



# Northrim Bank

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BANK PROPOSAL TO IMPROVE OUR  
PROCESSES

# Topics

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- 1) Sweep Accounts
- 2) Positive Pay – Fraud Prevention
- 3) Cash Collateral & Tri-party agreement
- 4) Deposit Process
- 5) Bank Account Logins

# Sweep Accounts

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What is a sweep?

How does it benefit Saxman?

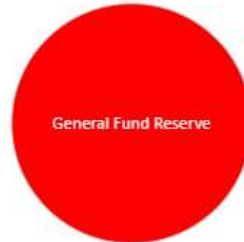
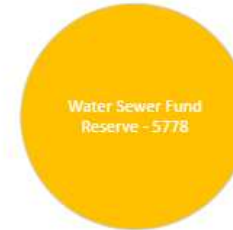
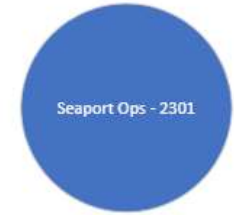
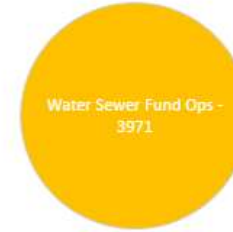
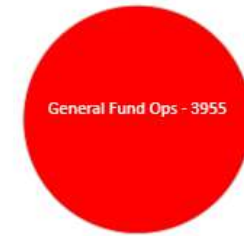
# Currently

Lots of manual transfers between funds

Less automated

Higher potential for NSF Fees

Low yield



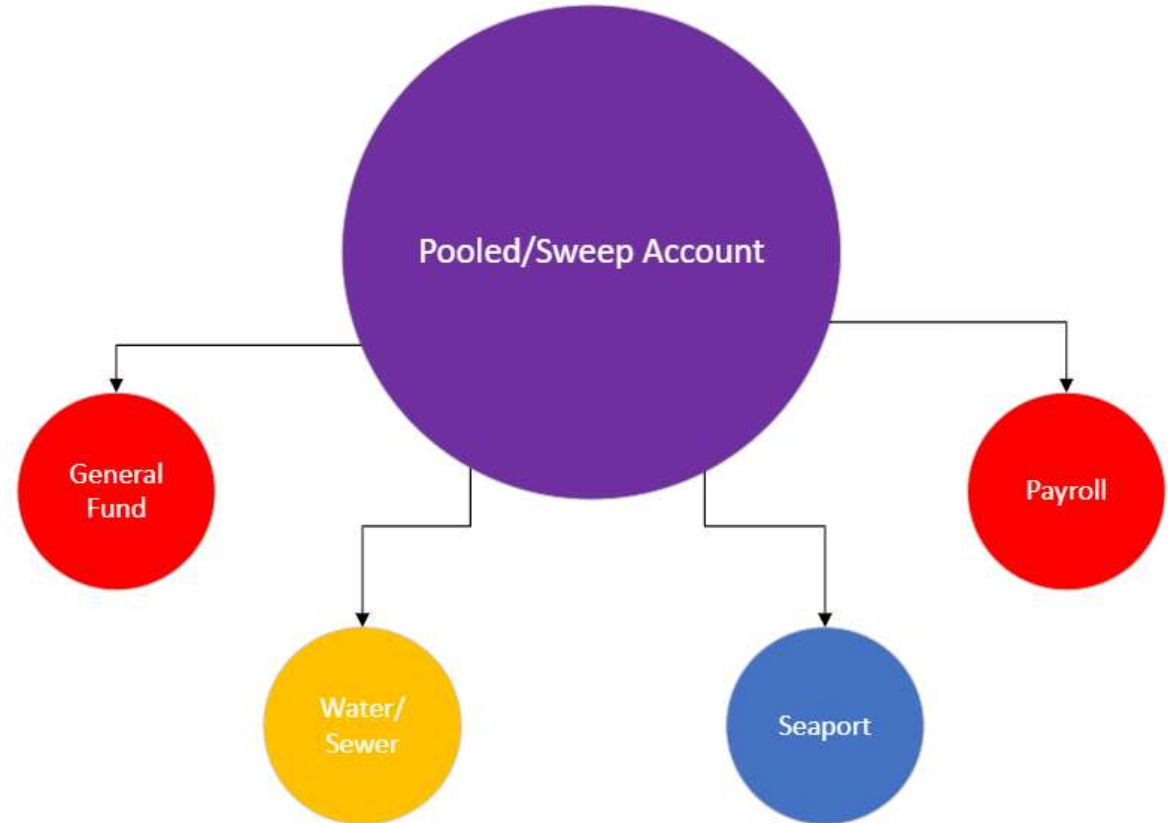
# Proposed

No NSF fees

No transfers needed

Automation means a lower potential for errors

Higher Yield



# Opportunity

Estimated Fees: \$404

Estimated Earnings based on  
current balance: \$3,167

Net Income: \$2,763

## BUSINESS SWEEP CHECKING

The Business Sweep Checking automatically transfers excess balances daily from your business checking accounts to a designated interest-bearing account. This account offers same-day access to funds allowing City of Saxman to benefit from yield on operating cash, as well as, full liquidity of funds. We are recommending all daily collected balances sweep to the Business Sweep Checking account. The realized income would be greater than the assessed analysis service fees.

Estimated Monthly Deposit Interest Income Balance \$1,297,240		
Account	APY	Interest Income
Business Sweep Checking	2.93%	\$3,167

Business Sweep Rates Effective for November 06, 2023	
BALANCE	APY
Less than \$250,000	0.90%
\$250,000 to \$499,999.99	2.13%
\$500,000 to \$1,499,999.99	2.93%
\$1,500,00 to \$4,999,999.99	3.20%
\$5,000,000 and greater	3.73%

*Interest accrues daily and is paid monthly.*

*Balances less than \$250,000 is subject to rate/APY change at bank's discretion.*

*Balances between \$250,000 and \$499,999 based on 20-40% of the Effective Federal Funds rate (EFFR).*

*Balances between \$500,000 and \$1,499,999 based on 30-55% of the EFFR.*

*Balance between \$1,500,000 and \$4,999,999 based on 40-50% of the EFFR.*

*Balances equal to or greater than \$5,000,000 based on 50-70% of the EFFR.*

# Positive Pay – Fraud Prevention

Additional Procedures

More safeguards on people's cash

Real World Examples





# Positive Pay – Fraud Prevention

Check or ACH

Approved vendor list

About a month to work out the bugs

Any unapproved checks can be verified the next day before 11am.

## Spend less time managing your accounts and more time growing your business

Positive pay is a fraud-mitigation service that gives you the power to easily monitor your accounts for unauthorized checks or ACH debits and streamline your reconciliation process. It helps detect and prevent unauthorized debits from a business account by comparing items being debited from the business account to a list of issued checks or established Automated Clearing House (ACH) rules.

### Two Types of Positive Pay

#### CHECK

This service helps defend against both counterfeit and altered checks, comparing checks paid to those provided in an issue file, more commonly known as the outstanding check register. An issued check database lists all of the checks written against your account and includes amount, serial number, issue date and payee name; therefore, identifying a fraudulent item is automated for you.

#### How it Works

1. Business imports issued check information to Northrim Business Online Banking.
2. When a check is presented for payment, Positive Pay automatically compares information on the check with the imported list of issued checks.
3. Any check that does not match the list or is unreadable is presented for exception review through Business Online Banking. Business can make a decision to both approve and pay the item, or to reject the item and not allow it to be paid from the account.

#### ACH

Works with payment rules your business establishes. An ACH Positive Pay payment rule is defined by the ACH originating ID number, standard entry code and dollar amount; therefore, preventing future exceptions from originating companies.

#### How it Works

1. Business creates a list of trusted vendors and sets parameters for ACH debits amount, frequency, etc.
2. When a debit is presented for payment, Positive Pay automatically compares the item against the list and parameters.
3. Any ACH transaction that does not match an existing rule is presented for exception review through Business Online Banking. Business can make a decision to both approve and pay the item, or to reject the item and not allow it to be paid from the account.

When approving, the user is presented with a quick link to easily create a new rule for new vendors.



# Tri-party Agreement

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City's funds are collateralized

# Deposit Process

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Automated process giving staff more time.

Costs include potentially buying a check scanner

Checks can be scanned from office

# Bank Account Logins

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One Admin and maybe a partial admin at the firm

Each person should have their own account

Admin can add and remove users

Data integrity and segregating duties are necessary for internal controls

Checks can be signed/approved online