

AMERICAN BANKER

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IN BRIEF

TECHNOLOGY

Jackson: Process Helps Check Collection

Jackson County Bank of Seymour, Ind., said re-presenting bounced checks electronically doubled its business customers' collection rate on the checks.

Customers of the \$353 million-asset unit of **Bancorp of Southern Indiana** are now collecting the full face value of 75% to 80% of returned checks, rather than the 40% to 50% they typically get on their own, said **Mary Ellen Jaynes**, the bank's vice president of commercial banking.

The company hired **BSG Financial LLC** of Louisville to process the re-presentments using its **Re\$ubmitIt**® powered by *CheckVelocity.com* program via the automated clearing house network. The system takes advantage of the RCK ACH format for re-presented checks.

Ms. Jaynes said the bank started providing the service to its 1,100 business depositors in April at no charge and asked them to opt out if they did not want it. Only about 120 customers opted out, she

said. "Some are very small business owners. They know their customers very well."

The bank started directing returned checks to BSG Financial rather than having the **Federal Reserve Banks** re-present them. (Jackson County Bank does not yet use an image exchange network.)

The change has improved customer service, Ms. Jaynes said. "In-house we had no collection service for them whatsoever."

As ACH items, the checks can be re-presented twice, rather than only once as a paper check, and Re\$ubmitIt can choose when to submit the RCK files, she said. "They submit the ACH files on significant days of the week or days of the month, like Fridays, paydays."

The bank is able to offer the service at no charge because it charges a fee to the writer of the bounced check, Ms. Jaynes said. "We thought that was a no-brainer."

— **Steve Bills**



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