



Imaging technology: efficient, safe and green

Digital check imaging is greatly reducing operational costs and increasing efficiencies for banks and commercial customers alike. Originally driven by the Check 21 Act, which beginning in 2004 recognized substitute checks based on check images as legal tender, financial institutions have focused on developing image technology.

“There’ve been enormous benefits to the business customer,” says Dave Robertson of consulting firm Treasury Strategies. “It makes it far easier to store data, allowing leading banks to give customers quick access to archives that go back between seven and 10 years.

“Digital imaging has greatly accelerated check posting, allowing customers to make more timely business decisions. They can potentially improve their ledger credit and funds availability, and definitely take advantage of accelerated return processing to take more timely action on bad checks,” Robertson says. This is especially true for customers of banks that perform check image scanning at branch locations.

Greater security

Check imaging provides more security for the customer because timely information leads to increased protection from fraud.

Digital imaging also improves privacy of data because access to images can be restricted through encryption, making it more difficult for criminals to access account numbers as easily as they can with physical checks.”

Realizing efficiencies

Moving toward full image enablement has increased banking operational efficiencies and supported expansion of a bank’s geographic footprint. With image deposit capabilities, banks can provide treasury management services to customers who have operations anywhere in the U.S.

Now customers no longer have to manage around branch hours, courier cut-off times, and potential courier delays. Same-day credit can now be achieved after normal branch hours due to image capture abilities. Extended deposit hours allow customers to conduct business on their schedules.

Image technology also improves the customer’s ability to manage working capital. “If you’re counting on checks you’ve deposited to cover the checks you’ve written to vendors, and one of the deposited checks comes back returned,

it's important to be aware of it as soon as possible so you can make other arrangements to cover those funds," explains Howard Russell, Union Bank's Division Manager of Payment Operations.

Significant investments in image technology include an image platform for returned items. Such items are now received as images, which enables banks to provide customers with online access to returned item information more rapidly.

The virtual end of check transfer by courier or other transportation has also resulted in sizable cost savings for most financial institutions.

"Consider the savings on the cost of sending checks back and forth across the country by air freight," Robertson explains. "The financial industry doesn't always get a lot of credit for reducing carbon footprint, but there's been a huge savings there too."

Speak to your banker to learn how image technology can fit into your environmental stewardship strategy or contact **Tracy Kelley**, Vice President, Union Bank, at 866-799-5135.