

THE BACKGROUND

After their years of hard work, retirees have a right to expect that their pension checks will arrive on time and that they'll be correct. Similarly, when union workers or their dependents are ill or fall on hard times, they need to know that their benefit plans are ready and able to help with their problems in a timely fashion. In a Northern Illinois community, an ACOM payments solution is helping Pat Shales make sure these things happen.

Shales is the administrator of the Fox Valley Laborers Fund, which serves some 2,100 members of three Fox Valley building and road workers local unions. With their families, the number of beneficiaries of the medical and welfare benefits covered by the welfare fund numbers about 6,000, with about 4,400 also having a vested interest in the pension fund.

When Shales left her position as manager of pensions and collections at Independent Employee Benefits Corporation (IEBC) -- a respected third party benefits program administrator in Geneva, Illinois -- to set up the administrative facility for the Fox Valley Laborers Fund, one of her initial moves was to acquire two of the most useful and dependable tools she had used at IEBC.

THE SOLUTION

The tools included benefit fund administration software from Innovative Software Solutions, Inc. (ISSI) and **EZCheck**, a MICR laser payment processing solution from ISSI's business partner ACOM Solutions, Inc.

ISSI provides software solutions for multi-employer benefit fund clients ranging from modest sized operations like Fox Valley Laborers Fund, to large district councils and TPAs supporting thousands of members. ACOM is the leading provider of back office process output management solutions for payments, electronic documents and e-commerce integration.

Compatible with all ERP and financial management software, EZCheck replaces preprinted check forms with electronically stored digitized check forms. When Shales schedules a check run, EZCheck polls the ISSI system for the data file, merges the data with the required check template and spools the merged data file out for printing on a MICR-enhanced laser printer. The complete, signed checks are generated on blank security check stock in a seamless, one-step process. After a pass through a Formax folder-stuffer, the checks are ready for the mail.

Located in Elgin, Illinois, Fox Valley Laborers Fund had been a client of IEBC for many years, when Fund trustees decided that they wanted to perform their own benefits and pension administration. So amicable was the withdrawal from the IEBC client ranks, says Shales, that the TPA gave its full blessing when the Fund proposed to hire her, one of IEBC's key employees, to organize and run the new facility. The office now issues about 150 pension checks monthly to retirees, and about 1,200 claim checks each week for medical vision and dental services.

"There was no dissatisfaction with the previous arrangement" she says, "the trustees simply concluded that after 30 years, they wanted their own office, customized to the special interests of their own membership versus a program that was more generic in nature."

THE IMPLEMENTATION

The payment solution Shales acquired from ACOM included:

- EZCheck software
- 21 page-per-minute Xerox DocuPrint N2125 MICR-enhanced Laser Printer from ACOM
- EZCheck design tool
- Professional services for the implementation of two check templates
- MICR toner engineered by ACOM specifically for the N2125 printer
- Maintenance contract

(Following union policy, she obtained blank security check stock from a local union printer. However, ACOM also offers blank security check stock.)

In setting up the office, Shales installed an IBM RS6000 computer, which houses the ISSI software, and a Microsoft NT network, where EZCheck software resides on a Dell server. In order to remain consistent with the expectations of the unions' membership, Shales chose to emulate, as nearly as possible, the checks that the members had been receiving from the third party administrator. For the implementation process, she obtained existing forms from IEBC, and sent them to ACOM along with her own sample data file.

SUCCESS!

"It was so painless, it was almost scary," Shales says. "And when we installed the system, the training was straightforward and very complete. The ACOM trainer was wonderful, and since the training, we have been able to modify our templates in the software on our own, whenever we need to. Recently, we had to change the address, and

we simply went into the computer and changed it. With preprinted stock there would have been a big problem with wasted forms.”

Shales and her associates run benefit checks twice a week, in runs of about 750 checks that take about one-half hour. The much smaller pension check runs take place monthly. And not only is EZCheck getting the checks out quickly and inexpensively, it provides powerful security and efficiency benefits as well.

“Our costs are contained, since we only buy the paper,” Shales says. “We eliminate printing charges and almost all of the post-processing activity. And we are able to greatly increase our payment efficiency to certain providers. Medical payments are an example. Ordinarily, multiple checks might be sent to a single entity. With EZCheck and ISSI we are now trying to consolidate all of these payments into a single check, which will save additional time and money on our end and will probably result in greater convenience for our payees.

The security issue has not been a problem in the Fund office’s brief existence, but Shales and her trustees are fully aware of the potential for check fraud, and of the value that MICR laser check printing provides as a deterrent.

“With preprinted check forms, you not only have the expensive printing, but the forms must be inventoried securely and every form must be accounted for. There are liability issues because people can do anything with those checks and auditors don’t want to hear about such problems.”

ACOM makes everything easy, Shales says. “When I acquired the system, they asked a few questions and provided me with exactly what I needed. Support has been great too. When a screw fell out of a toner cartridge, they said ‘no problem,’ and simply sent out a new one overnight. I really appreciate the no-hassle approach.”

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