

School Payment Network Introduces



Check Exchange

Automating the Re-processing of Checks with Non Sufficient Funds to Recapture Revenue

How Many NSF Checks Does Your District Process Annually?

Research conducted by School Payment Network, ASBO and NBOA shows the average district:

- Processes 28 payments per child/year
- Processes roughly 1000 NSF checks annually
 - 65% schools pay \$10 or more per NSF instance
 - 30% schools pay \$15 or more per NSF instance

Double Your District's Conversion of NSF's and Eliminate the Work!

- The average paper resubmission of an NSF yields 30-40% conversion
- Check Exchange achieves 80-85% collection
 - Advantages of electronic conversion
 - Proprietary logic applied to resubmission

Method Behind Doubling Your Collection Rate

1. Banks first post Electronic ACH items to a customers account, then paper items
2. Paper-based re-presentments have one additional attempt—electronic is given two
3. Check exchanges utilizes proprietary logic with all re-presentments
 - Logic factors including geographic data points, repetitive check writer data, cycle of re-presentment and more

How Does It Work?

- NSF check goes directly to Check Exchange, and converted into electronic resubmission
- Check Exchange logic is applied to give school the best chance of converting the check
- When check is collected, school is paid 100% face value of check, and payor is assessed the state allowed recovery fee (typically \$25).
- Check Exchange only recovers fee on collected checks.

Financial Benefits of Check Exchange

- Cuts check return fees
- Improves Cash Management by recovering funds faster
- Recovers 100% of face value
- Significantly enhances rate of recovery

Gain Operational Efficiencies With Check Exchange too!

- Automating NSF management eliminates internal staff time and expense of collection
- Keeps schools out of collection business
- Provides 24/7 Online Real Time access to all checks being processed
 - View check image
 - Real time status
 - Scheduled batch deposits
- Offers optional secondary collection service



You've Got Nothing to Lose— Except Lost Revenue!

School District Sample			<u>Current Process</u>		<u>With Paper Check Exchange</u>
Average Checks Per Month			5000		5000
Average Returned Checks		2%	100	2%	100
Returned Item Charges From Bank		\$10.00	\$(1000.00)	\$10.00	\$(1000.00)
Average Amount of Returned Checks (ave/ ticket)		\$40	\$(4,000.00)	\$40	\$(4,000.00)
Percentage of Returned Checks Recovered		35%	\$1400.00	85%	\$3400.00
Industry Ave. Internal Cost to Recover Checks		20%	\$(800.00)	0%	
Total Lost Revenue Due to Returned Checks:			<u>\$(4,400.00)</u>		<u>\$(1600.00)</u>
<u>Average Recaptured Monthly Revenue:</u>					<u>\$2800.00</u>
<u>Annualized Recaptured Revenue</u>					<u>\$33,600.00</u>



Outsourcing NSF is a Win for Districts

- Remove the management of NSF from the district office
AND double collection rate
- 30-day at will agreement—cancel any time
- No set up fees, no minimums, no monthly costs
- Free robust reporting...see your checks and status
every step of the way

Choose One of Two Programs

- Check Exchange
 - NSF Check returned to your bank, bank returns check to us for “e-” resubmission
 - \$0 to school—full face value of recovered checks
 - School pays bank their current return fee
- Check Exchange Plus!
 - NSF returned to our processor (skip the bank..and their fee) and we resubmit directly
 - School pays our processor \$3 return fee and has resubmissions processed at no cost
 - Full face value of recovered checks deposited

Contact Information

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