



Back On Track: The Transformation of Amtrak's Depository Banking Structure

October 28, 2010



Old Structure

No uniform banking practices, procedures, and controls were in place for processing station cash, coin, and check deposits (15% of receipts)

Banks

- 215 manned stations accepted cash, coin, and checks in addition to credit / debit cards
- 35 banks / 145 bank accounts
- Bank reconciliation - 10 banks were reconciled by a third party and 25 banks were reconciled in-house
- Treasurers and station managers concentrated funds via ACH debit

Bank deposit supplies

- Stations ordered supplies from their bank or vendor at a significantly higher cost



Old Structure

Deposit practices

- **84 stations used armored car transportation services for deposits**
 - **No primary armored car carrier, no uniform service contract, no uniform fee schedule**
 - **Arrangements were either made locally or through Procurement**
 - **Deposits were picked up daily whether or not cost justified**
- **131 stations did not use armored car transportation services for deposits**
 - **Employees deposited cash / checks at banks and were paid overtime**
 - **Frequency of deposit and the day of deposit were left up to the discretion of each station manager**
 - **Treasurers was uncertain when cash would be available for drawdown resulting in high bank balances or overdrafts**



Project Goals

Establish a nationwide railroad station depository banking structure that is efficient, cost effective, and well controlled

- Reduce the number of banks and bank accounts**
- Observe uniform banking practices and procedures**
- Automate cash concentration / greater interest income**
- Use armored car carriers for transportation services at all stations in a cost effective manner**
- Obtain bank deposit supplies from 1 vendor**
- Simplify and improve bank reconciliation**
- Treasurers led this initiative working in cooperation with other Amtrak departments**



Requests For Proposal

Banks

- RFP's sent to 5 national bank relationships
- Selection criteria:
 - Proximity of stations to bank vaults
 - Vault deposit cut-off times
 - Availability of funds
 - Virtual / partner vaults
 - Fees
- Result - business awarded to 2 banks

Armored car carriers

- RFP's sent to 3 national carriers (Transportation Services only)
- Selection criteria:
 - Same day pickup and delivery of funds to bank vaults / branches
 - Deposit pickup at stations within a specific time window
 - National coverage either directly or by sub-contracting
 - Centralized dispute resolution and billing
 - Fees
- Result - business awarded to 1 primary armored car carrier

Requests For Proposal

Bank deposit supplies

- RFP's sent to 3 bank deposit supply companies
- Selection criteria:
 - 1 style of deposit bag and deposit slip accepted by all banks
 - Vendor to manufacture all supplies
 - Centralized ordering, billing, and customer service
 - Fees
- Result - business awarded to 1 bank deposit supply company

New Structure

Banking

- 215 stations / 2 bank relationships / 2 bank accounts
- Uniform banking practices, policies, and procedures
- Cash, coin, and checks are deposited at bank vaults, bank branches, or by mail

Armored car carrier service

- 196 stations use armored car carriers
 - 2 companies (1 services 176 stations and 1 services 20 stations)
- Each station follows an optimized pick-up / delivery schedule that is cost or operationally justified
 - Number of pickups per week and the specific days of the week
- Uniform contract and negotiated fees -- transportation services only

Bank deposit supplies

- 1 company provides all bank deposit supplies



Implementation

- **Phased implementation strategy**
 - **Pilot program**
 - **Phase 1 – 4 stations**
 - **Phase 2 – 4 additional stations**
 - **Implemented the remaining stations over the next 10 months**
- **Unique station requirements**
 - **20 stations could not be serviced by our lead armored car carrier due to their location requiring a new competitive bid and selecting a second armored car carrier**
 - **19 stations could not use any armored car service because they operated only at night (11 stations) or were located in very remote areas (8 stations)**
 - **Solution: bank branch night drop deposit or exchange cash for a cashier's check and mail the check(s) to the bank's central check processing area**



Benefits

Cash management / controls

- Fewer banks, bank accounts, automated cash concentration, availability of funds, and greater interest income
- Uniform banking practices, policies, and procedures
- Improved internal control and employee security
- Bank reconciliation performed in-house
- Central point of contact, standardized contracts, and uniform fees

Cost savings

- Employee overtime eliminated
- Lower fees: bank, armored car carrier, and bank deposit supplies



Bank Deposit Supplies

Consolidating

STOP IF VOID PATTERN IS DETECTED CONTACT SENDER IMMEDIATELY **STOP**

DO NOT TAMPER WITH THIS BAG. VIOLATORS MAY BE PROSECUTED TO THE FULL EXTENT OF THE LAW

AA 065084

FROM: **AMTRAK**

Date: _____

DEPOSIT SAID TO CONTAIN:

Cash: \$ _____

Coins: \$ _____

Checks: \$ _____

TOTAL DEPOSIT: \$ _____

Signature: _____

TO: _____

INSTRUCTIONS

- 1 Complete all information on this slip prior to use. Tear off receipt at bottom of slip and retain for your records.
- 2 Insert deposit slip into back panel.
- 3 Seal envelope by sliding flap over top of envelope.
- 4 Place this bag into white slipper to seal.

To reorder : 1-888-750-4545
www.transourceonline.com

ADVECTA TO REMOVE CONTENTS - CUT ALONG DASHED LINE

TEAR OFF RECEIPT

DATE: 5-08-08

TOTAL DEPOSIT: \$1000.00

PREPARED BY: Steve Smith

VERIFIED BY: Kathy Wright

TEAR OFF RECEIPT

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Daily

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TranSource®

DEPOSIT TICKET

Date: _____

Deposit Bag # _____

Prepared By: _____

Verified By: _____

CURRENCY	DOLLARS	CENTS
_____ x \$1		
_____ x \$5		
_____ x \$10		
_____ x \$20		
_____ x \$50		
_____ x \$100		
COIN		
TOTAL CASH		

CHECKS (INCLUDING BANK, TREASURY OR TRAVELERS) AND MONEY ORDERS

1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
TOTAL CHECKS	
PLEASE REVIEW TOTAL TOTAL HERE	

PLEASE BE SURE ALL ITEMS ARE PROPERLY SECURED.

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TOTAL ITEM



Questions

