



## REMOTE DEPOSIT CAPTURE (RDC) TERMS & CONDITIONS

Users of Bank of Hawaii's Remote Deposit Capture (RDC) service have an obligation to safeguard check information from physical and electronic theft. Please review the Bank of Hawaii Cash Management Services Agreement related to your obligations in using RDC service and the RDC procedures and controls described below that you should have in place when using the Bank of Hawaii's RDC service.

### Check Storage and Destruction

Checks contain non-public personal information about the check writer. Any collected information should be treated as confidential and stored securely to prevent unauthorized access. Retention of items with confidential information increase the risk of fraud.

- Stored checks, check copies, or check image files are kept in a locked cabinet/room or password protected, before and after scanning.
- Stored checks are destroyed within 45 days after processing.
- Checks are destroyed in a manner that ensures that the check information can no longer be read.

### RDC Access Controls

Insider fraud is a threat to your business. All staff members should be aware of their responsibility to maintain confidential information and follow processing controls.

- A user policy is in place that communicates to employees their responsibilities for safeguarding financial and customer information including standards for strong passwords, segregation of duties, dual control, and internet usage.
- Adequate training program/procedures are developed and implemented to ensure that all staff members are aware of processing controls and obligations.
- At least one staff member is assigned System Administration access that can change staff access profiles, accounts, and reset passwords.
- RDC system access is provided only to those staff members with a valid business need and are assigned unique user IDs and passwords.
- Access profiles are assigned to staff members specific to their RDC access needs.
- RDC access assigned to your staff is periodically reviewed.

### Insurance Coverage

Bank of Hawaii recommends that all customers have insurance coverage in case of employee theft or fraud. This includes a Liability Insurance Policy and a Criminal Crime Insurance Policy.



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### Processing Controls and Checks Not Permitted

As specified in your Cash Management Agreement, there are certain requirements for scanning and depositing checks and only certain types of checks may be deposited. Bank of Hawaii's processing of any of the Checks described below as not permitted shall not obligate us to continue that practice, and we may stop doing so without cause or prior notice unless Bank of Hawaii has specifically agreed in writing to allow you to use RDC service to deposit Checks described below as not permitted.

### Processing Controls

- All checks that are processed are signed
- All checks are endorsed/stamped prior to scanning and depositing

### Checks not permitted

- Checks payable to a Third Party
- Demand drafts or remotely created checks (i.e., checks lacking the original signature of the drawer).
- Substitute checks (i.e., paper checks created from an electronic image)
- Checks that are irregular in any way (e.g., where the numerical and written amounts are different)
- Checks that have previously been returned unpaid for any reason
- Checks that are postdated or more than 6 months old
- Checks drawn on a foreign bank or payable in a foreign currency
- Checks payable to "Cash"
- Checks issued by you or any company affiliated with you through 20% or greater common ownership or control
- Any Check that you suspect is fraudulent or not properly authorized

### RDC Terms & Conditions:

By using RDC, you certify that you have read and understand your obligations under the Bank of Hawaii Cash Management Services Agreement and described above related to the use of Remote Deposit Capture.