

# **Merchant Check Capture**

## **Vendor Evaluation**

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## Vendor Evaluation

Terms used in this document:

Courtesy Amount Recognition (CAR)

Fulltime Equivalent (FTE)

Legal Amount Recognition (LAR)

Proof of Deposit (POD)

Computer Output to Laser Disk – test Report Storage (COLD)

Image Quality Assurance (IQA)

Image Replacement Document (IRD)

FEATURES	Yes/No	Qualified	Comment
<b>COMPANY INFORMATION</b>			
Years in business			
Public or privately held			
Corporate office			
Years your company has sold remote check capture			
# Employees			
# Programmers (FTE & Contract)			
# Customer service employees			
Customer service hours			
2004 Revenue			
2005 Revenue			
Is product owned by another company?			
Please provide a description and disposition of any pending litigation against your company.			
<b>PRODUCT INFORMATION</b>			
What are the names of your systems: a) Check capture b) Branch check capture c) Merchant check capture d) ATM image capture e) Statement preparation f) Proof and encoding g) Power Encoding			

<ul style="list-style-type: none"> <li>h) Reject Reentry</li> <li>i) CAR/LAR</li> <li>j) Balancing assistance</li> <li>k) Automated adjustments</li> <li>l) Incoming returns</li> <li>m) Automated return items for Check 21</li> <li>n) Positive pay</li> <li>o) National image exchange network interface</li> <li>p) Image exchange settlement</li> <li>q) Fraud control</li> <li>r) Signature verification</li> </ul>			
Does system convert checks captured into ARC format?			
Technically, how does your system determine a consumer check versus a business check? What does system do when business check scan is attempted?			
If system can convert checks into ARC—does it automatically verify each check against an “Opt-Out” database and reject confirmed Opt-Outs?			
Does system recognize “auxiliary on-us” field on MICR line and automatically cause opt-out?			
Does system provide a standard report of opt-out checks scanned and rejected during item capture?			
Is system designed to operate in a multi-bank environment?			
Is system compatible with all core vendors? If yes, please list core vendors with operational interfaces:			
What were the release dates for the following: a) First release b) Current Release			

# Customers fully operational — all products			
# Image-enabled POD customers			
# Customers fully operational using branch capture			
# Customers fully operational using merchant capture			
# Customer fully operational using ATM image capture			
<b>PRICING INFORMATION</b>			
Please provide the following charges: a) Base charge b) Concurrent user charge c) Per seat charge d) Per item captured charge e) Per item CAR/LAR charge f) Annual maintenance charge g) Hardware charge – Operations h) Hardware charge – Merchant i) Any other charge			
<b>SYSTEM MAINTENANCE</b>			
Are enhancements included in standard maintenance?			
Are updates delivered over the Internet?			
Do support technicians use VPN to access the bank and merchant's system?			
<b>CONVERSION MAINTENANCE</b>			
Do you have a conversion program that will convert images from another system to your system?			
Do you have a de-conversion program that will export an image file in industry standard format?			
<b>REMOTE SYSTEM MANAGEMENT</b>			
Can bank operate the system in a “mini-branch” environment and transmit deposits and checks to different banks for collection?			
Can each merchant be assigned an exposure (maximum allowed deposit) limit for the total dollar amount of a daily deposit?			

Does system maintain multiple levels of employee access for separation of duties?			
Can system require a separate operator to transmit the work than the operator that captured it?			
Does system automatically verify the following: a) Items have not been previously captured or transmitted? b) File has not been previously transmitted?			
If answer to the above question is yes – how long can the history data be verified?			
Can system functions be restricted to specific workstations?			
Can a central supervisor access all of the images and data captured at a remote location?			
Can bank restrict account merchant uses for deposits?			
Can system require a supervisor override to begin daily capture when system has files (items) that were not previously transmitted?			
Will system automatically reject a foreign item and notify operator?			
Does system provide manual backup procedures to create a file that can be transported in the event of a communications failure?			
<b>CAPTURE FEATURES</b>			
Can system support multiple pockets on sorter?			
Can transit items and on-us items be sorted into separate pockets?			
Does system have capability of virtual endorsement?			
<b>ITEM BALANCING</b>			
Does system require branch or merchant's files to balance before transmission is allowed?			
Can system generate a virtual deposit slip or use customer's deposit slip?			
Does system provide suggestive balancing?			
Is audio balancing provided?			
<b>OCR/CAR/LAR/SUPPORT</b>			
Does system support courtesy amount conversion?			

# CAR/LAR/OCR Customers			
<b>POWER PROOF</b>			
# Power Proof Customers			
Can number of images displayed be changed?			
<b>RESEARCH AND EXCEPTION ITEMS</b>			
Can remote system search for the following: a) Amount? b) Serial Number? c) Routing and Transit Number? d) Date? e) Boolean Search for above criteria?			
If the answer to the above question is yes, how long can the items be kept on the remote system?			
Can remote location recreate a deposit from their system?			
Can image related text data be searched independent from images?			
Can system return items and generate reason for return?			
Can system print IRDs for any Charge-Back item, such as NSF or Closed Account?			
Are separate modules purchased for Return IRDs versus Forward Presentment IRDs?			
Can Merchant be provided with a module to print their IRDs on a certified printer?			
<b>ADVANCED EDITING</b>			
Does system provide digit regeneration?			
Does system provide table editing for duplicate account numbers?			
<b>SYSTEM ARCHITECTURE</b>			
Is system considered Thin Client or Thick Client?			
Does any component require the use of a third-party or remote processing service?			
Is the branch check capture system the same software (system) as the merchant check capture?			

Does your system allow the bank to internally split transit items from on-us items?			
Can the bank route transit items and on-us items to any processor they choose without intervention from your company or any third-party?			
Does system require multiple networks for multiple sorters?			
What programming language(s) was used for the primary system?			
<b>SYSTEM INTEGRATION</b>			
Does system interface with ATM for image capture?			
Does system interface with cash registers for image capture?			
Does system have an export feature for external systems?			
Is system integrated with COLD?			
Is system integrated with document imaging?			
Does system support other vendors' COLD and image systems?			
Can images be exported into another vendor's archival system?			
<b>DATABASE</b>			
What database is used for storing text data?			
Is database used for text proprietary?			
<b>IMAGE FORMAT AND COMPRESSION</b>			
Are image formats proprietary?			
Compression Formats			
Is image shipped across network: a) compressed? b) uncompressed?			
Are images: a) Bi-tonal b) Greyscale c) Color			
What is image Size - front and back			

<b>IMAGE QUALITY ASSURANCE</b>			
How many IQA tests are completed on each items and which standards group designed them?			
Will you contract that your system will remain in compliance with published ANSI X9 specifications?			
Do you have a report or auditing method to ensure that your system is compliant with published ANSI X9 specifications?			
Are all items captured at a branch or merchant location automatically tested for all published ANSI X9 quality tests?			
Will your system automatically reject an item that fails IQA?			
Can your system automatically reject an item if the MICR line is blank?			
Can your system automatically reject an item when the CAR, LAR or signature field is blank?			
Does you system have automated piggy-back detection?			
<b>SYSTEM REPORTS</b>			
If system is “Thin Client,” does system provide a report accessible by the bank to show used and unused resources and capacity of vendor’s central servers and resources?			
Does system provide management reports showing individual Merchant’s response and transmission times?			
Does system generate a report of images and amount by account?			
Does system come with a standard report writer?			
Does system report file name, date transmitted and operator transmitting the file?			
Does the system allow reports to be written using the text database?			
Does system provide a transaction journal of transactions by operator and date?			
Can system report items that have been scanned – but not transmitted?			

<b>PROCESSING ALERTS</b>			
Will system generate an alert if merchant exceeds a pre-authorized exposure limit?			
Can system prompt operator/supervisor when high-dollar item is processed?			
Can system periodically transmit data to central location for memo posting and detection of stop payment items?			
Can system detect a check with the same routing, account number and serial number—but different amount?			
Can system provide an alert if items are not transmitted at the end of day they were captured?			
Can system generate a file and report of all debits and credits generated by merchants that can used for billing?			
<b>HARDWARE</b>			
Check Sorters Supported: Branch capture Merchant capture			
Workstation recommended: Brand/model Speed RAM Hard Drive Monitor			
What printers are supported for IRD printing?			
<b>IMAGE STORAGE AND MANAGEMENT</b>			
Can vendor choose how long images are available to his company?			
Can vendor copy images from archive to local CD for permanent storage?			
What system media is used for image storage?			
<b>SECURITY</b>			
Does system provide a transaction log?			
Does system provide security levels:			

a) system? b) operator? c) file? d) function? e) network?			
Are passwords required to be changed periodically?			
Are restrictions available for dormant accounts?			
Does system provide for the following management reports: a) unauthorized access attempts? b) batch entry by operator?			
Are files encrypted between the financial institution and processor or image exchange operator?			
<b>DATA BACKUP</b>			
Does system require archive before next day's processing can begin?			
What media is used for backup?			
<b>SIGNATURE VERIFICATION</b>			
Does company provide an integrated signature verification system/sub-system?			
If answer to above question is yes, can system provide a report of signatures that are significantly different than signature card for on-us items?			
Can system automatically verify signature of on-us items when captured?			
Can system detect non-magnetic ink on MICR line?			
<b>IMAGE EXCHANGE NETWORKS</b>			
Does your company own or operate an image exchange? a) If yes, does a bank have to process using your remote deposit capture, core or item processing system to participate in your image exchange network?			
Does system provide interfaces for all Image Exchange Networks?			

If yes, how many customers are fully operational?			
Can system report endpoints and exchange fees?			
How many Image Exchanges does vendor have access to before item is converted into an IRD?			
Does system have capability to report banks that qualify for image exchange and those that do not?			
<b>ANCILLARY SYSTEMS</b>			
Does system provide report storage (COLD)?			
Is Remittance Capture an optional module? If yes – how many operational banks/customers are using it?			
Does system provide document imaging?			
# Document imaging users			
Can document imaging system be used for other applications?			
Will signature verification interface to other signature card systems?			
<b>DOCUMENTATION</b>			
Please provide a copy of the bank and customer's documentation			
Can bank or employee update the documentation?			
How are documentation updates provided?			
<b>REFERENCES</b>			
Please provide the contacts for three fully operational customers: <b>Branch Capture</b> 1. _____ _____ _____  2. _____ _____ _____  3. _____ _____ _____			

<p><b>Merchant Capture</b></p> <p>1. _____          _____          _____</p> <p>2. _____          _____          _____</p> <p>3. _____          _____          _____</p>			
<p><b>MARKETING</b></p>			
<p>Does system allow you to convert check information (name, address, telephone numbers, city, state and zip) to text?</p>			
<p>Can system be queried to produce check concentrations based on routing and transit numbers and provide related bank names?</p>			
<p><b>BUSINESS PARTNERS</b></p> <p>-----          -----          -----          -----          -----          -----          -----</p>			

Please visit our website [www.thouston.com](http://www.thouston.com) for additional information about our Remote Deposit Capture Toolkit and One-Day Workshop.