



Electronic Check Processing at PayDayHawaii

How We Processed Paper Checks

- A deposit slip listing each check was created in QuickBooks at each office once each day.
- The manager drove to the closest Bank of Hawaii branch to make the deposit.
- Returned checks came to headquarters. A copy was faxed to the originating office for collections.

Bank of Hawaii sends “the letter”

- In December of 2006 Bankoh notifies PayDayHawaii that uncollected balances will result in our account being closed. This is a new policy for MSBs. We are given 30 days to correct the situation.
- In January of 2007 PayDayHawaii deposits \$250K of additional funds with Bankoh. All PDA checks are converted to ACH in order to create “net” deposits.

Investigating RDC vendors

Five candidates were selected:

Bank of Hawaii

Merchant's Bank

Independence Bank – Cool Deposit

iStream – Kenney Bank & Trust

Western Clearing Corp.

Education and Due Diligence

- Lots of brochures – Very little hands on information. Where are the “demos”?
- Clearance times: ACH is not the same as RDC.
- How do we get cash back to our stores in Hawaii?
- Eight pounds of paperwork: You’re still an MSB!

PayDayHawaii selects iStream

- Each store deposits checks through a check image scanner twice a day.
 - In by 8PM CST – Available the next day.
 - Images of all deposited checks are stored in the iStream software.
- PayDayHawaii deposits and draws cash from Bankoh. Excess funds are moved between banks by check.
- Deposited checks are kept for 30 days – then shredded.

Positives and Negatives

- + Headquarters can monitor deposits in real time and see all the details.
- + Returned checks are managed electronically from headquarters.
- + Immediate available funds.
- + Saved time at the store level.
- - Split funds means more time managing cash.
- - Two banks – Two AML officers.