

MEMORANDUM

To: Subscribers to *State & Local Government Cash Management & Investment Handbook*

From: Sheshunoff Information Services

Subject: Highlights

For the first time in history, Americans have started making more payments electronically than with paper checks. “More and more governments today are using cash management technologies to reduce costs, speed the deposit of funds, and improve customer service. Governments are advancing into a technological era of increased efficiency and effectiveness,” said Jeffrey L. Esser, Executive Director/CEO of the Government Finance Officers Association. With this update of *State & Local Government Cash Management & Investment Handbook*, we offer methods, practices, and new information to help you bring your organization up to the latest standards in the technologies involved. New material includes the following:

- In **Chapter 3, Understanding Check Transactions**, we included a multi-page report by Congress, beginning on page 3-12, on the progress of Check 21 including three interesting tables. Since Check 21 is expected to have a significant impact on the payment system dynamics, we have included a separate chapter (Chapter 9) on this subject in past editions of this handbook for those interested in more details and a more comprehensive understanding of the subject matter.
- We’ve updated **Chapter 8, Sweep Accounts**, to reflect the latest statistics concerning the use of such accounts.
- In **Chapter 6, Electronic Funds Transfer**, a NACHA representative, Scott Lang, has updated the latest NACHA developments regarding ACH that managers should know about. The ACH is rapidly replacing checks and all cash managers should be striving to go that route with their receipts and disbursements as a best practice. In addition, there are over a half dozen additions to the end of the “Latest Developments” section that you should be aware of to be on top of the subject, including an article on UPIC (Universal Payment Identification Codes).
- **Chapter 10, Measuring Cash Management Service Quality**, has been revised to include a thorough look at the most recent Phoenix-Hecht quality survey regarding the use of bank cash management services.
- **Chapter 13, Selecting Your Cash Management Bank**, now contains all new pricing surveys of a wide variety of banking services to help determine if you are paying more than necessary for your banking needs.
- In addition, we’ve revised all the materials based on annual surveys and other available data sources to keep you current on the latest trends.