



Coconino Federal Credit Union Creates Long-Term Benefits by Bringing Item Processing In-House



**COMPANY**

Coconino Federal Credit Union

NUMBER OF BRANCHES

3

CHARTERED IN

1955

ASSET SIZE

\$65 Million

MEMBERS

8,384

DATA PROCESSOR

Fiserv - Portico

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Coconino Federal Credit Union (\$57 million, Flagstaff, AZ) adopted Alogent's ImagePoint Branch, Hub, Foundation and Archive solutions in 2012 to bring item processing in-house and facilitate check clearing directly with the Federal Reserve. Serving members since 1955 and run by CEO Jennifer Harris, the credit union is the only locally based institution in Coconino County, which is one of the largest counties in the U.S. Primary membership is composed of local, long-term residents, including a large population of Native American community members. Being locally based gives the credit union a distinct advantage over regional and national financial institutions because service offerings and lending decisions are made with a deep understanding of the effects on its unique community. The credit union leverages this advantage to fulfill its mission to help members build and maintain long-term financial well-being.

In June of 2012 Coconino faced an unwelcome and difficult decision after being notified that its corporate credit union was dissolving. The credit union would need to either find another service provider to continue to receive the same item processing and check capture services, or bring these processes in-house and begin a direct relationship with the Federal Reserve. Coconino decided that bringing its item processing and check capture in-house would be a wise long-term business strategy when considering the changing regulatory climate for corporate credit unions

WE RECENTLY SAT DOWN WITH KATHERINE ESCALERA, CHIEF FINANCIAL OFFICER OF COCONINO FEDERAL CREDIT UNION, TO DISCUSS THE CREDIT UNION'S SUCCESS WITH DIRECT-TO-THE-FED PROCESSING.

ALOAGENT: After you decided to take over your own check capture and item processing operations, what options did you consider? Why did you select [Alogent] as a technology partner?

ESCALARA: We knew we wanted to cut out the middle man and go straight to the Fed, so we looked at a lot of vendors with solutions that would support this change as we adopted FedReturn®, FedFoward®, Fedwire® Funds, FedReceipt®, FedACH®, and FedCash® services. In the end, we narrowed our choices down to [Alogent] and the solution we had previously used through our corporate credit union. [Alogent] had the right combination of features and pricing and was committed to meeting our tight implementation timeline. We signed with [Alogent] on July 19th and went live in less than three months on October 9th. The entire implementation process was very smooth.



“We receive approximately 7,900 checks monthly, with 8,700 inclearings and returns each month. The impact on employee time spent working on check clearing is negligible—it takes about the same amount of time as with an outsource provider”

Katherine Escalera, CFO



ABOUT COCONINO FEDERAL CREDIT UNION

Delighting our Members by making their financial products easy to understand and easy to use is the vision of Coconino Federal Credit Union. They have been serving Members since 1955 and are proud of their lasting heritage on Flagstaff and the surrounding areas. They have three branches and over 65 Million dollars in assets, with over 8,000 members.

A: Were there specific features you and your team were looking for when researching solutions?

E: We knew that it would be a significant change with an entirely new daily workflow, so the system had to be easy to use and we were looking for a partner that would offer assistance in establishing new procedures. For example, doing check adjustments was an entirely new operation for us, and [Alogent] provided all of the information we needed for this on one page when we printed files from ImagePoint Foundation. In ImagePoint Hub, the ability to view images from all branches in one place and on a single screen makes it simple. Image viewing through ImagePoint Archive is much more robust than our previous check imaging system. It's fantastic to have single sign on and availability from everywhere, relieving our frontline employees of the burden of maintaining multiple passwords.

A: Speaking of single sign on and ease of maintenance and administration, what has the ImagePoint system been like to manage?

E: It's easy to maintain. We don't have an internal IT department, so after the initial setup, we have been able to work directly with [Alogent's] support staff to resolve any occasional issues that arise. We've been very happy with our assigned support representative and really appreciate the proactive updates he does for our [Alogent] systems.

A: Tell me about daily operations. What are the regular tasks completed by your staff and how much time do these procedures take?

E: As far as daily operations, our tellers scan check batches at the back counter throughout the day. Posting files are automatically transferred from [Alogent's] ImagePoint Hub to ImagePoint Foundation and Archive. From here, Foundation creates the Fed file, and we rely on the Fed's transmitter to send the files. Inclearings and return files are downloaded automatically by the Fed system. Our accounting department works on exceptions in Foundation and our core in the morning, then any returns are then transferred back to the Fed through Foundation.

We receive approximately 7,900 checks monthly, with 8,700 inclearings and returns each month. The impact on employee time spent working on check clearing is negligible—it takes about the same amount of time as with an outsource provider. It's not so much an increase in time, it's just the same time spent on different tasks.

A: What has been the financial impact of this transition?

E: When making the transition to direct to Fed processing, there were a number of factors to consider in order to understand the overall impact. We took into account that the long-term cost of continuing to outsource would be significantly greater than the upfront cost of converting to direct-to Fed-processing. If we take the entire switch into consideration which included check processing, ACH processing, cash delivery, and wires, we save about \$1,200 per month.





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