

Now *that's* smart banking.



Welcome to the Pegasus Bank Treasury Management Newsletter. Pegasus Bank continues to invest in our Treasury Management services to ensure that we are able to provide our clients with industry-leading offerings. This issue of our newsletter highlights recent and upcoming changes.

Back and Better than Ever: Treasury Management Webinars!

We know, it's been a while since we've offered a Treasury Management webinar, so to make up for lost time, we're back with a double feature! Join us for either or both of our upcoming webinars.

First, on Thursday, May 9, at 10 a.m. CT, we will host a webinar on various Treasury Management topics, of interest to all users. We will discuss:

- Payments Strategy (see article on page 3)
- Upcoming changes to our Treasury Management offerings

To register, click [here](#).

Second, on Thursday, May, 16, at 10 a.m., we will offer a second webinar, this time to take a “deep dive” into payments. If your organization currently originates ACH credits and/or debits, and sends domestic and/or international wires, or you are interested in learning more about using any or all of these services, you will want to attend this webinar! We will answer such questions as:

- What does it mean to be an ACH Originator?
- What rules and regulations must an organization adhere to when sending ACH and/or wire payments?
- What if an organization receives a return or a notification of change (NOC) for an originated ACH item?
- Can an organization recall a wire transfer? Reverse an ACH transaction?
- What are the potential pitfalls of not adhering to applicable rules and regulations when sending ACH and/or wire payments?

Register [here](#). If there is a topic you would like for us to cover in an upcoming webinar, please let us know! Call us at (214) 353-3085, or e-mail us at tm@pegasus.bank.



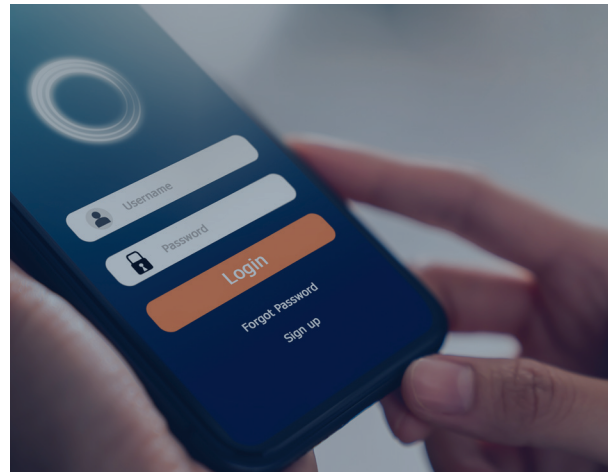
Next Week: Updated Positive Pay User Experience

At the opening of business on May 7, 2024, all users who have access to work Positive Pay check exceptions will see a new and improved updated user experience. The improvements will allow users to identify exceptions that have previously been decided versus exceptions that have not yet been decided. Additionally, users will have the option to only decision exceptions that they were ready to decision, thus allowing them more time to review other exceptions that may need a little more investigation.



Upcoming Changes to the Treasury Management Platform and Mobile App

In the weeks and months ahead, we will be sending you communications regarding significant changes that will impact all users of the Treasury Management platform and mobile app. Stay tuned for additional information regarding the changes and timing. In the meantime, below is an outline of what we are doing and why.



A New Way of Logging in to Treasury Management: Unified Identity Service (UIS)

We will be implementing Unified Identity Service (UIS), a replacement solution to Outseer's (formerly RSA) Multifactor Authentication. While the existing two-factor authentication at login meets the basic need for scrutinized access, UIS takes that to the next level, providing a more consistent and secure mechanism for login authentication. With UIS, a unique identifier is generated and maintained for a single identity that links an end user with their credentials stored in Google Cloud Identity. UIS will not impact end user permissions stored in products that utilize UIS; all permissions and ability to access still reside within Treasury Management.

Migration from Native App to Progressive Web App

The current native app for Treasury Management will be replaced with a **"progressive web app" (PWA)**. A PWA is essentially a website that performs like a downloadable app, meaning you get the best of both worlds: the speed and flexibility of web development, and the streamlined look and feel of an app. Once changes are made to the application, they become available on all platforms at the same time, creating instant consistency and eliminating the need to constantly republish native apps and go through the various approval processes needed to make updates available. With a PWA, the question of ***"Do I have the most recent version downloaded?"*** is a thing of the past. This upgrade will provide upgraded functionality, including responsive design characteristics, a fresh look and feel, a more efficient development process (which means faster releases of new features and fixes), and more.

Do You Have a Payments Strategy?

A recent “*buzz phrase*” in treasury management is “*payments strategy*.” Does your organization have a payments strategy? How are you making payments? How are you receiving payments? What are the best options for doing both? What are the benefits and potential drawbacks of making or receiving payments in certain ways? Pegasus Bank is here to help! Below we have posed some questions around various payment types, and your current or potential use of them, along with some answers we think can help.

Call the Pegasus Bank Treasury Management team at **(214) 353-3085**, e-mail us at tm@pegasus.bank, or send us a secure message through the Message Center on the Treasury Management platform. We look forward to speaking with you!

Q: *Do you write checks?*

A: If the answer is “Yes,” you should be using Positive Pay with Payee Name Verification, or Reverse Positive Pay.

Q: *Would you like to provide your routing number and account number to a vendor or trading partner and allow them to debit your account via ACH? Does the thought of doing this make you nervous?*

A: First, keep in mind that, when you send a check to a trading partner via mail, that check has your routing number and account number on it. The check could be stolen from the mail, and the fraudster who gets ahold of your check has all that they need to commit fraud—either via check or ACH!

Pegasus Bank’s ACH Blocking & Filtering service allows you to set parameters for ACH debits to your account, including allowing certain parties to debit your account, and for a specific dollar amount or dollar range. Rest assured that you can allow vendors or trading partners to debit your account if you so desire, without increasing opportunities for unauthorized debits to your account.

Q: *Are you taking full advantage of Pegasus Bank’s Business Bill Pay offering?*

A: Business Bill Pay allows you to make payments to other businesses via check or electronic means (dependent upon the relationship the payee has with our bill pay provider), with a limit of \$50,000 per transaction and \$50,000 per day. When you use Business Bill Pay, you will see at the time of creating the payment whether the item will be sent via check or electronically via ACH. For any payment you make that is sent as a check, the information about that check will automatically populate into our Positive Pay service as an issued item.

You can also use Business Bill Pay to make electronic payments to individuals. If the person to whom you are making the payment will provide you with their routing number and account number, you can send them an electronic payment of up to \$4,900 per transaction (with a daily limit of payments to individuals of \$9,800). This might be helpful if you have a small number of employees who want to be paid via Direct Deposit, but you are not enabled to originate ACH items.

Q: *Are you collecting checks from customers for recurring payments?*

A: As check fraud and mail theft have been on the rise, many Pegasus Bank clients are looking for ways to collect payments. Talk with a member of the Pegasus Bank Treasury Management team about the option of getting set up to originate ACH debits to collect those recurring payments from your customers. Help eliminate the opportunity for check fraud, and allow for more certain timing of your incoming payments.

Q: *Do you accept credit cards in-person via point of sale (POS) devices, and/or via telephone or your website?*

A: Did you know that Pegasus Bank offers merchant services for credit and debit card acceptance? Our merchant services representative provides the same level of high-touch service you have come to know as a hallmark of Pegasus Bank’s Treasury

Management team. Talk with us about your credit and debit card acceptance needs, and we can explore pricing in comparison with your current provider.

Q: *Do you have trading partners asking you to accept payment from them via credit card or virtual credit card?*

A: We have heard from clients that are being contacted by representatives of their trading partners, asking if our clients will accept payment via credit card or virtual credit card. The benefit for you—possibly receiving payment more quickly, and not having to worry about processing a check—may be offset somewhat by the fact that you will pay interchange fees to accept credit cards. An ACH credit to your account would have the same benefits as far as speed and cutting checks out of the equation, and would have the additional benefit of being a low-cost way for you to receive funds. (As a reminder, Pegasus Bank does not charge a fee for an incoming wire transfer or for an incoming ACH credit!)

Q: *Does your organization use a corporate credit card to make purchases, track spending and earn rewards?*

A: Pegasus Bank partners with Elan Financial Services, to offer our corporate clients a variety of cards to suit your needs. Let us help you find the right fit!

Q: *Have you seen references in the news to the Federal Reserve Banks’ FedNow instant payments service, or to a similar platform, the Real Time Payments (RTP) network from The Clearing House Payments Co. (TCH)?*

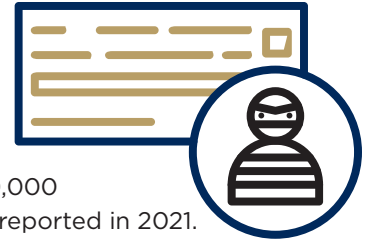
A: “Real-Time Payments”—also known as “Instant Payments”—have been in the news lately. While your current needs may be met by using ACH payments and wire transfers, in the future you may have a need for real-time payments. Pegasus Bank clients can currently receive incoming real-time payments through both the Federal Reserve’s FedNow instant payments service, or the Real Time Payments (RTP) network from The Clearing House Payments Co. (TCH). As these two platforms gain in the number of participants and volumes, Pegasus Bank is carefully monitoring the situation to ensure that, should our clients need to send real-time payments, we will be able to facilitate those payments.

Q: *Do you have a Disaster Recovery/Business Continuity plan in place that provides for the continuous making and/or receiving of payments?*

A: Talk with a member of the Pegasus Bank team to ensure that your Treasury Management platform, users and associated permissions are all up to date. Are you unable to make a payment due to unforeseen circumstances? If you are set up for Same Day ACH, you can send a payment until 2 p.m. on the Effective Date, and funds will be available in the Receiver’s account by 5 p.m. (local time). Are you unable to make it to your office to use the remote deposit capture (RDC) scanner to make deposits, or is your scanner out of commission? Make sure you have mobile RDC turned on as a backup.

Combatting Check Fraud

No matter the source of the data, it's clear that check fraud and mail theft continue to plague businesses and banks. Earlier this year, the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury, issued an alert on a "nationwide surge in check fraud schemes targeting the U.S. Mail." Banks issued about 680,000 suspicious activity reports (SARs) related to check fraud in 2022, nearly double what they reported in 2021.



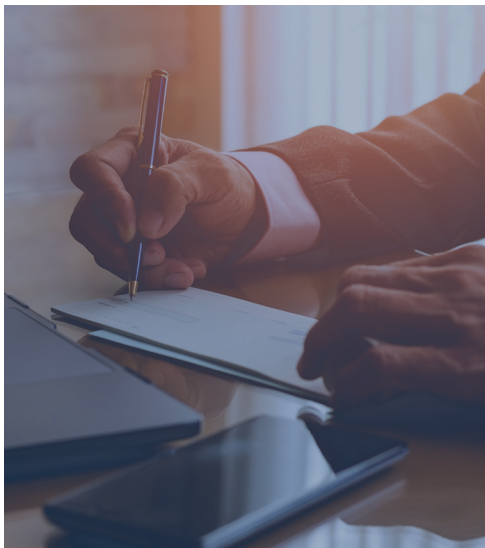
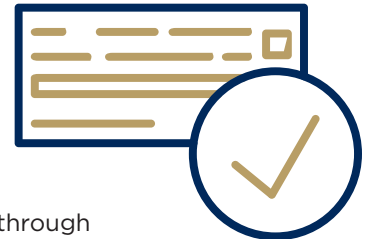
Meanwhile, **the U.S. Postal Inspection Service reported** roughly 300,000 complaints of mail theft in 2021, more than double the 2020 level, despite actions taken to make mail collection boxes more secure.

Lastly, the Association for Financial Professionals (AFP®) recently released the results of its **2024 Payments Fraud and Control Survey**, based on 522 responses from corporate treasury management practitioners from organizations of varying sizes and a range of industries. According to the survey results:

- **80%** of organizations surveyed reported having been targets of payments fraud activity in 2023, an increase from **65%** in 2022.
- Checks continue to be the payment method most susceptible to fraud, as reported by **65% of respondents**.
- Furthermore, **70% of organizations** using checks have no immediate plans to discontinue their use.

To protect yourself from the ongoing risk of check fraud:

- Enroll in Pegasus Bank's Positive Pay service, or designate your account(s) as "Post No Checks" (see below).
- Mail your checks from inside the post office, not from a mailbox at your building or even the blue USPS collection boxes outside of USPS facilities.
- If you handwrite checks, use permanent, indelible black gel ink that cannot be removed through washing techniques because the ink seeps into the fibers of the check.



New Service: "Post No Checks"

In previous webinars, we previewed a new service, which is now available: Post No Checks.

We now have a new type of Account Analysis account that can be used to indicate an account on which a customer will not issue any checks. Unlike with Positive Pay, where a customer is presented with exceptions, items attempting to clear against this new account type will be automatically returned, without the customer ever seeing them. If a customer also does not want this account to receive any ACH transactions, the customer can place an ACH Debit Block or use ACH Filter Management.

As a reminder, Pegasus Bank encourages customers to enroll accounts on which they will issue checks in our Positive Pay service. There is no monthly charge for Positive Pay.

NOTICE: Change to Pricing for ACH Debits Received

In our current Treasury Management Schedule of Fees, a "Debit" transaction (for example, a check clearing the account) is priced at \$0.15 and an "ACH - Debit Received" at \$0.12. To synchronize the two, **effective June 1, 2024** the price for a both a "Debit" and an "ACH Debit Received" will be \$0.15. Please contact the Treasury Management team with any questions, at **(214) 353-3085** or via e-mail at tm@pegasus.bank.

Our Treasury Management team has a combined experience of more than 50 years and a service mindset.



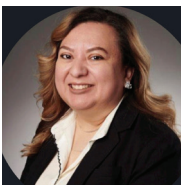
Matt Davies
Director of Treasury Management
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Matt Davies joined Pegasus Bank in 2020, and has more than 25 years of banking, payments and product management experience. Prior to joining Pegasus, Matt spent a total of 19 years with the Federal Reserve Banks of Kansas City and Dallas. Matt holds a bachelor's degree from William Jewell College, in Liberty, Missouri, and is a graduate of the Graduate School of Banking at the University of Wisconsin, Madison.



Amber Neroes
Vice President
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Amber Neroes has been with Pegasus Bank since 2015, and has served in several roles including personal banker before becoming a Treasury Management officer. Amber holds a bachelor's degree from Boise State University and a master's degree from Texas A&M Commerce.



Elisa Arellano
Assistant Vice President
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Elisa Arellano joined Pegasus Bank in 2019, bringing with her 21 years of experience in banking and Treasury Management at another local financial institution. Elisa is bilingual, speaking both English and Spanish, and, in addition to her Treasury Management responsibilities, serves as an international banking specialist.



Kailey McCaw
Vice President
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Kailey McCaw joined Pegasus Bank in 2018 as a personal banker, and joined the Treasury Management team in 2020. She received a bachelor's degree from The University of Texas at Tyler, and holds the Series 6, 7 and 63 licenses.



Allie Sparks
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Allie Sparks joined Pegasus Bank in 2020 as a personal banker, and joined the Treasury Management team in 2022. She received a bachelor's degree from the University of Mississippi and remains an avid Rebel fan.



Missy Percy
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Missy Percy has been with Pegasus since its founding. She is a graduate of The University of Arkansas.



Madie Marshall
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Madie Chambers has been with Pegasus Bank since 2020 and is the newest addition to our Treasury Management Operations Analyst. Madie graduated with a BBA in Marketing from The University of Mississippi.



Need Help? Contact Pegasus Bank's **Treasury Management team** at **(214) 353-3085** or email us at: tm@pegasus.bank.

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