

# Large US Municipality

## Outsourced Check Solution Overcomes Remote Working Challenges

### Case Study

**The Client** This agency provides financial and support services, including cash management, payroll and payments, to municipality departments and officials.

**The Challenge** This municipal agency makes payments to vendors, citizens and other recipients by check. When COVID-19 struck, it immediately recognized the implications of remote working on its ability to process and distribute check payments (which took place from its offices). The municipality did not have a Continuity of Business plan for check payments and in order to continue to pay its vendors and other recipients during the lockdown period, it sought an effective solution that could be implemented rapidly.

The municipality did not want to significantly change its processes given the disruption caused by lockdown. In addition, it appreciated that many of its vendors continue to prefer payment by check. Moreover, during lockdown, financial fraud increased significantly, making people reluctant to accept changes to established payments practices. Consequently, moving to ACH or another electronic payment method was not an option. Instead, the municipality decided to outsource check processing and mailing in order to facilitate remote working and improve efficiency and resilience.

**The Solution** Citibank® Check and Print Service is a complete outsourced solution for printing and mailing checks. It streamlines potentially costly in-house payment processes and frees up valuable resources to enable employees to focus on value-added activity. Check and Print leverages Citi's volume discounts for paper, printing and postage and enables users to make payments in the US and Canada via a single channel. It is suitable for a wide variety of payment needs, including accounts payable and payroll.

Remittance information can be provided via email or paper print, and these instructions are added to the payment order/remittance record. The checks have nine anti-counterfeit features and digital signatures are retained on a limited-access database, so there are no signature stamps to worry about. Remittance information for email is translated into a PDF and then delivered based on the instructions provided.

Check and Print implementation can be tailored to users, with custom remittance fields or complex reporting requirements, for instance. However, the municipality required only a standard implementation and already had host-to-host connectivity in place. As a result, implementation, including integration and testing, was completed quickly. The implementation was the first that the municipality had managed remotely but Citi's long experience (and familiarity with remotely-managed implementations) ensured the process went smoothly and according to schedule.

### The Result

By outsourcing check processing and distribution, the municipality was able to continue to make check payments to citizens and vendors despite COVID-19 and remote working. Moreover, Check and Print is not just a short-term fix. The municipality has gained a solution that is more efficient than in-house check processing and distribution – in-house processing can cost as much as \$5 a check compared to less than \$1 a check for an outsourced solution. Outsourcing also frees up staff to focus on other activities. Check and Print offers multiple additional benefits: Citi performs validation checks on payment formatting, reviews payments and repairs errors where possible, and sends payment confirmation/returns for reconciliation.

The solution offers considerable flexibility to meet the municipality's needs. For example, rather than using standard postal services, the municipality can opt for certain checks to be couriered to recipients. Moreover, the Check and Print Service can be easily scaled to accommodate increased payment volumes – Citi handles over 100,000 check payments a month for some public sector clients. Consequently, expansion of the solution to payroll, benefits or other types of payment will be straightforward if the municipality wishes to broaden its use of Check and Print.