



Case Study

A BSG FINANCIAL CLIENT SUCCESS STORY

Sedalia School District Increases NSF Check Recovery Rate with Re\$ubmitIt®

The Challenge

Sedalia, Mo.-based Sedalia School District receives checks as payment for students' fees, including books, lunch program and extracurricular activities, etc. Unfortunately, over the years, the school district experienced a rise in the number of NSF checks it received. In addition, it spent an inordinate amount of time, manpower and money re-billing these small-value returned checks with very little success in recovering the funds. Sedalia Schools needed a time-efficient, cost-saving solution to collect NSF items, while also providing a reporting system that would help track check writers that repeatedly write bad checks.

Kristie McNelly, administrative assistant for Sedalia School District, sought a solution that would reduce the costs and resources involved in check collection and increase recovery of funds.

"Our parents don't normally pay with cash, but we rely on the funds being available once we submit them to our bank. We definitely needed a solution that could help us successfully recover these debts," said McNelly.

WHO: Sedalia School District, Sedalia, MO
Kristie McNelly, Administrative Assistant

WHAT: Sedalia School District has dramatically increased the funds it recovers from non-sufficient funds (NSF) checks by utilizing BSG Financial's Re\$ubmitIt, an electronic check recovery service. The program helps businesses **double the collection rate on bad checks**, while decreasing the time and expense of the collections process.

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The Solution

Sedalia School District was introduced to BSG Financial's Re\$ubmitIt via its financial institution, Sedalia, Mo.-based Third National Bank (one of 13 banks in the \$7 billion asset Central Bancompany holding company), a Re\$ubmitIt client since October 2006. Re\$ubmitIt successfully answered Sedalia School District's challenges by providing an automated check recovery system that takes the burden of check collection completely out of the school districts' hands, while **improving the recovery rate to 75%**—almost twice the collection rate of traditional collection methods, such as writing letters and making phone calls, etc.

Re\$ubmitIt, which is **offered at no cost** to Third National Bank's business account holders, enables businesses to devote less time and money to the collection process and more time to their customers. The program successfully captures 100 percent of the face value of all checks collected electronically and offers free secondary collections for those checks that go uncollected.

Instead of returning NSF checks to Sedalia School District for collection, Third National Bank forwards all of these checks directly to the Re\$ubmitIt check processing center. There, checks are converted into electronic items and re-presented to the check writer's account via the Automated Clearinghouse (ACH) network, using strategic timing, multiple

NSF check recovery rate

WHERE TRADITIONAL COLLECTION METHODS TYPICALLY RESULT IN A 40 PERCENT RECOVERY RATE, **RE\$UBMITIT HAS BEEN ABLE TO COLLECT 75 PERCENT** OF THE ELECTRONIC ITEMS FOR THE SEDALIA SCHOOL DISTRICT, WITH NO ADDITIONAL WORK ON THE SCHOOL'S PART.

presentments and electronic prioritization to increase the opportunities for successful collection.

The Result

"The use of Re\$ubmitIt has saved my office a great deal of time previously spent re-billing returned checks," said McNelly. "All I do now is check the Re\$ubmitIt web site to see how many checks are being re-submitted and when I can expect my payment. It's effortless and has helped

recover more funds from these checks than we were able to on our own."

Where traditional collection methods typically result in a 40 percent recovery rate, Re\$ubmitIt has been able to collect 75 percent of the electronic items for the Sedalia School District. This increase did not require additional work by the school district and, in fact, decreased the amount of time and resources dedicated to collecting and tracking bad checks. Because Re\$ubmitIt is fully automated McNelly can now spend more time on the students and other school-related tasks, and she no longer has to employ the services of an outside collection agency.

"This automated system has been beneficial to the school district because it has enhanced our ability to allocate funds to proper activities without being concerned about whether the funds are available or not," said McNelly.

TO LEARN MORE ABOUT THE RE\$UBMITIT® PROGRAM, CONTACT **HANK THOMPSON**, EXECUTIVE VICE PRESIDENT, AT **(866) 274-8900, EXT. 230** OR **HTHOMPSON@BSGFINANCIAL.COM**.

About BSG Financial, LLC

Louisville, Ky.-based BSG Financial develops and manages innovative, profit-enhancing programs for the financial industry. In addition to Re\$ubmitIt, the company offers the industry's first outsourced solution for courtesy overdraft management, CourtesyConnect® as well as Sale/Leaseback to help banks generate capital from non-earning depreciated assets.

BSG Financial, recognized by *Bank Technology News* as an industry innovator, is privately owned and serves financial institutions nationwide whose assets range from \$100 million to more than \$30 billion.

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