
'No Envelope' Intelligent Deposit Solution

The Teller Migration Trend

In the last 20 plus years, financial institutions have been attempting to reduce costs by migrating transactions away from the teller to more cost-effective channels. The ATM has proven to be an effective channel and is significantly less expensive than a teller. Although call centers and the Internet are less expensive per transaction than an ATM, these channels are incapable of disbursing or receiving cash or checks which still represent the bulk of the consumer's depository needs. Thus, the ATM remains the most cost-effective channel when fulfillment is required, with the exception of deposit taking with envelopes.

The Solution – 'No Envelope' Intelligent Deposit at the ATM



Now is the time to move to 'No Envelope' Intelligent Deposit for [Customer]'s ATMs.

NCR used our experience in self-service and image item processing to review the entire ATM deposit process. The intent: make the experience better for the consumer and reduce the processing cost. This review proved that by using new technology and re-engineering the ATM deposit process we could make the process more assuring for the consumer and less costly for the financial institution.

NCR has the Technology [Customer] Needs for 'No Envelope' Intelligent Deposit ATMs – Today

For the past several years, some of the largest banks in the country have been deploying advanced ATM technology from NCR to eliminate the envelope from the ATM deposit.

Now that same technology is available to institutions of every size. No longer a development lab curiosity requiring significant R&D, it is available today in an off-the-shelf package – ready to run. And, every month more ATM network providers are offering the advanced functionality that enables 'No Envelope' Intelligent Deposit.

The NCR SelfServ 30 Series ATMs are capable of 'No Envelope' Intelligent Deposit through the use of the following state-of-the art modules:

- The Cash Acceptor and either:
 - NCR Check Processor (for single check processing)
or
 - NCR Scalable Check Processor Module (for multiple check processing)

Using proven technology that leverages NCR's expertise in self-service and check imaging, NCR brings to market a new solution – 'No Envelope' Intelligent Deposit – to provide our customers a unique opportunity to enhance their customer service and reduce the cost of processing transactions. Overcoming the mystery of what has been placed in a depository envelope and how best to process the contents present a significant improvement in workflow and consumer satisfaction. Immediate cash verification and control, which are the hallmarks of the lobby transaction, now accrue to the ATM.

Customer satisfaction (leading to retention and growth) is the single most important factor for a financial institution to grow long term earnings.

This way of making deposits has proven to be highly regarded for improving the level of customer service and satisfaction.

Absolute validation of the deposit supported by a detailed receipt is effective.

'No Envelope' Intelligent Deposit process improves the consumer's interaction with the ATM. We eliminate the deposit envelope and allow the consumer to enter the cash and checks directly into the ATM. There are a number of advantages that pass to the consumer and the financial institution as a result of the change.

Cash Only Deposit

First, the ATM is able to accept, validate and verify the cash portion of the deposit. The Cash Acceptor can accept up to 50 notes from the consumer in a stack or bunch. The notes are passed through several verification tests, counted and held in escrow. The consumer is notified of the count and given the opportunity to continue, add additional notes, or cancel the transaction. If the consumer accepts the count the notes are deposited in the ATM and the consumer is given a receipt with a positive verification that the cash has been accepted by the ATM. If the consumer chooses to cancel the transaction, the original notes inserted are returned. The ability to return the original notes helps eliminate opportunities for money laundering. The immediate positive confirmation to the consumer of the cash deposit inspires confidence in the transaction and eliminates concern that there will be a dispute with the financial institution over the cash deposited. The financial

institution has positive confirmation from the ATM that the cash has been accepted and can safely give the consumer immediate access to the funds deposited.

The Cash Acceptor:

- Accepts a stack of notes – up to 50 per insertion
- Validates known good currency and supports updates to the currency validation templates (new bill types or new fraud detection)
- Holds notes in escrow until the transaction is confirmed

Check Only Deposit

Second, when the consumer has checks to deposit, each check is inserted into the ATM through the ATM Check Processor. As the check is inserted, it is imaged, both front and rear, the image is displayed on the screen and printed on the receipt to give the consumer positive verification that the financial institution has accepted the check. The image on the receipt has been very well accepted by consumers, and helps to inspire confidence and eliminate deposit errors. As the check is inserted into the ATM, it is read by a MICR reader to ensure there is MICR printing on the check, and that it is, in fact, a valid check. If the ATM cannot verify the check, it can be returned to the customer. The image of the check can be immediately passed to the back office electronically where processing can start immediately. There is no need to wait for the paper.

The Check Processor has a jam-proof track and performs: MICR Read – not simply MICR detection and not just OCR reading



Cash and Check Deposit

Third, since the checks are separated from the cash there is no need for dual control and no need for cash stripping, it is already done by the ATM. Checks are stored outside the safe (the deposited cash is in the safe), so they can be collected by less expensive couriers rather than armored car. The cash can be collected on the normal cash replenishment cycle, and not daily. Prior to implementing electronic check presentment, the checks are received at the processing center they are ready to be power encoded and sorted for transit because the data was already processed using the image.

ATM Deposit Processing After the Customer Leaves the Machine

In the traditional ATM deposit process, the burden on the financial institution begins as soon as the consumer leaves the machine: How quickly can the deposit be verified? Was there really anything in the envelope? If the deposit is cash, how will it be controlled? If the deposit is a check, how fast can we clear the check? If it is a mix of cash and checks, how can the financial institution provide cash control and speed check clearing? NCR is the only solutions provider positioned to enhance deposit processing by capturing the image at the ATM, using NCR's unique ImageMark Distributed Image Capture capability. The captured image of the deposited check is then used to accelerate transaction processing, make funds available sooner, allow quicker response to consumer inquiries, improve fraud prevention and reduce float.

Cash Only Deposits

The back office processing of the cash only deposit is significantly streamlined. The consumer can receive immediate credit. There is no need to create a cash-in ticket to match with a deposit ticket. Eliminating the creation and matching of tickets stops any errors associated with a paper-processing stream. When the consumer made the deposit, the cash was verified and placed into a "secured" cash bin that can remain locked when the machine is serviced or when the deposited checks are removed for processing.

Check Only Deposits

Deposit review can begin prior to the check reaching the back office. If there are any problems with the way the consumer entered the transaction, advices can be prepared for the consumer automatically. Customers could incorrectly key an amount for a check they are depositing. By forwarding the image to a deposit review area prior to the check leaving the ATM, the amount of the check or checks can be verified against what the consumer keyed. This early start on the review and verification of the deposit allows problems to be resolved and communicated to the consumer in a timely manner. In addition to faster notification, the consumer can also receive an image of the item that was entered in error.

Cash and Check Deposits

By allowing the consumer the ability to verify cash they deposited and key verify checks they deposited, the number of errors currently associated with the ATM deposit process will decrease. With the verified cash remaining in the ATM and the image of the

check forwarded prior to the check leaving the ATM, the financial institution can realize substantial workflow improvements in review, error notification and balancing.

Deposit Review

As noted above on check deposits, deposit review can begin without waiting for the arrival of the paper check. This also allows deposit review to be a largely electronic process with proven business rules.

The Value Proposition



Let NCR demonstrate how little it costs for **[Customer]** to have a "teller" that takes deposits and dispenses cash along with other transactions, 24 hours a day, 7 days a week, and never takes a break or a holiday.

The 'No Envelope' Intelligent Deposit solves major drawbacks when migrating deposit transactions from the more expensive teller to the more cost-effective ATM. The benefits from 'No Envelope' Intelligent Deposit include the following.

From the consumer's perspective:

- The deposit experience is enhanced, by providing a simple procedure
- Positive confirmation that the transaction has been completed successfully – a copy of the check and cash totals are on the receipt
- 7x24 deposit availability with immediate credit for cash

From the financial institution's perspective:

- Collection costs can be dramatically reduced, requiring only periodic pickup of cash and checks
- Because processing is based on imaging technology, processing is more efficient, less costly and requires fewer people
- Processing is dramatically accelerated, allowing for proof and posting throughout the day
- Float costs are reduced, if not eliminated, as the solution provides the potential to meet transit presentment deadlines 100%
- Deposit risk is minimized, as deposits are available for review in near-real-time with the image

Getting Started with 'No Envelope' Intelligent Deposit

To get started in 'No Envelope' Intelligent Deposit, [Customer] will need the following:

- Deposit capable or Deposit upgradeable ATM:
 - **NCR SelfServ 30 Series**



31 lobby, 32 MF lobby, 34 MF TTW, 34 TTW Drive-up, 38 FS Drive up

- NCR APTRA Edge – NCR's ATM client server application software for Windows XP (in the version certified for your network)
- NCR Check Processor (for single check processing) or NCR Scalable Check Processor Module (for multiple check processing) installed in the ATM
- Cash Acceptor installed in the ATM (recommended)

NCR's Scalable Check Processor Module

NCR's Scalable Check Processor Module (SCPM) is a state-of-the-art, scalable, multi-check deposit solution. The SCPM is capable of accepting, and processing, multi-check or bunch-check deposit transactions.

NCR has leveraged over 40 years of image item processing knowledge and experience in the development of our SCPM solution. In addition, NCR has built upon over 30 years of self-service expertise and knowledge gained through having the largest global installed base of ATM check processors, which have been purpose-built for self-service use.

NCR's SCPM is a next-generation check processor, providing scalability from single- to multi-check modes of operation, and offering unique features in combination to provide the high reliability and availability you expect from NCR ATMs.

NCR SCPM - Also Available as an Upgrade

The NCR Scalable Check Processor Module is also available as upgrade for installed ATMs and existing (single check processing) Deposit solutions, including the Personas M Series 86 and 76, and Personas 90e drive-up ATMs. This upgradeability protects your original investment in NCR self-service, including the ATM itself and any installed Cash Acceptor (BNA).

Advantage of Separate Modules

Having separate modules for cash and checks, rather than a single module for that takes both, means that a cash jam or check jam does not take the whole deposit solution out of service. This is a significant advantage because approximately 80% of deposit transactions, in the U.S., are check-only.

NCR's dual -module strategy is more robust and reliable than competing solutions, and delivers improved overall deposit service availability to the end consumer, no matter which segment is being served, Personal, Small Business, or larger Merchant.

Considerations for Selecting a Single or Multiple Check Processor

There are "consumer usability" benefits to consider in the case of depositing multiple checks in a single bunch, as opposed to inserting more than one check, individually, one after the other.

There is a perception that it is faster to deposit multiple checks in a single bunch versus accepting checks individually. Actual speed depends on the specific solution implementation and the consumer transaction flow, as well as the number of items deposited into the device for processing, at one time.

Benchmarks of live deposit implementations of NCR's and other vendors' solutions have shown the following:

- A single check device can be quicker when accepting 1 or 2 checks – 98% of all deposits
- A bunch check device was measured as being slightly faster for bunches of 3-5 checks

Institutions should carefully assess the suitability of accommodating transactions with a higher volume of items to be deposited at an ATM. Whether using single- or bunch processors, transactions with larger numbers of checks will result in long transaction times. That is, consideration should be given to

consumers in line behind a person making a commercial deposit in the teller line.

Benefits of Multi-Check (Bunch) Deposit include the following:

- Enhanced consumer experience and multi-check insertion speed, which can improve overall transaction speed in many situations.
- Best solution for transactions with 6-8 checks, or more.
- Realized speed depends on implementation and consumer flow requirements (i.e., implementation of CAR/LAR, Image Quality Assurance, MICR, software OCR, etc.)

Benefits of NCR's single-check processor include the following:

- The Check Processor is recognized as being the best performing module available when processing a 1 or 2 item transaction. This capability is what is needed for the vast majority of check deposit transactions.
- The Check Processor can be configured to accept multiple items, for example, 3-5 documents, at a lower cost and more reliably, compared to a more costly multi-check processor.
- The Check Processor is a tried and tested device that delivers great MICR code line read accuracy, and is extremely reliable.
- There are more Check Processor modules deployed, globally, than any other type of check processor.
- The Check Processor has a very high level of consumer acceptance.

**NCR Professional Services
Provide the Answers**

NCR's Business Consulting Services such as Branch Effectiveness Modeling and Design Services can help you to better understand the volume and mix of deposit transactions currently conducted within your branches. An appropriate solution, whether single- or multi-check deposit based, or one that incorporates NCR's latest Branch Solutions or Business Depository, can then be designed and implemented to meet your business goals and objectives.