

# BANKING SERVICES QUARTERLY NEWSLETTER

April 2002

## Keeping You Up-to-Date on Banking Developments Throughout the UC System

We bring you this quarterly newsletter to share news, ideas, successes, and lessons learned in the Banking Services area.

### Our Mission

1. Provide oversight, expertise, and leadership system-wide with respect to banking and related services used in the administration of UC funds. Recommend policies and services that promote "best practices" for all UC organizations.
2. Support clients (campuses, labs, other UC departments) in their needs and in support of their goals by maintaining high levels of customer focus, by being responsive, and being effective in matching organizational needs with appropriate service providers.
3. Manage banking and related vendor relationships to ensure optimal pricing, consistently high levels of service, and state-of-the-art services.
4. Fulfill the duties of the President of the University as described in the UC Standing Orders, with respect to:
  - Vendor selection for banking, credit card, and related services;
  - Bank account administration and control;
  - Bank system oversight;
  - Contract negotiation and execution for services used in the administration of UC funds.

## Contacts

If you have any questions, concerns or want to learn more about anything in this newsletter, please don't hesitate to contact us!

Jerry Frantz, Assistant Director  
[jerome.frantz@ucop.edu](mailto:jerome.frantz@ucop.edu) 510.987.9637

Stephanie Dang, Senior Manager  
[stephanie.dang@ucop.edu](mailto:stephanie.dang@ucop.edu) 510.987.9652

Jeffrey Donahue, Senior Analyst  
[jeffrey.donahue@ucop.edu](mailto:jeffrey.donahue@ucop.edu) 510.987.9640

Jennifer Lipscomb, Banking Specialist  
[Jennifer.lipscomb@ucop.edu](mailto:Jennifer.lipscomb@ucop.edu) 510.987.9642

## New Beginnings

Effective March 1, the Banking Services group (BSG) transferred from the Office of the Treasurer to the Financial Management group of the UC Office of the President. The transition was precipitated by recent changes in leadership at the Office of the Treasurer and related changes in reporting structures.

This change is intended to strengthen financial management and internal control over the collection, management and disbursement of University funds by aligning responsibilities for banking relationships and bank account management with the end users of these services.

There will be no interruption in the service we provide to campuses and laboratories, and we are excited about the opportunities this reorganization creates.

## What's New?

### Currency Fraud

Counterfeit activity on campus is certainly nothing new. Unfortunately, advances in printing technology and the availability of raw materials used in the production of counterfeit currency have made detection of these bogus bills much more difficult for the merchant. A few campuses have reported problems associated with the acceptance of counterfeit currency.

While Counterfeit Detection Pens are available, the Federal Reserve does not consider these pens to be reliable enough to detect all counterfeits. Similarly, Currency Counters are not foolproof, especially when bills are printed on high quality paper. Fortunately for merchants, the new currency, introduced in 1996 and now widely in circulation, is designed with several fraud-prevention features that make counterfeit bills easy to identify with the naked eye. (1) There is a watermark embedded in the right-hand side (when viewing the front of the bill) of the newly designed notes, which is visible from both sides under normal light. (2) There is a vertical security strip imbedded in the currency. When held up to light, this polymer thread can be detected from either side of the bill. The location of the strip varies depending on the denomination. (3) Red and blue threads are disbursed throughout all currency (both old and new bills).

For more information, please refer to the site for the U.S. Bureau of Engraving and Printing:

<http://www.moneyfactory.com/section.cfm/4>

For a complete list of fraud-prevention features, we recommend the "Get Real...Or Get Taken" Flash Macromedia presentation, which can be accessed by pasting the following address into your web browser:

<http://www.moneyfactory.com/cd042500/start.html>

### Wells Fargo's "CEO"

**Wells Fargo** will replace its current desktop corporate banking system, with its new Internet portal, Commercial Electronic Office (**CEO**). The portal includes cash and credit management, exception reporting, wires and ACH, as well as new Internet-based services such as online procurement and invoicing. According to Wells' Internet solutions group, "Once you get it set up, most of those things are done without human intervention." Additionally, the portal offers a significant improvement because users can access CEO's multiple services with a single sign-on.

Because of the many benefits of web-based products (e.g. access from anywhere; no dependence on software), BSG is encouraging conversion of all software-based bank systems to web-based ones. Once Electronic Data Processing (EDP) Audit has evaluated the security elements of CEO, campuses should consider which applications they will want converted to the CEO platform. A conversion plan will be developed thereafter.

If you would like to learn more about CEO's services, please visit:

<http://www.wellsfargo.com/com/ceo/index.html>

### Bay PUG Meeting

The Banking Services group hosted **Bank One's** semi-annual Bay Area Procurement-card Users Group (Bay PUG) meeting on April 18th in Oakland. It was an interesting and informative morning. The semi-annual meeting includes a diverse group of users, and provides a forum for sharing information and best practices.

For details, please contact Jerry Frantz.

## What's New on Campus?

### UCSF Automated Depository

UCSF's Automated Depository has been in place for over a year, prompting several other campuses to inquire about this novel solution. As reported in the July issue of the Banking Services Newsletter, the automated depository enables individual cashiering departments to deposit directly to the bank in an efficient manner, eliminating the need for deposit consolidation. Berkeley and Davis have expressed interest in the concept. If you would like more information on similar solutions, please contact Stephanie Dang.

### Campus Visits with Chase Merchant Services

Our **Chase Merchant Services** (CMS) Relationship Manager, K. Leigh Banyai, visited all but one campus in March. The goal of these visits was two-fold: merchants had an opportunity to meet K. Leigh in person and discuss particular issues or questions, while K. Leigh developed a better sense of each campus's unique needs.

As expected, campus interests were diverse; however, common themes emerged, such as charge back advice, reconciliation questions, and clarification on account number truncation. K. Leigh plans to visit each campus annually.

### Foreign Wires

UCLA recently received an education in federal economic and trade sanction legislation; specifically, restrictions on money movement to targeted foreign countries. Performing health related research in Iran, UCLA learned it was not permitted to send money to that country, due to Office of Foreign Assets Control (OFAC) sanctions. UCLA, in cooperation with the office of General Counsel, has completed the needed documentation to request a license to fund the study. Please contact Jerry Frantz if you'd like to utilize UCLA's request as a template for an exception your campus may require. For more information and a list of targeted countries, please refer to <http://www.treas.gov/ofac/>

### Internet Payment Gateway

The contract for **Cybersource Transaction Services** (outsource model) is now in place. The contract with **Authorize.net** should be in place by May. During contract negotiation, Banking Services was able to obtain even better pricing from Cybersource, so look for a new version of the *Internet Payment Gateway Guidelines*, to be posted on the Treasurer's web site (under the heading Banking Services) by the end of April.

[www.ucop.edu/treasurer/banking/welcome.html](http://www.ucop.edu/treasurer/banking/welcome.html)

To initiate service with either vendor, contact the Banking Services Group. Exceptions to these preferred vendor selections should also be reported to BSG.

## TASQ Technology Offers Equipment Buy Back Services

Wondering what to do with old credit card terminals, pin pads, printers and check readers? **TASQ Technology** specializes in the procurement and refurbishing of used Verifone, Hypercom, and Nurit equipment. Judy Jackson, Regional Manager, tells us "merchants are surprised to find out they've had a couple of hundred dollars sitting in a corner collecting dust. It's always a sad day when a merchant admits they threw out older terminals because they never thought anyone would be interested in buying them!"

TASQ offers many services to inventory, collect and liquidate outdated equipment, even from multiple locations. Current pricing will expire June 28, 2002.

If you would like to learn more about this service, please contact Jennifer Lipscomb.

If you have leased equipment that you are no longer using, it is recommended that you contact the lease company to clarify return policies.

## "P-Card" Day 2002

We're anticipating a great turnout for Procurement Card (P-Card) Day on May 20 at Riverside's historic Mission Inn. The meeting, co-sponsored by **Bank One**, was planned in conjunction with the Materiel Management Directors meeting May 21-22. We'll be focusing on all aspects of the P-Card Program, from system capabilities and best practices, to conversion strategies and incentives.

An informational roundtable for P-card administrators is planned for the morning session, while the afternoon session will be a program overview for managers and administrators. We'll end the day with an elegant dinner courtesy of Bank One.

Please look for a re-cap of the day's activities in the next issue of our newsletter.