

EAGA Business Builder

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April 13, 2021

Today's speaker was Joe Sierra—Century Bank



Mr. Sierra has been married for 28 years and has two great children. While Joe was talking about his family, we could easily tell that he is a wise man. First, he managed to marry a lovely lady that has been willing to put up with him for over a quarter of a century. Second, he has allowed (or maybe even encouraged) both of his children to attend NMSU in Las Cruces (the best university in the state according to some of us). The Sierra's son has already graduated from college and is now working in the medical device industry. Their daughter is a senior this year (and able to attend that final year as an in-person student—yay!). She will next head off to Austin in pursuit of a nursing degree. She would have preferred

to remain in New Mexico, but there are currently not any slots available in the degreed nursing programs here. With both children away from home and heading off into their own futures, the elder Mr. Sierra may have even more time to spend in his banking career. Joe's expertise is in Commercial Banking and he had a few comments/insights regarding that this morning. Regarding the PPP program (everyone is painfully familiar with that so there no need to explain the acronym at this point in the game): the original loan proceeds were not supplied by some government fund. They came from the originating bank's reserves. That means the bank's lending capacity will be substantially diminished until the funds are paid back. With that in mind, it is important to the bank that outstanding loans be resolved as soon as possible. It would be best if that resolution were a forgiveness. When the loan is officially forgiven, the government funds will then come into play and the banks will be reimbursed. The money will become available for use in new community projects, so the funds can again flow through the economy. And the economy could use all the help it can get. It took a big hit with the coronavirus shutdowns, restricted operations, and general negative byproducts of the pandemic. Projections are that recovery will take at least another year. Supply chain problems are still pretty massive. Not just items from China, but many other places as well. Even things like copper from Peru are hard to get. Many parts of the economy are still shutdown. In our state theaters are still closed and hospitality related operations are still struggling. In addition to all that, everyone, at least every intelligent person, knows that taxes will be rising in the very near future. There is at least one positive straw to grasp. Bank examiners have been a little more relaxed during the pandemic than they were during the last recession. It is a definite positive that, when reviewing the portfolios and finding potential problems, examiners are allowing the banks and borrowers to work through the loans. This time around they are not requiring write-down or write-off to the degree that they did before. As noted earlier, Mr. Sierra has an expertise in commercial loans. And as also noted earlier, he is a wise person. He understands that loans are only a part of the benefits that a bank can provide for their clients. Another very important service that good banks provide is "Treasury Management". Knowing that service is not his expertise, Joe brought along Tyler Sisneros to provide the expertise. Mr. Sisneros does have the expertise in that world. He acquired a substantial amount of knowledge and experience in working with big bank's big customers via a 15 year employment in the Wells Fargo banking system. Seven months ago, Tyler joined the Century Bank team and he is now able to provide all his knowledge and experience to the customers of the smaller community bank. First off Mr. Sisneros noted that 'Treasury Management' does not have anything to do with the federal government (he is not able to do much to help that treasury). His services have to do with helping a company use their incoming and outgoing funds as beneficially as possible. He even uses professional terms like 'cash conversion cycle' when describing the areas in which he can help. A general rule is to keep your company's funds available for your own use for as long as possible. On the outgoing side—don't pay bills too quickly. Certainly don't be delinquent, but there is no need to pay invoices until just before their actual due date. On the incoming side—figure out ways to get customers to pay sooner. Maybe provide them with the ability to electronically transfer funds to you. Electronic deposits or ACH transfers allow you to get the money much more quickly than waiting for a paper check to arrive. Mr. Sisneros also provided us with a little insider knowledge...banking services offered are all pretty much the same no matter which bank you use. The real difference in banks comes in the knowledge and experience of the person that is providing the service. As noted earlier, Mr. Sisneros definitely has more of those qualities than are available from many of the service providers at other competitor banks. One of Tyler's major concerns has these days is fraud. Last year about 74% of businesses experiences some sort of fraudulent activity. Three fourths of those instances involved email and the actions to steal your funds these days are not the same as those of yester-year. Today it is not so much someone forging a company check, or an employee doctoring the books. Most often now, the fraud occurs when the company, through their own actions, actually sends money to the perpetrator. One of their 'tricks' are to send very official looking emails to company personnel requesting that a customer's mailing address be changed so that future payments go there instead of the to the customer's real address. Surprising as it may seem, very many times the spoof has succeeded...and the company cannot easily get their money back. An easy way to prevent this type of fraud is to have policies in place that will verify if a customer is actually wanting their address changed. Contact the customer and ask them - and not by email, but by a phone call to their known contact person. Other fraudulent activities can be done by the bad guys trying to use e-checks or ACH wire transfers to get money from your bank accounts. Your bank should be able to assist you in preventing those activities by using their 'Positive Pay' and 'ACH Fraud Filter' tools. Positive Pay works by the company uploading an electronic list of authorized checks and the bank's systems will verify each check against that list before allowing the funds to be withdrawn. ACH Fraud filters are restrictions that allow the funds to only be transferred to pre-approved recipients; and the bank can even put rules in place that will not allow any ACH transfers, or if appropriate, not any checks to be processed against your accounts. Advice on Accounts Payable policies, and cash conversion cycle practices should be free services offered by your bank. Positive pay and ACH fraud filters may have a very nominal (like \$20 per month) fee, and event that can be offset by earnings credits provided by the bank. Those earnings credits are something else that you should ask your bank about if you don't already know that you are getting them. If you have questions about any of this information, or about banking services that may be available for your benefit, you can call Joe Sierra at 505-771-7301. He can provide you the answers, or can find the person that can get you the answers (like Tyler Sisneros at 505-798-5922), and either one of them can provide assistance, like the "Vendor Verification Form" this is attached to the email with this bulletin. The form is a sample of what to use as documentation that a vendor requests to change some of the data that your company has on file for their account.

Contact information for Executive Director: Mario Hernandez

8100 Wyoming Blvd NE; Suite M-4 #35 Albuquerque, NM 87113

Phone: 505-239-0259

email: eagaed@gmail.com

- ◆ **FREE ADVERTISING** spaces are still available for Tuesday mornings in May and June. Please contact President, Mark Abramson or Executive Director, Mario Hernandez if you are able to take advantage of one of the twenty minutes, or so, presentation opportunities.
- ◆ The 2021 (or rescheduled 2020) Summer Bash has been tentatively planned for July 10th at the Turpen Family Compound. The Bash Committee will be forming soon and if you are interested in being a member of that illustrious group, please contact one of the Committee Co-Chairmen; Pat Maloy [pat@maloymobilestorage.com; Dan Mowery [cell phone best for him—505-480-8526].
- ◆ Our next meeting will be at Rio Bravo Brewing. Tuesday, April 20th - 7:00 am. Bernalillo County remains in the 'yellow' category for mandated in-person restrictions. The standard requirements (oh my gosh! I can't believe that I have classified them as 'standard') of face and nose coverings are still in place, so please make sure that you are wearing a mask as you venture through the parking lots going to, and from, the meeting, and whenever you are walking around within the facility. Be mindful that the social distancing requirements are still in existence as well, so please don't move additional chairs to a particular seating arrangement, no matter how good the jokes or stories are.
- ◆ **Upcoming speakers:**
 - Apr 20th Lance Darnell—Darnell Cable & Fasteners
 - Apr 27th Hass Aslami and Guest Speaker on Fundaxi
 - May 4th Available Business Promotion Opportunity slot
 - May 11th Available Business Promotion Opportunity slot
 - May 18th Available Business Promotion Opportunity slot
 - May 25th Available Business Promotion Opportunity slot

◆ **Note from Joe Sierra regarding additional information from his presentation:**

"Gents,

In our presentation Tuesday, Tyler said he would provide a generic form that collects information on vendors they are working with and are sending wire or ACH's to. The form can be used to supplement policy and procedures already in place by the business to validate existing payments or changes to payment routing. If membership has any question they can call me or Tyler Sisneros. Tyler's contact information is indicated below.

Tyler Sisneros, CTP

Senior Vice President

Director of Treasury Management and Digital Banking

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Albuquerque, NM 87113-2476

Thank you and appreciate speaking to the group.

Joe Sierra

SVP / Commercial Lender

O: 505.798.5914 || F: 505.899.9996

Joseph.Sierra@mycenturybank.com"

The form is included as an attachment to the email with this bulletin.

Contact information for Executive Director: Mario Hernandez
8100 Wyoming Blvd NE; Suite M-4 #35 Albuquerque, NM 87113
Phone: 505-239-0259 email: eagaed@gmail.com

VENDOR VERIFICATION FORM

New Request **Change Request**

***Note: A completed IRS W-9 form must be attached with form for new and change request.**

COMPANY INFORMATION

(Insert Your Company Name) Assigned Vendor Number, if applicable _____

Company/Individual Name: _____

Business Address: _____

Contact Name and Number _____

Last 4 digits of tax ID number: _____

Dun & Bradstreet Number, if applicable _____

CONTACT INFORMATION

**Provide two Financial Officers responsible for organization's, if applicable*

Name: _____ **Name:** _____

Title: _____ **Title:** _____

Phone #: _____ **Phone #:** _____

Email: _____ **Email:** _____

INVOICE INFORMATION AND PAYMENT

Provide last invoice number submitted for payment _____

Provide last check payment date: _____

Provide last check number and amount: _____

Provide the check amount: _____

**If the above is applicable*

Payment Remittance Address

Address: _____

Telephone Number: _____

Purchase Order Remittance Address

Address: _____

Telephone Number: _____

Vendor Signature: _____
Date: _____
Title: _____

Internal Use Only

Submitter:

If request was received via email, I contacted the requestor to verify using contact information outside of the email as my source.

I have reviewed all the details for the Vendor Verification and recommend approval/change.

Reviewer Signature: _____

Approval Signature: _____

Please send the complete form and support to:

Email: ???????
FAX: Accounts Payable Vendor Team: ??????