

Electronic Funds Transfer

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ETA Reaches 50,000 Mark For Accounts Opened

Thousands of smart Americans have made the leap to receive their Federal payment automatically, rather than get it by paper check. Last year, a payment recipient opened the 50,000th Electronic Transfer Account, or ETASM, a milestone for the U.S. Department of the Treasury. Now, that recipient is assured the safety, security, and convenience of electronic payment enjoyed by so many others.

As of June 2003, more than 63,000 Federal check recipients have opened Treasury's ETA. Participating federally insured financial institutions continue to report opening between 1,500 and 2,000 new ETAs each month.

The ETA allows recipients to have their Federal benefit, wage, salary, or retirement payment electronically deposited, providing a positive alternative to receiving a paper check. Developed as a basic, low-cost account, the ETA aids individuals without a traditional bank account to participate in Treasury's Direct Deposit initiative. Any individuals receiving a Federal payment may open an ETA, even if they have been unable to open an account previously.

Currently nearly 600 financial institutions with branch locations exceeding 18,700 offer the ETA. The top 10 certified ETA providers, by number of accounts opened, are among the largest banks in the United States.

Opening 63,000-plus ETAs since summer 1999 when the account became available is cause to celebrate, but in addition to the program's increased growth, providers cite other examples of success. Although not currently tracked, anecdotal accounts from providers show that some recipients, who visit financial institutions to open an ETA, qualify for and open a traditional account offered at the financial institution. Other providers state that some individuals initially open an ETA and, after time, transfer to a traditional savings or checking account. In either case, the recipient signs up for Direct Deposit. These reports by



providers reveal that the ETA has made a positive impact on increasing the number of electronic payments.

Recent improvements in the script used by representatives at the ETA Call Center have resulted in callers receiving more information about the ETA and Direct Deposit and being encouraged to sign up for both services. Also, the Web site used to locate providers, www.eta-find.gov, has been redesigned to aid prospective enrollees.

Through the collective efforts of Treasury's Financial Management Service, the participating financial institutions, and the **Federal Reserve Bank of Dallas**, the ETA continues its pattern of growth to meet the needs of the unbanked in the future.

Visit the ETA Web site, www.fms.treas.gov/eta, for more about the ETA Program. ■

Who provides



in your state?

On the Web, www.eta-find.gov is *the* resource to locate participating financial institutions that offer the ETA.

In the following article, read about the redesign of the Web site, which now includes expanded information on the ETA as well as Direct Deposit.

Not Just Spiders Weave a 'Wicked' Web

Sometimes it can be tough to answer the same question—or give out the same facts—over and over each week. For the recently enhanced Electronic Transfer Account (ETASM) provider locator Web site, www.eta-find.gov, this is not a problem.

The ETA Program has offered the site since 1999 when the account was introduced. Since then, the Web site has had various enhancements and revisions to increase its provider search capability and user-friendliness, while the site's basic look and feel remained constant.

In May of this year, that all changed when a completely redesigned ETA Web site was unveiled. During its first week of operation, 650 hits were made to the new page entitled "What is an ETA?" More than 350 hits occurred as users looked for "Direct Deposit Facts," and the easy-to-read "More FAQ" page received more than 100 hits.

Plans for a redeveloped Web site began in early January when the Department of the Treasury's Financial Management Service (FMS) ETA team members agreed to see a new prototype Web page concept created by the **Federal Reserve Bank of Dallas (FRB Dallas)**, which acts as fiscal agent and provides developmental and operational support for the ETA Program. Sparking the entire redesign process was the idea to add the Direct Deposit logo to ETA Web site pages. The response was positive to FRB Dallas' suggestion to expand ETA site content with Direct Deposit marketing material.

From this simple idea a completely reworked Web site was built that not only supports the ETA, but also includes a wealth of information about Direct Deposit. To highlight the connection between the ETA and Direct Deposit, a significant portion of the site is devoted to marketing Direct Deposit to both potential ETA customers and those who have traditional accounts at financial institutions and who only need information about signing up for Direct Deposit.

When FRB Dallas began looking at placement of the Direct Deposit logo on the Web pages, it recommended that the entire site be updated to a consistent look and feel.

Initially, only a redesigned logo bar and standardized top navigation scheme were envisioned. As the site's redesign matured, so did its features and functions.

The site was developed using a fast-track methodology wherein there was no formal design document. Developers visited other well-designed Web sites that provide location search engines and consumer information. While the ETA Web site is not "retail" in the sense that it sells multiple goods to a consumer, it nevertheless promotes a specific set of products—the ETA and Direct Deposit—and informs the consumer how either product can be obtained. Web features and functional enhancements that might benefit the site were considered and incorporated.

In addition, during the various prototype review sessions, ETA team members introduced a number of the ETA

Web site's enhanced features to the developers. During one brainstorming session, a question was raised about how someone would know which financial institutions offer the ETA in a particular State. As a result, a graphic map of the United States—overlying a red, white, and blue U.S. flag—was created, allowing individuals to click and locate all providers that offer the ETA in any State or territory.

As the team looked at the amount of information available for each ETA provider, the site grew proportionally. Some ETA providers allow a customer to open an account by phone. Coupled with that limited information, provider search results included a red telephone logo displayed onscreen next to any provider that allows phone enrollment. This icon became a clickable feature that gives the viewer the institution's phone enrollment number and hours of operation. The question then became, what else do financial institutions offer? A small world icon now identifies those providers that have Web sites that include information regarding their ETA programs. A third icon is a representation of a computer. Those providers that allow ETAs to be opened online, via the Internet, now have a direct link to their online enrollment pages.

And not to be outdone by any of the major retail sites, the updated ETA site allows visitors to view and order various free ETA and Direct Deposit information materials. For those individuals who cannot complete this process, a separate "Request for Information" section allows for the mailing of an ordered ETA information package.

Plans are for the ETA Web site to be enhanced and remain responsive to continued consumer and provider input. For more information, or to make Web site recommendations, contact Greg Newton, FRB Dallas, at (214) 922-5736, or Theresa Raines, FMS ETA Team, at (202) 874-0949. ■

www.eta-find.gov



ETASM and DIRECT DEPOSIT
On Time - Every Time!



EFT Newsclips is published by the Financial Management Service, Department of the Treasury. Your comments are welcome. E-mail: barbara.baxter@fms.treas.gov.

For EFT updates, visit the EFT Web site:
www.fms.treas.gov/eft



As of June 2003, more than 63,000 Electronic Transfer Accounts (ETASM) have been opened. However, a number of ETAs are not opened because of missed opportunities. Following are pointers to help your financial institution manage a successful ETA program and increase the number of Direct Deposit payments it receives.

■ **An important tool** in operating any successful ETA program is the ETA Financial Agency Agreement (FAA) signed with the **Federal Reserve Bank of Dallas (FRB Dallas)**. The FAA describes the obligations of a financial institution that offers the ETA, including who is eligible to open an ETA, and how its ETA customers can access their accounts.

As a reminder, be sure your ETA customers know all of their account access options; i.e., over the counter or through an automated teller machine (ATM). Also, if your institution is a member of an online point-of-sale (POS) network, all of your ETA customers must be able to access their accounts at POS terminals. Be certain your customers are aware of their responsibilities regarding POS use.

■ **Cross-sell Direct Deposit** and the ETA to customers and noncustomers who deposit or cash their Federal checks in your lobbies. Remind them of the benefits of owning an account with Direct Deposit. Be diligent in signing up Federal check recipients for Direct Deposit when they open their ETAs.

When an ETA is opened, the financial institution has three ways to initiate electronic deposit: (1) through automated enrollment at the financial institution (preferred method), (2) via telephone with the paying Federal agency with the recipient present to participate in the call, and (3) by completing a Direct Deposit sign-up form and mailing it to the Federal agency. An account is not considered an ETA if it does not receive the electronic deposit of an eligible Federal payment.

As a service to your potential ETA customers, and to you, when you open ETAs let your customers know whether your ETA is classified as a savings or a checking account. ETA customers need to know if the account is classified as a

Pointers for a Successful ETA Program

savings or checking account if they use an ATM to access their funds.

■ **Your ETA's features** are its selling points. Make sure Federal recipients are aware of them, especially:

¶ ETAs must accept electronic Federal benefit, wage, salary, or retirement payments. Other types of deposits are at the discretion of the financial institution;

¶ Generally, any eligible individual who requests an ETA and who authorizes the deposit of eligible payments to the ETA can open an ETA;

¶ ETAs must provide a minimum of four cash withdrawals at proprietary ATMs or over the counter, and four balance inquiries per month, which are included in the monthly fee; and

¶ ETAs require no initial deposit or minimum balance, except as required by Federal or State law.

■ **Ensure that all** your "new accounts" personnel and customer service representatives are fully aware of the availability and features of your institution's ETA program. The ETA Call Center often receives phone calls from prospective ETA customers who were turned away because representatives of a chosen provider did not know the features of its ETA, or that the institution even offers the ETA.

■ **ETA providers are** reminded that all Federal payment recipients are eligible to open an ETA regardless of past banking history. Specifically, the Electronic Transfer Account Notice states, "a financial institution will be required to open an ETA for any eligible recipient, regardless of the recipient's previous account experience, except where the individual has engaged in fraud with respect to another ETA or where the

individual has misused an ETA at that same institution."

■ **ETA providers have** an opportunity to attract Federal recipients to their ETA products through "warm transfers." When Federal payment recipients are directed to call the ETA Call Center for program assistance, the call center operator can transfer those phone calls to a selected provider's customer service number to begin the process of opening an ETA. As a result, prospective ETA customers can get their questions answered and begin the account-opening process with one phone call. You can request "warm transfers" from the ETA Call Center to your customer service number by contacting FRB Dallas at **1-888-ETA-3725**.

■ **FRB Dallas can** also provide a link to your institution's site from the ETA Web site, www.eta-find.gov. This site receives hundreds of visitors daily for information on the ETA Program and for other information, such as provider branch locations. If you have included a description of your ETA on your Web site, call FRB Dallas at the number above and request a link from the ETA Web site to your site. Once at your site, Web users can get additional information about your ETA and your other product offerings. For your information, the ETA Web site has been newly designed, and providers are encouraged to visit it!

Remember, FRB Dallas, at 1-888-ETA-3725, is always available to provide assistance to financial institutions and answer their questions concerning the ETA. ■

Now you don't need one of these to get your Federal payment.



Call 1-888-382-3311 to learn where you can open an ETASM.

ETA 
Electronic Transfer Account

A message from the
U.S. Department of the Treasury

More than 7 years young, the Electronic Federal Tax Payment System (EFTPS) is stronger than ever. For anyone unfamiliar with EFTPS, it's a free service offered by the U.S. Department of the Treasury for business and individual taxpayers to initiate Federal tax payments electronically.

EFTPS is the largest collections system in the world and, since implementation in November 1996, has processed more than 350 million transactions, collecting in excess of \$8.5 trillion. The statistics alone are staggering, but they become mind-boggling when put into perspective.

More than 350 million transactions processed.—That's approximately 350 million paper coupons eliminated. A single stack of 350 million coupons would rise more than 24 miles. Imagine the enormous reams of paper saved, not to mention the possible time, energy, and money wasted with 350 million taxpayer trips to the bank.

More than \$8.5 trillion collected.—That sum is greater than the total amount of U.S. currency in circulation on June 30, 1940. With \$8.5 trillion, you could spend \$1 million every day and not run out of money for more than 23,000 years! Last year alone EFTPS collected more than \$1.6 trillion. That's greater than the yearly gross national product of every country in the world except the United States, Japan, and Germany.

By the Numbers, Electronic Tax Payments Gain Favor

More than 350 Million Transactions Processed, \$8.5 Trillion Collected

Four million taxpayers currently enjoy the easy-to-use features of EFTPS. They know you can schedule Federal tax payments over the phone or online 24 hours a day, 7 days a week. What they might not know is that taxpayers using EFTPS are much less likely to be assessed a penalty than taxpayers paying with coupons, or that EFTPS customer service operators can offer assistance around the clock. With an upgraded online version (EFTPS-OnLine Release 2.0) available in mid-July, now is the right time to begin using EFTPS.

For more information, call EFTPS Customer Service at **1-800-945-8400** or **1-800-555-4477**, or log on to **www.eftps.gov**. Additionally, look for the EFTPS exhibit at one of the Internal Revenue Service's Nationwide Tax Forums for tax professionals being conducted July through September. The tax forums will be held in Atlantic City,



Orlando, Atlanta, St. Louis, San Antonio, and Las Vegas. Further tax forum information is available online at **www.irs.gov**.



Treasury encourages financial institutions to help promote EFTPS with their clients. Financial institutions can order *free* Treasury-supplied marketing materials to use in lobbies, new account packages, mailings, and the like.

To order free marketing materials, call **1-888-725-7879** or visit **www.fms.treas.gov/eftps**. ■

ETA 
Electronic Transfer Account

Providers nationwide: 578

Branch locations: 18,727

To determine ETA provider locations nationwide, call **1-888-382-3311**, toll-free, or visit the Web site: **www.eta-find.gov**.

TOP 10 CERTIFIED ETASM PROVIDERS TO DATE
(by number of accounts opened)

1. Bank of America, Charlotte
2. Banco Popular de Puerto Rico, San Juan
3. U.S. Bank, Milwaukee
4. Union Bank of California, San Francisco
5. Wells Fargo & Co., San Francisco
6. J.P. Morgan Chase Bank, New York
7. Bank One, Michigan, Bloomfield Hills
8. FleetBoston Financial, Boston
9. Banco Popular North America, New York
10. Fifth Third Bank, Cincinnati

Treasury Combats Check Fraud by Design

Knowledgeable, educated customer service representatives are your first line of defense against check fraud. The U.S. Department of the Treasury's Financial Management Service (FMS), concerned about check fraud involving U.S. Treasury checks, has added security features to Treasury-issued checks. In addition, FMS is working to educate financial institutions about these fraud deterrents.

According to the American Bankers Association Deposit Account Fraud Survey Report, attempted check fraud surpassed \$4.3 billion in 2001, resulting in \$698 million in actual dollar losses to the banking industry. The report also suggests a shift toward targeting smaller community banks and midsized institutions for check fraud. Check fraud

prevention systems in place at financial institutions are credited with reducing actual dollar losses, but additional fraud prevention tactics are needed to minimize losses.

FMS has implemented security features on Treasury-issued checks to reduce fraud resulting from alterations and counterfeiting. State-of-the-art safety and design features are manufactured into the U.S. Treasury checks, including watermarks, microprinting, ultraviolet overprinting, and bleeding ink. Awareness of these and other features can help your customer service representatives detect altered or counterfeited U.S. Treasury checks and potentially reduce losses to your bank.

Retain the information below for later reference.

Security Features in the Design of a U.S. Treasury Check

Watermark.—U.S. Treasury checks are printed on watermarked paper. The watermark, visible only by holding the check up to the light, reads "U.S. TREASURY" from both the front and back of the check. The watermark is light and cannot be reproduced by a copier. All U.S. Treasury checks have the watermark. Any check not having the watermark is suspect for being counterfeit or copied.

Some counterfeit checks have the watermark printed as part of the check's background. The counterfeit watermark is then visible without light passing through the check. Checks having very visible "U.S. TREASURY" watermarks as a part of the printed check background are counterfeit.

Silhouette of the Statue of Liberty.—A silhouette of the Statue of Liberty's head is part of the printed background on the front of a U.S. Treasury check.

Symbol and Serial Check Digit Numbers.—The four-digit symbol number and the eight-digit serial number are printed on every U.S. Treasury check and are located on the upper right hand side of the check. These two sets of numbers are repeated on the MICR line printed across the bottom of the check.

Microprinted Endorsement Line.—Microprinted words are printed so small that they appear as a line to the naked eye. When magnified, the microprinted words become visible. A copier cannot duplicate microprinting; it will show up as a solid line if copying is attempted. The endorsement line on the reverse of the U.S. Treasury check is actually a line of microprint that, when magnified, spells out:

"USAUSAUSAUSAUSAUSAUSAUSAUSA"

The microprinted endorsement line on counterfeit checks is usually a solid line or a series of dots. Counterfeiters normally do not use printing technology capable of microprinting.

MICR Line Issue Date.—On the MICR line of a U.S. Treasury check there is a six-digit transaction code field that represents a two-digit agency code, two-digit month, and two-digit year (XXMMYY). The month and year printed on the MICR line of the check represents the issue month and year of the check and will match the date on the top left side of the check. This is not a required field and may not be present on the MICR line.

Ultraviolet Overprinting.—A protective ultraviolet pattern, invisible to the naked eye, consisting of four lines of "FMS" bracketed by the FMS seal on the left and the United States seal (eagle) on the right.

This pattern is usually found under the payee information and amount area. A black light can detect the FMS pattern and seals. If you shave or alter the amount box in any way, a space is created in the ultraviolet area. When exposed to black light, the ink used in the pattern and seal will glow. It is not possible to photocopy the fluorescent quality.

Bleeding Ink.—The Treasury seal, located to the right of the Statue of Liberty, contains security ink that will run and turn red when moisture is applied to the black ink of the seal. This feature is only available on newly issued check stock.

Customer service representatives may contact the FMS Questioned Documents Branch at (202) 874-7640 if they need further information about these security features. FMS also is available to conduct seminars or briefings at banking conferences to educate representatives about these security features. If your representatives have analyzed a Treasury check and still have questions about its authenticity, they may contact the Federal Reserve Bank of Richmond at (804) 697-2605 to verify limited check issue information.

SSA Designates Philadelphia Center to Handle ACH Inquiries

For many years, personnel at the Social Security Administration's (SSA) Baltimore headquarters served as liaison between SSA and the financial community in handling questions and problems concerning electronic funds transfer payments. The Payment and Recovery Policy Staff, Office of Financial Policy and Operations, assisted financial institutions with their telephone inquiries pertaining to Quick\$tart/ENR (Automated Enrollment), Automated Clearing House (ACH) payment processing, nonreceipt, notifications of change, death notifications, reclamations, prenotes, and returned payments.

With a recent realignment, this telephone inquiry workload was transferred from SSA headquarters to the Mid-Atlantic Program Service Center (MATPSC). The MATPSC staff, located in Philadelphia, can be reached at (215) 597-1134 for assistance with ACH-related questions. The new SSA contact number is reflected in the updated **Green Book 2000**, the comprehensive guide for financial institutions processing Federal ACH payments and collections. It can be accessed on the Web at www.fms.treas.gov/greenbook.

Payment Reclamations Are Made Easier Using Electronic Notification

"You've got mail!"

... but not your usual paper reclamations forms delivered by the U.S. Postal Service. Instead, it's an e-mail message notifying financial institutions that they have electronic reclamations on the Pay.gov Web site.

The Financial Management Service (FMS), a bureau of the U.S. Department of the Treasury, is improving the current paper-based and time-consuming reclamation process. Reclamation is a notification to a financial institution that the Federal Government requests the return of funds disbursed after the death of a Federal benefit payment recipient.

On the Internet, Pay.gov is a Governmentwide transaction portal, managed by FMS, that offers a range of electronic financial services. FMS, through its Regional Operations Assistant Commissioner area, uses Pay.gov to transmit automated electronic funds transfer (EFT) reclamations to financial institutions. Automated EFT reclamations will be implemented in phases.

Last March 24, phase I of the Automated EFT Reclamation project was implemented as a pilot, involving two volunteer financial institutions—**Wachovia** and **World Savings**—the **Social Security Administration**, and FMS' Philadelphia Financial Center. Phase I allows the financial institutions to receive their reclamation forms electronically via Pay.gov. Pay.gov creates the Web-enabled reclamation forms and notifies the financial institutions by e-mail message that there are reclamations on the Web site. The financial institution, using a secured assigned PIN to access the site, views the reclamation forms, downloads, and processes under existing procedures. The operation is running smoothly, with the financial institutions processing the automated reclamations successfully.

Future phases include:

- Allowing the financial institution to complete the reclamation form online and return it to the Government.
- Allowing the Government to accept electronic partial payments.
- Enabling additional financial institutions to register to receive automated reclamations.
- Implementing the process in full at the remaining FMS financial centers, all financial institutions, and the remaining Federal benefit agencies.

By September of this year, FMS plans to begin the implementation of some additional phases. December 2004 is the target date to have the project fully operational.

For more information, contact Macey Blue at (202) 874-6601. ■

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