

First State Bank Provides Innovative, Value-Add Check Recovery Service

Business Customers Now Recover 75 Percent of Returned Deposit Items



At a time when banks are facing fewer deposit accounts and increased competition, First State Bank in Russellville, Ark., has met these market challenges head-on. In early 2007, under the leadership of Ragen Moore, Senior Vice President of Operations, the bank added BSG Financial's Re\$ubmittIt electronic check recovery solution to its mix of commercial product offerings as a means of building relationships and increasing revenue.

"First State Bank is building its footprint in Arkansas as a financial institution dedicated to exceeding the expectations of our accountholders," said Moore. "I contacted BSG Financial after a recommendation – interested in how the company could help us achieve our goal. (I found that) electronic check and item recovery could help our customers and our bottom line."

Problem Meets Solution

In May 2007, First State Bank implemented Re\$ubmittIt as a much-needed solution to an obvious business problem: collecting funds from NSF checks and other returned items. Offered as a free service to the bank's commercial accountholders, Re\$ubmittIt electronically re-presents a returned item to a check writer's account in order to recover

100 percent of the check's value.

Because of multiple presentments and strategic timing, the chances for collection are significantly increased (about double) over traditional collection methods, such as phone calls and letters. Neither the bank, nor the business accountholder, is involved in the automated process. Further, if an item goes uncollected electronically, Re\$ubmittIt also

offers free secondary collections, which also recovers 100 percent of the item's face value.

"We did our due diligence in researching other companies and their product offerings, and Re\$ubmittIt spoke directly to our business and customer objectives as a community bank," said Moore. "Electronic check and item recovery enables us to offer 'big bank' services without forsaking our 'community' focus."

In addition to processing returned paper checks, Re\$ubmittIt also processes electronic items, including ACH originations and check conversions, such as back office conversions (BOC), accounts receivable conversions (ARC) and Web-authorized payments (WEB). As a result, the revenue provided through processing paper checks is only a portion of the potential program earnings, as the bank receives a portion of the revenue generated by each collected item.

Re\$ubmittIt electronically re-presents a returned item to a check writer's account in order to recover **100%** of the check's value.

Tangible Results

According to bank officials, the burden of collecting funds from NSF checks has been alleviated for businesses. Just months after implementation, the bank and its business customers realized tangible results.

"Since we implemented Re\$ubmittIt... the collection rate is above 75 percent," Moore said. "Re\$ubmittIt integrated quickly and easily into our technology systems and employee processes. It is a great ad-

dition to our product suite for business customers."

In addition to helping commercial accountholders dramatically increase check collection rates, Re\$ubmittIt also helps First State Bank streamline operational functions. Before employing Re\$ubmittIt, the bank managed the collection of returned deposit items manually on behalf of its business customers, diverting precious time, money and employee resources from regular customer interaction and bank functions. Re\$ubmittIt now automates this once-manual process and bank personnel no longer juggle primary duties with monitoring the collection of returned checks. Re\$ubmittIt allows the bank to be a bank and not a collections agency.

The Mark of Success

Bank officials credit the program's early success to a strong working relationship with BSG Financial, who designed the Re\$ubmittIt program with a focus on financial institution concerns, such as compliance, ease of implementation and security.

"In addition to being impressed with Re\$ubmittIt as a program, I was extremely impressed at how BSG Financial did business," said Moore. "Our weekly conference calls included literally everyone involved in the implementation process. They provided task lists we could use as a progress roadmap. The whole experience was team-oriented and painless."

"I would and have recommended BSG Financial and Re\$ubmittIt to others, because the program exceeds every one of our needs...and I love how the company does business," continued Moore.

About BSG Financial

BSG Financial, an endorsed vendor of the Arkansas Bankers Association, is based in Louisville, Ky., where it develops and manages innovative, profit-enhancing programs for the financial industry. Recognized by Bank Technology News as an industry innovator, BSG Financial is privately owned and serves financial institutions nationwide whose assets range from \$100 million to more than \$35 billion. For more information about the company of Re\$ubmittIt, visit www.BSGfinancial.com or contact Susan Baird at (866) 274-8900, x 225 or sbaird@BSGfinancial.com.