bank management reading this, TMR can help you grow both of these areas. TMR's no-cost *Business Builder*<sup>TM</sup> services are yours for the asking.

If you are staff working in these departments take the message to the boss – your department can contribute even more to the bank's performance – you'll be the hero.

Together, let's do our part in bringing about a healthy economic recovery. The phone's always on. Give me a call.

Tim

ext. 224

## A New i-View

### New release version improves customer access to transaction data

i-View, the powerful account management tool on which many lock-box customers rely for accurate, secure transaction reports has been given extra muscle.

TMR's Development Team redesigned the web-based program including a new high-security interface that assures best practices in password protected access, and greatly extended administrator rights.

Customers with multiple accounts, such as property managers, now can access all their accounts at one time. The update also makes it easier to search for transactions by amounts, date range or by selecting specific fields such as payor's name or courtesy amount.

A merchant can view, download and

print images and data. Custom posting files can also be exported into customers' accounting software.

Content on the Log-in, Welcome and Contact screens can be customized to the bank's specifications. The site can incorporate the bank's logo and colors. Alerts of important information and promotions of other products can be placed on pages to keep merchants informed and to cross-sell more services.

Users can further personalize their own experience by selecting from a variety of screen colors.

Beta testing of the upgrade is being completed and the new release will be automatically distributed in regular updates. For more information, contact TMR's *Business Builder*<sup>TM</sup> specialists.

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e>Returns manages the process in accordance with ACH rules, submitting consumer checks as RCK items. The cost and manual effort with re-depositing paper checks is eliminated.

Collection rates often are doubled by managing scheduling. Since most NSF checks are the result of a consumer playing the float, usually several bad checks are written at the same time. e>Returns can re-present a check the same day it comes back, giving your bank a chance to clear the check, and collect fees, before other bad checks come to the customer's account. If the check bounces again, you can control the number of days to wait before re-presenting a second time, allowing you to optimize the probability of collection.

In fact, e>Returns can be fully customized by individual account, letting you tailor services to suit your client's

needs. It archives images, prepares outbound ACH files, and produces reports for the bank and the customer.

The bank can deliver the service at no charge to your customer, and still be rewarded with new fee income. Assume your state permits a recovery fee of \$25. The bank can retain the fee, or share it with your customer. With only 5 NSF items per day, annual income of \$30,000 is not unreasonable.

Besides helping you improve service to current customers, e>Returns also gives your calling officers a critical point of differentiation from your competition.

Like all TMR solutions, e>Returns is designed for community banks and includes complimentary sales and marketing support through our exclusive *Business Builder*<sup>TM</sup> service. To see how e>Returns works for your bank please give us a call at 800-867-2249, ext 227.

## Bank Specialists Join TMR Team

Two highly experienced bank specialists have joined the TMR team.

With more than 25 years in financial software and corporate management, Bud Boughton brings a refined perspective to helping TMR's clients identify technology solutions that increase business and improve operations. A former college football coach, his affinity for teaching helps banks achieve their business goals. Bud can be reached at 800-867-2249, ext. 307, or by email at [bboughton@tmrsolutions.com](mailto:bboughton@tmrsolutions.com).

Terry Nelson's 27-year career in banking systems includes substantial experience in executive leadership positions with financial technology leaders. With his background in strategic planning, he relates to the challenges faced by bank executives and can provide solid insights in helping bankers determine the best technology decisions to reach management objectives. Terry is available at 800-867-2249, ext. 237; or you may contact him by email at [tnelson@tmrsolutions.com](mailto:tnelson@tmrsolutions.com).

Welcome to Bud and Terry!

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that can be presented to the Fed or uploaded for consolidation with other branches' deposits. Finally, e-Check archives images and MICR data in-house, or on a web-based content management system.

The cost savings accrues in avoiding the new Fed paper processing fees, reducing time to balance and consolidate, boosting accuracy, and eliminating courier fees.

Given the Fed fee increase, it's certain many institutions will be automating branch capture this year.