

TREASURY NEWSLETTER

# Now *that's* smart banking.



Pegasus Bank's Treasury Management services help our commercial clients manage day-to-day cash flow as well as long-term financial positioning. Our Treasury Management platform provides a robust, flexible, and scalable cash management solution, delivered with the convenience and accessibility required in today's on-demand environment.

Check your October statement to view the latest edition of our CYBERSECURITY NEWSLETTER

**Pegasus Protects.**

We continue to invest in our services and our platform to ensure that we are able to provide our clients with industry-leading offerings. This issue of our quarterly Treasury Management Newsletter highlights upcoming changes to our services and our platform.

## Quarterly Webinars: Taking Treasury Management to the Next Level!

The Pegasus Bank Treasury Management team will host our next webinar for clients on Tuesday, November 8, 2022, at 10 a.m. CT. This webinar is designed to keep you up-to-date on our Treasury Management products and services, and payments industry news. 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](mailto:tm@pegasus.bank).

## Cybersecurity Awareness Month

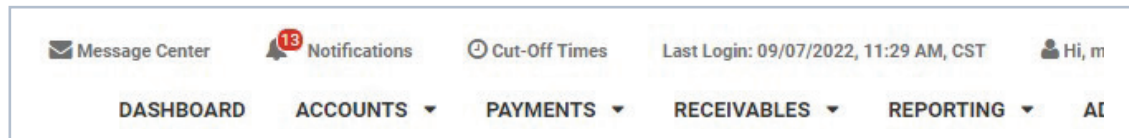
Since 2004, the President of the U.S. and Congress have declared October to be Cybersecurity Awareness Month, helping individuals protect themselves online as threats to technology and confidential data become more commonplace. The Cybersecurity and Infrastructure Security Agency (CISA) and the National Cybersecurity Alliance (NCA) lead a collaborative effort between government and industry to raise cybersecurity awareness nationally and internationally. This year's campaign theme, "See Yourself in Cyber," highlights that cybersecurity is really all about the people. This year, the CISA and NCA are highlighting key action steps that everyone should take:

- **Think Before You Click:** Recognize and Report Phishing: If a link looks a little off, think before you click. It could be an attempt to get sensitive information or install malware.
- **Update Your Software:** If you see a software update notification, act promptly. Better yet, turn on automatic updates.
- **Use Strong Passwords:** Use passwords that are long, unique, and randomly generated. Use password managers to generate and remember different, complex passwords for each of your accounts. A passwords manager will encrypt passwords securing them for you.
- **Enable Multi-Factor Authentication:** You need more than a password to protect your online accounts, and enabling MFA makes you significantly less likely to get hacked.

For more information, including free resources, please contact the **Treasury Management team** at (214) 353-3085 or [tm@pegasus.bank](mailto:tm@pegasus.bank).

# Transmission of Wire Transfer Requests

Pegasus Bank clients should only submit wire transfer requests via a secure channel. The best option is to create your wire transfers on our TMS platform. Alternatively, you may submit a wire transfer request via secure message in the Message Center in the TMS platform. Once you are logged in to TMS, near the middle of the top of the page, click on “Message Center” (see snip below). From there, you can create a message and include an attachment.



If you do not currently have the ability to send wire transfers via the TMS platform, but would like to add that capability, please contact the **Treasury Management team** at **(214) 353-3085** or via e-mail at [tm@pegasus.bank](mailto:tm@pegasus.bank). The fee for creating a wire on TMS will remain \$8. Effective Dec. 1, 2022, the fee for initiating a wire transfer manually, which must be completed by Pegasus Bank staff, will increase to \$25.

## Finality of Wire Transfers & ACH Payments

Be aware that, once Pegasus Bank relays a wire transfer to the Federal Reserve for processing, the Fed will in turn credit the receiving bank, and the settlement is final. If a wire is sent in error, we may be able to request that the receiving bank return the funds, but the receiving bank is not obligated to do so (for example, if the funds have already been withdrawn from the beneficiary's account).

The ACH Network is governed by the **Nacha Operating Rules**. Under the Rules, you may initiate a reversal of an ACH payment for the following reasons:

- Incorrect payment amount
- A duplicate payment
- Payment sent to a receiving account that was different than the intended account
- A debit payment processed earlier than intended, or a credit payment processed later than intended

The reversal must be made available to the receiving depository institution (RDFI) within five banking days following the settlement date of the erroneous entry. However, the RDFI is not legally obligated to honor the reversal and may return it; for example, if the funds have already been withdrawn from the receiver's account.

## Wire and ACH Limit Increases

Pegasus Bank staff work with clients at the time of onboarding to establish a reasonable daily limit for wire transfers and/or ACH transactions. If at any time you need to increase your wire and/or ACH limit, we will gladly assist. If you find that you are regularly requesting increases to your limit, please consider requesting that your limit be increased permanently. Beginning December 1, 2022, if you request a wire or ACH limit increase of \$100K or less, we ask that you agree to making that increase permanent.

## NEW! Self-Service ACH Debit Blocking & Filtering

We recently rolled out an enhancement to our ACH Blocking & Filtering service, which puts clients in control. Once this service is activated for you, you can create, edit, and delete ACH Filter Rules. Rules can be based on ACH company ID, ACH company name, payment type (Standard Entry Class [SEC] Code) or transaction dollar amount or range. Incoming ACH transactions that do not meet the filter rule criteria will generate an ACH Exception that you will decision (Pay or Return). As communicated later in this newsletter, the fee for the ACH Blocking & Filtering service will drop from \$25 per account to \$15 per account, effective December 1. To activate ACH Debit Blocking & Filtering on your account(s), please contact the **Treasury Management team** at **(214) 353-3085** or via e-mail at [tm@pegasus.bank](mailto:tm@pegasus.bank).

## Check Fraud Is on the Rise!

The number of checks being written in the U.S. has declined significantly over the last 10 years. The Federal Reserve now processes 14.5 million checks per day, down from 26.7 million in 2011. However, the checks still being written are primarily business checks, so the average value of a check has risen to \$2,395, versus \$1,187 in 2011 (**see “Rampant Check Fraud Pits Banks Against Other Banks,” by Kate Berry, AmericanBanker.com, Sept. 1, 2022**).

Checks with a larger average value, as well as the number of stimulus and unemployment checks mailed in 2020 and after through the U.S. Postal Service, have attracted the attention of fraudsters, who have redoubled their efforts in the realm of check fraud.

Commercial clients should monitor their accounts daily, and notify Pegasus Bank staff of any potential check fraud as soon as possible. Pegasus typically has until midnight of the following business day to start the process of reporting a bad check to the “bank of first deposit” (BOFD). The BOFD is in the best position to know its customer’s signature. Check regulations differ depending on the type of fraud; for example, if the check is counterfeit, or has a forged signature or a fake endorsement.

Our clients have found our Positive Pay service, including Payee Name Verification, to be a powerful tool for fighting check fraud. With Positive Pay, you upload information about checks you have issued into our Treasury Management platform. When items clear your account, we attempt to match each item to an item from your issued file. We present any exception items to you to be decisioned, either Pay or Return. This facilitates timely return of fraudulent checks, reducing the chance that you incur any loss. Pegasus Bank clients using Positive Pay have prevented hundreds of thousands of dollars in attempted check fraud.

There is no monthly fee for the Positive Pay service. To activate Positive Pay on your account(s), please contact the **Treasury Management team** at **(214) 353-3042** or **[tm@pegasus.bank](mailto:tm@pegasus.bank)**.

## ACH Originators: Notices of Returns and Notifications of Change (NOCs)

If you originate ACH items through the Pegasus Bank TMS platform, you agree to comply with the **NACHA Operating Rules**. You can find information about recent updates to the Rules on our **website**.

As an originator, you may receive return items or notifications of change (NOCs). A Return is created by the receiving bank to inform you, as the originator, that the transaction has not been posted and was returned for the reason indicated. An NOC is created by the receiving bank to inform the originator that an entry or prenote can be posted, but contains invalid or erroneous information and should be updated accordingly.

In the past, we have provided ACH Return and NOC notices to you using a third-party website (achedi.com). We are now able to provide this information in notices within the TMS platform. Treasury Management staff will be reaching out to affected clients to ensure a smooth transition.

We are also able to provide you with reports of any electronic data interchange (EDI) information you may receive in the addenda records of incoming ACH items. To request activation of this reporting, contact the **Treasury Management team** at **(214) 353-3085** or via e-mail at **[tm@pegasus.bank](mailto:tm@pegasus.bank)**.

## eStatements

We recently went live with our new eStatement provider on our TMS platform. If you are a company Admin who has not yet enrolled to receive electronic statements and notices, you can do so by going to the Reporting menu and selecting “BDI eStatements.” Contact **Treasury Management Support** for assistance at **(214) 353-3085** or via e-mail at **[tm@pegasus.bank](mailto:tm@pegasus.bank)**.

# Coming in January 2023: Two-Factor Authentication (2FA) at Login

On January 10, 2023, we will enhance the security of our Treasury Management platform by adding an additional prompt for Two-Factor Authentication (2FA) at the time of login. 2FA requires a user to provide their login credentials in addition to their password, as well as a second factor, which is usually a secure token or a one-time passcode (OTP) verification.

Beginning January 10, all Treasury Management users will be prompted for authentication via Secure Token or Out of Band at the time of login, based on their previously-selected authentication method.

For users of the Treasury Management mobile app, this enhancement will not change the user experience. Mobile users will continue to be prompted to input their user credentials or utilize biometrics.



Important notice for QuickBooks Express Web Connect Users: When 2FA at Login is enabled and you use QuickBooks via Express Web Connect, you will receive an error message blocking your ability to log in. When QuickBooks Online attempts to establish a connection, the interface to bypass tokens during the login process is not available as it is for Web Connect or Direct Connect.

If you have questions about this upcoming security enhancement, please contact the **Treasury Management team** at **(214) 353-3085** or [tm@pegasus.bank](mailto:tm@pegasus.bank). If you are a QuickBooks Express Web Connect user, the team can also discuss alternatives with you.

## Price Changes for Pegasus Bank Treasury Management Services

Effective December 1, we will modify the fees for several of our Treasury Management services. Pegasus Bank strives to provide our commercial clients with best-in-class products and services at competitive prices. We conduct market research, which indicates that our fees remain competitive with those charged by other financial institutions. An important part of Pegasus Bank's value proposition is the extremely favorable Earnings Credit Rate (ECR) that allows Pegasus customers to reduce or eliminate actual monthly service charges through balances on deposit.

**Pegasus Bank's current ECR is 1%.**

In support of the bank's ongoing partnership with clients in combatting fraud, last year we eliminated the monthly fee for our Positive Pay service. This year we will drop the monthly per-account fee for our ACH Blocking & Filtering Service.

Below is a list of the price changes that will be effective **December 1, 2022**:

Service	Current	New
ACH Blocking & Filtering – Monthly Maintenance (Per Account)	\$25	\$0
Wire Transfer – Monthly Maintenance (Per Company)	\$10	\$15
Wire Transfer – Manual*	\$15	\$25
*Note that the fee for a wire transfer initiated on the TMS platform will remain unchanged, at \$8 per wire.		
Uncollected Funds Fee	30-Day LIBOR	Prime + 4%
Deposit Account Control Agreement (DACA) – Setup Fee	N/A	\$250
Deposit Account Control Agreement (DACA) – Monthly Maintenance Fee	N/A	\$100
Deposit Account Control Agreement (DACA) – Legal Fees*	N/A	Actual
*Legal fees can be incurred if Pegasus Bank's standard DACA form is not used.		

If you have questions regarding any of the fee changes, please contact the Treasury Management team at **(214) 353-3085** or [tm@pegasus.bank](mailto:tm@pegasus.bank).

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



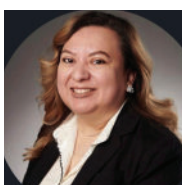
**Matt Davies**  
**Director of Treasury Management**  
mdavies@pegasus.bank

Matt Davies joined Pegasus Bank in 2020, and has more than 23 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**  
aneroes@pegasus.bank

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.



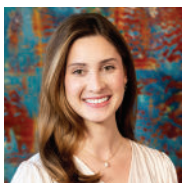
**Elisa Arellano**  
**Assistant Vice President**  
earellano@pegasus.bank

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.



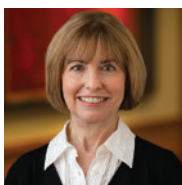
**Kailey McCaw**  
**Vice President**  
kmccaw@pegasus.bank

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**  
**Treasury Management Analyst**  
asparks@pegasusbankdallas.com

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**  
**Senior Vice President**  
mpercy@pegasus.bank

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



**Madie Chambers**  
**Treasury Management Operations Analyst**  
mchambers@pegasus.bank

Madie Chambers has been with Pegasus Bank since 2020 and is the newest addition to our Treasury Management team, as a 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@pegasusbankdallas.com](mailto:tm@pegasusbankdallas.com).

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