



# Office of the STATE TREASURER





# Banking Services and Requirements

# Mission



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Work with state agencies and public institution partners to provide efficient, accurate, secure and timely banking services.

# Objective

To remind you that the State has very specific requirements related to establishing bank accounts, payment services, and fraud prevention for state funds, as referenced in your entity's signed Delegation of Authority agreement.

# Opening New Bank Accounts

ALL requests for new bank accounts must be submitted to the State Treasurer's Office for approval. This includes depository sub/sweep accounts, composite reservoir accounts, and specific purpose stand-alone accounts.

If you need to make changes to existing accounts, we can assist you with that as well to ensure you remain in compliance with relevant regulations and monetary thresholds.

# Payment Services

A close-up photograph of a person's hands in a blue suit jacket, holding a green pen and writing on a document. The document is on a clipboard and appears to be a form or contract. The background is blurred, showing a wooden desk and another hand resting on the desk.

A new request for Payment Services or a change in existing Payment Services must be submitted to the State Treasurer's Office for approval. Payment Services include Merchant Card, Prepaid Debit Card, ACH Origination, and Wire Transfers.

This includes all procurement solicitations which contain a request for banking or payment services.

# Payment Services

Before entering into an agreement or procuring services from a third-party service provider in which payment processing will be a part of the service, you must obtain approval from the State Treasurer's Office.

The third-party service provider must be able to process merchant card transactions through the State's Merchant Card contract with SunTrust Merchant Services, LLC. Not all third-party service providers are certified to process through SunTrust Merchant Services, LLC.

Banking and Merchant Card services that are established without the State Treasurer's Office approval and outside of these requirements may be subject to suspension or termination.

# Payment Services

Dual approval must be used for all out-going payments and appropriate maximum dollar amount limits for all out-going ACH and wire transfer payments must be established.





# Fraud Prevention

All instances of fraud involving State funds must be reported immediately to the State Treasurer's Office and to the SC Law Enforcement Division. You can contact the State Treasurer's Office at [STOBankingOperations@sto.sc.gov](mailto:STOBankingOperations@sto.sc.gov) and a SLED contact will be provided.

Appropriate fraud prevention services (ACH Blocks/filters and Check Positive Pay) must be established on all bank accounts.

# Fraud Prevention

All requests seeking permission for a bank account to receive ACH debits must be approved by the State Treasurer's Office.

Appropriate maximum dollar amounts must be established and periodically reviewed by the entity on any bank account where ACH debit authorization has been granted.

# Next Steps

You may submit your requests for the previously mentioned transactions by email to [STOBankingOperations@sto.sc.gov](mailto:STOBankingOperations@sto.sc.gov).

If you require additional service, we are happy to schedule a meeting with you to review next steps and procedures as well as address any changes in operations or staff and future requests you may be contemplating as it relates to new bank accounts, payment services and fraud protection.

# New Employees

Sydney Townsend  
is working in  
investment  
operations for the  
banking division.

Alex Howard is  
working with the  
Local Government  
Investment Pool.

Will Peden is  
working in  
banking  
operations and  
relations.

*Thank you*

We appreciate the opportunity to serve your agency or institution on behalf of the State and look forward to assisting your team in the near future.



# Debt Division Agenda

## Master Lease Program

*Program Overview*

*Program Process*

*Recent Results*

*Questions*

# Program Overview

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## Who Can Participate?

- Boards and Commissions
- Colleges and Universities
- State Agencies

## Types of Master Lease Projects

- Office equipment
- Telecommunications equipment
- Energy conservation equipment
- Medical equipment
- Data processing equipment
- And related software

# General Guidelines

- Minimum of \$100,000
- Lease typically lasts for three to seven years.
- Rates are determined on a competitive basis and are fixed for the term of the lease.
- Payments can be made on Monthly, Quarterly, Semiannual or Annual basis.
- Equipment financed is the security for the lease.
- The State self-insures any property secured under the transaction.
- Financing is made on a tax-exempt basis.
- Legal counsel is engaged by STO to coordinate documentation and render the appropriate tax opinion.




### Lease Payments

- Sole responsibility of agency seeking funding;
- Approved/underwritten based upon annual appropriations; and
- Secured solely by the leased property.

### Program Fees

- Legal Fees average from \$7,500 up to \$25,000
- Arbitrage reporting fees to ensure tax-exempt compliance are \$1,600.

A close-up photograph of a person's hands in a blue suit jacket, holding a green pen and writing on a document. The document is on a clipboard. The background is blurred, showing another hand resting on the desk. A large blue diagonal shape is overlaid on the left side of the image, containing white text.

State Treasurer's Office is not authorized to and will not undertake responsibility for any lease obligation of any lessee.

# Process

- Agency completes application and provides required documentation.
- RFP issued to Vendor Banks approved to provide financing.
- Transactions are typically approved and closed within 30 days of initial application.
- Funding is received by the STO on the day of closing and held in a segregated fund on behalf of the agency.
- Funds are released by the STO to the agency upon receipt of approved draw request.

# Benefit

*You can address your immediate equipment needs NOW  
while having the ability to pay for it  
over a short-term period as you receive  
state appropriations.*

# Results

## Mainframe Equipment

- \$4,522,400
- 5 Years
- 0.885% Interest

## Energy Project

- \$21,458,202
- 15 Years
- 1.67% Interest

## School Buses

- \$23,000,000
- 5 Years
- 0.72% Interest

Questions?





# Treasury Division Updates

# ACH Enrollment Project



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## Accomplishments:

- Payroll pay card eliminated payroll checks
- Enrollment of Local Governments
- Account validation services implemented
- Electronic remittances- new form on site with remittance email field
- STO workflow go-live
- Project underway for electronic ACH enrollment form



# Check vs Electronic Payment Metrics



## Check Register Report

Last Updated 9/2/2021

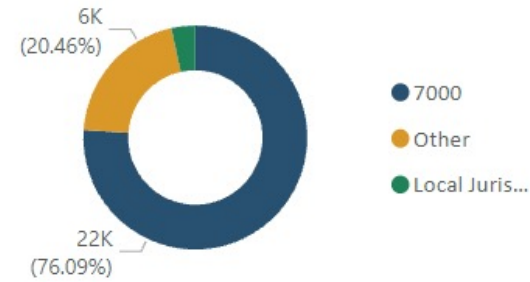
### 2022 Vendor Payments

Vendor Type	Total Check	Total Electronic
7000	22,345	21,733
Local Jurisdictions	393	987
One-time Payment	26,326	
Other	755	5,843
<b>Total</b>	<b>49,819</b>	<b>28,563</b>

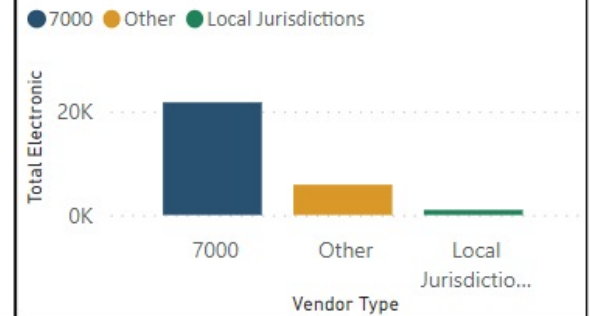
### 2022 Vendor Payments

Vendor Type	Check Pctg	EPayment Pct
7000	51%	49%
Local Jurisdictions	28%	72%
One-time Payment	100%	
Other	11%	89%
<b>Total</b>	<b>64%</b>	<b>36%</b>

### FY22 E Pmts by Payment Type



### FY22 E Pmts by Vendor Type



### 2021 Vendor Payments

Vendor Type	Total Checks	Total Electronics
7000	208,040	151,664
Local Jurisdictions	3,793	7,736
One-time Payment	144,143	0
Other	5,031	34,300
<b>Total</b>	<b>361,007</b>	<b>193,700</b>

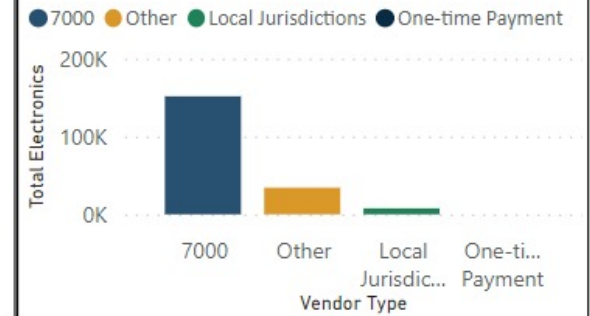
### 2021 Vendor Payments

Vendor Type	Check Pct	Electronic Pct
7000	58%	42%
Local Jurisdictions	33%	67%
One-time Payment	100%	0%
Other	13%	87%
<b>Total</b>	<b>65%</b>	<b>35%</b>

### FY21 E Pmts by Payment Type



### FY21 E Pmts by Vendor Type



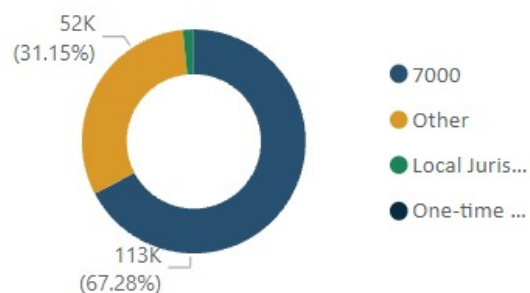
### 2020 Vendor Payments

Vendor Type	Total Checks	Total Electronics
7000	278,100	113,073
Local Jurisdictions	11,872	2,637
One-time Payment	200,168	0
Other	8,272	52,352
<b>Total</b>	<b>498,412</b>	<b>168,062</b>

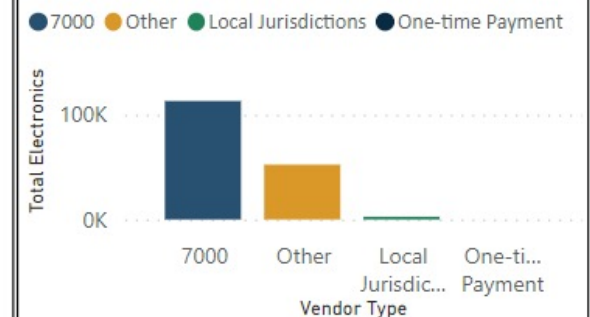
### 2020 Vendor Payments

Vendor Type	Check Pct	Electronic Pct
7000	71%	29%
Local Jurisdictions	82%	18%
One-time Payment	100%	0%
Other	14%	86%
<b>Total</b>	<b>75%</b>	<b>25%</b>

### FY20 E Pmts by Payment Type



### FY20 E Pmts by Vendor Type





# Early Warning Services

- What is Early Warning Services (EWS)?
  - National shared database contributed to by various US Banks
  - Houses banking data (routing and account numbers and account owner information)
  - Used to validate account ownership and status
- How does the STO use EWS?
  - Via FiServ, our account validation service provider
  - Currently a labor intensive and time-consuming process
- What is our plan?
  - An ACH Enrollment portal using VerifyNow, a FiServ product

# ACH Enrollment Portal

- What is VerifyNow?
  - Utility that interfaces with EWS to provide instant response on account validation
  - STO engaged with FiServ to build and ACH Enrollment portal with VerifyNow
- How will the ACH Enrollment Portal work?
  - Secure link from the State's Vendor Portal
  - Electronic ACH Enrollment Form will replace paper format
  - Real-time validation
  - Daily updates to SCEIS
  - Results in a faster, better user experience for both the vendor and the State of South Carolina



## South Carolina Vendor ACH Enrollment Portal

### Vendor Identification Screen

Tax ID Number:

The following Vendor Numbers are associated with the information we have on file. Please select the appropriate Vendor Number(s) that you would like to associate with this bank account (Only one bank account can be used at a time). Please type in the appropriate Contact Name, Email Address, and Phone Number for the appropriate Vendor Numbers.

If you would like to receive remittance advice, please enter the email where you would like to receive this information.

	Vendor No.	Vendor Name	Address	Please Click on the button(s) below to select Vendor IDs to authorize banking account information	Contact Name	Contact Email	Contact Phone Number	Email for Remittance Advice (optional)
1.	123456	Joe's Mowing	123 Main St...	<input type="checkbox"/>				
2.	789012	Joe's Lawn Services	543 Jones Circle...	<input checked="" type="checkbox"/>	Joe Doe	joedoe@abc.com	(555) 555-5555	
3.	654321	Joe's Landscaping	75 Cass Street...	<input type="checkbox"/>				
4.	098765	Joe's Landscaping	21 Jump Street...	<input checked="" type="checkbox"/>	Joe Doe	joedoe@abc.com	(555) 555-5555	

Cancel

Submit

fiserv.



## South Carolina Vender ACH Enrollment Portal

Below are the Vendor Numbers you selected. Please confirm address information. Enter your bank account information and click-on the **Submit** to continue.

Vender Identification No.	Name	Address
789012	Joe's Lawn Services	543 Jones Circle Aiken, SC 29801
098765	Joe's Landscaping	21 Jump Street Aiken, SC 29805

### Banking Information

\*Routing and Account Number must come from check or bank letter, not a deposit slip

Select Account Type:



Routing Number Account Number

Bank Routing Number:

Account Number:

Re-Enter Account Number:

Please confirm the business name and address the bank has on file.

Business Name:  Address 1:  Address 2:

City:  State:  Zip Code:

**Submit**

fiserv.



## South Carolina Vendor ACH Enrollment Portal

**Your checking account xxxxx1234 with Bank XYZ has been verified.**

**Please allow seven (7) days for the enrollment to be effective.**

If you have other vendor numbers you would like to enroll with a different bank account, please select the **Add Account** button. Otherwise, select the **Close** button.

**Add Bank Account**

**Close**

**fiserv.**



## South Carolina Vendor ACH Enrollment Portal

**We were unable to verify your account information. In order for us to complete verification, please enter your online banking login credentials below. This will allow us to verify your account ownership.**

Please enter your banking login credentials below to verify your account.

**Bank XYZ**

User Name:

Password:

**This is dependent on bank login requirements.**







## South Carolina Vendor Enrollment ACH Portal

**We were unable to verify your account information.**

Please contact Client Support at 555-555-5555 if an error occurred.

Please consider using a different bank account by selecting the **Other Bank Account** button below.

Other Bank Account

Cancel

# Vendor Enrollment Strategy

- Currently analyzing vendors and developing a strategy for outreach regarding ACH Enrollment
  - Specifically targeting vendors that receive the most checks.
- High volume check producing agencies
  - Do certain vendors need to receive checks based on current business processes?
  - How can these processes be updated to accommodate electronic payments?
  - STO will be meeting with high volume agencies to discuss how we can possibly update processes to get these specified vendors enrolled.

# Other Treasury Items

Plan for discontinuance of:

- Check Pulls: Very costly to the State and high exposure for fraud
- Checks returned to agencies

Negative Grant Balances:

- Negative cash balances for extended periods cost the State money
- Agencies to be contacted as we monitor and notice outliers



# New Employees

Sam Sanders is working with distributions, local aide, check pulls, and vendor research.

Davis Batchelder is working depositary workflows and bank recons.

Questions?





Treasurer.sc.gov



@SCStateTreasurer



@TreasurerLoftis



@SCStateTreasurer



Curtis Loftis