Business Resiliency Statement
Check Service

The Federal Reserve Banks' Check Service provides financial institutions and government agencies with the ability to present electronic and paper checks for payment from the paying institution. Based on the types of services to which a financial institution subscribes, the effect of a service disruption may differ. The below describes what a financial institution may generally expect for certain products, but is not intended to specifically describe what will happen during any business disruption.

Depositing Check 21 Financial Institutions
In the event of a significant Check 21 service disruption, electronic files from FedForward® and FedReturn® depositors may be routed by the Federal Reserve to back-up sites/servers for processing in order to minimize the impact on electronic depositors and ultimately electronic receivers. Availability for Check 21 customer files routed to back-up sites/servers will remain the same. Please note that File Acknowledgements may be delayed depending on the severity and nature of the disruption.

Additionally, an alternative deposit location for legacy paper deposits may be designated and communicated if necessary. Paper depositors may wish to seek alternative channels for return items during any significant service disruption period. Upon resumption of the Federal Reserve legacy paper processing system, reduced paper processing capacity may exist. To best manage capacity issues, the Federal Reserve may encourage paper depositors to seek alternatives and/or may limit services until normal conditions resume.

Payor Financial Institutions
Because of the interdependencies between payor services and deposit processing, institutions should be aware that payor services would be affected by processing changes during a disruption. If deposit processing is in anyway delayed or suspended, payor services for current presentments may also be delayed or suspended. This would include delivery to FedReceipt Plus® and/or PDF customers; however, depending on the disruption, access to archived images may continue to be available.

If Federal Reserve processing is relocated to back-up sites/servers, payor services would resume although capacity changes, processing schedules and deposit patterns may affect the service provided. Some disruptions that could occur include:

- Files typically available in the early morning may be delayed from normal schedules. There may be no access to physical items held in storage.
- Image archive copies may be used for returns requested from stored items.

Data Centers

Multiple data processing centers support the Check Services application suite. Data processing centers are geographically dispersed to mitigate the effects of natural disasters and power and telecommunications outages. In addition, data centers include various   contingency features, such as data backup, redundant power feeds, environmental and emergency control   systems.

- *On-site Recovery*
  Should an application fail, the targeted recover time objective is two hours. Because of the batch-processing environment of the Check Services application suite, the recovery process would require each customer to reconcile the status of files sent or received.

- *Remote Recovery*
  The Check Services application transmits and applies transactions to backup sites at certain points in a processing day. Should the primary production site or processing environment experience a serious confidentiality, integrity, or availability problem, the application is expected to be operational at our backup facilities in 12 hours. Because of the batch-processing environment of Check Services, the recovery process would require each customer to reconcile the status of files sent or received.

Data Center Operations Support

Hardware and environmental software specialists are located at multiple sites, including the data processing centers that support Check Services. These specialists maintain and monitor the environments that support the Check Services applications, manage environmental software upgrades, and diagnose and resolve data center problems.

Technical Support Personnel

Application Support

The Check Services applications are supported by a team of programmers, implementation, testing,   business, and operations staff. Together they are responsible for supporting, and operating an   efficient, accessible, and reliable check progressing payments system.

The operations staff, located in multiple geographic locations, provides around the clock coverage, monitoring the application to ensure   processing deadlines are met. In the event of a disruption at one location, the staff at alternate locations can immediately monitor all check payment processing activity while issues at the affected site are addressed.

Customer Support

Customer Support specialists are responsible for responding to customer inquiries and requests, file monitoring, performing customer setup activities, and other operational tasks. Operations specialists are located in multiple geographic locations, which results in expected minimal disruption to Customer Support during a contingency event in any one location. In the event of a disruption, Customer Support is able to make modifications to reroute its call traffic to support all customers.

<ins>Contingency Testing</ins>

The Federal Reserve System invites customers with electronic communication connections to Check Services to participate in the application contingency tests. The application contingency tests are conducted and certified periodically throughout the year. During the contingency tests, customers test their ability to reconcile and resume processing of their transactions following a Check Services application recovery simulation. Please refer to the FedACH® and Check Services Business Continuity Guide for additional information.