

Moving Your Accounts Payable and Payment Processes to the Digital Age

May 2022

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Outlook – Government Treasury Trends

What Matters

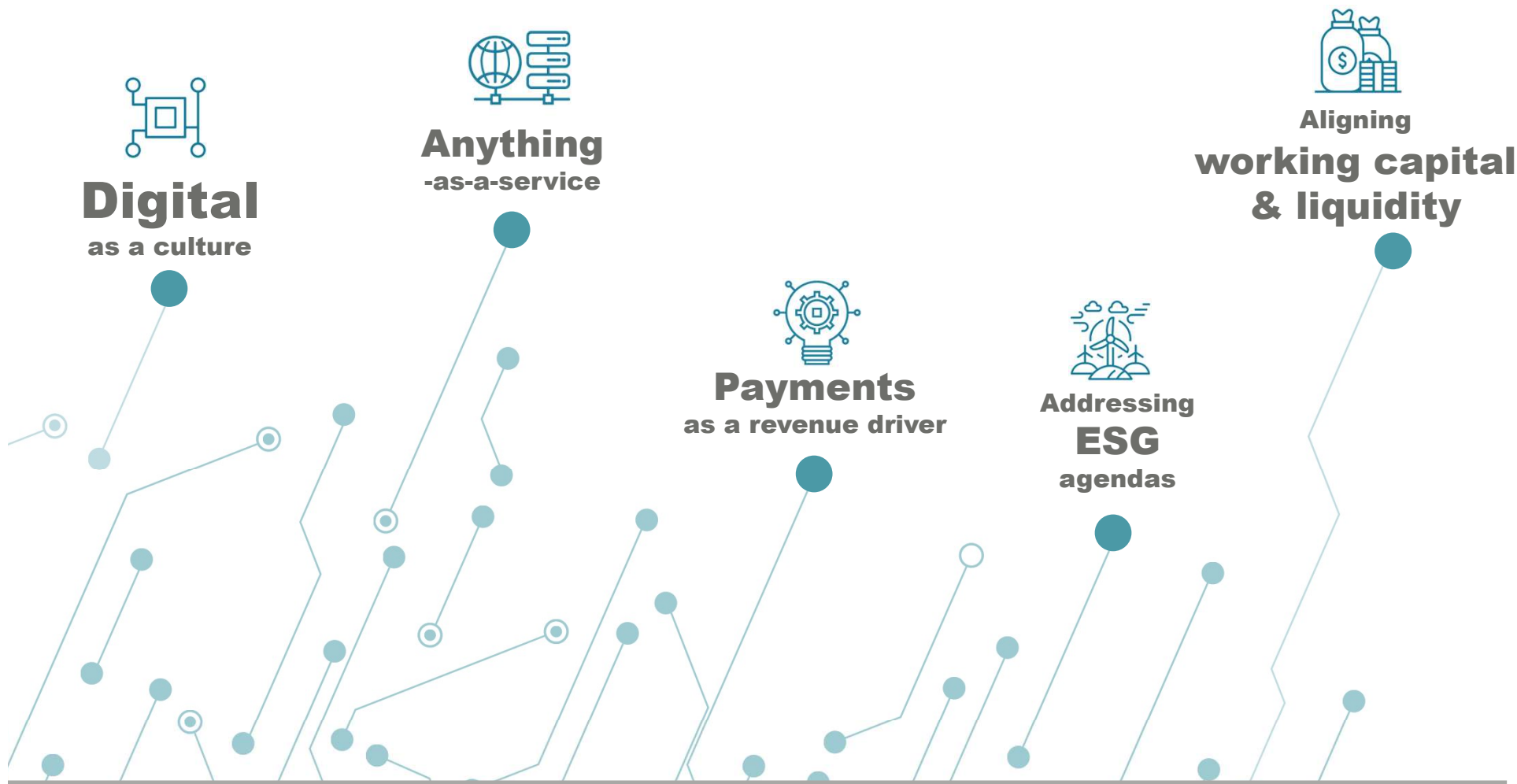
- Governments continue to look for **efficient**, low-cost channels to collect taxes, licenses and fees
- Constituents are looking for **convenience** when paying obligations and receiving refunds
- Implement **easy-to-use** payment channels that constituents will not perceive as difficult
- Governments have high concern over **security** and are focused on minimizing both electronic and paper fraud
- Employee **workloads** are increasing exponentially faster than staffing levels
- Assessing **risk** factors (data security, cyber attacks, privacy risks, etc.) when considering system upgrades/enhancements

Opportunities for Innovation

- Governments are moving from **paper to electronic**—for both payables and receivables
- The constituent experience can be enhanced through **mobile applications** for payment initiation and the disbursements of payments
- It's crucial to be able to **receive collections** no matter how the constituent wants to initiate the payment
- **Reporting** capabilities can be enhanced to support transparency initiatives
- Governments can take advantage of ePayables virtual purchase card programs to better manage **vendor spend**, increase security around payments and create rebates

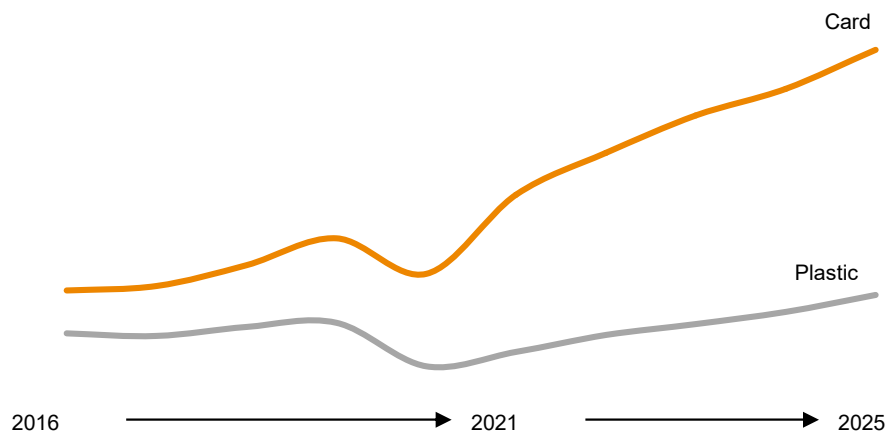
Payment Innovation – Driving Sustainable Growth

Payments are an integral part of a wider shift in the way we live and work today

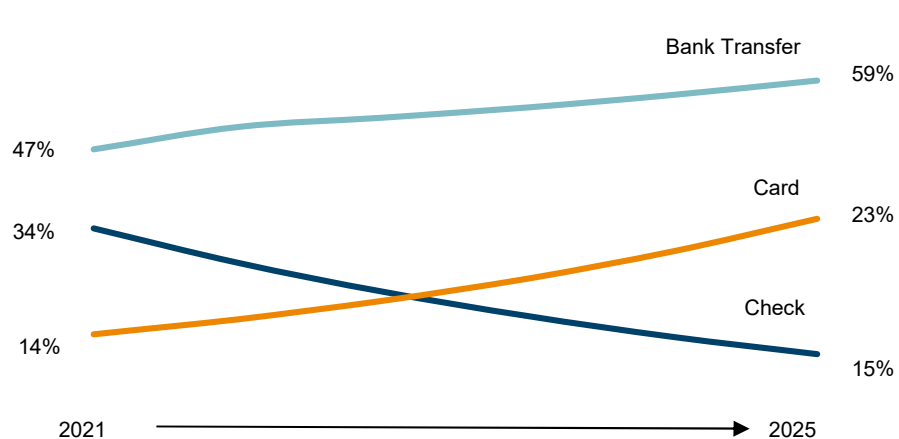


Upward Trends of B2B Payment Digitization

BANK XYZ COMMERCIAL CARD SPEND (\$)



U.S. DOMESTIC B2B PAYMENTS VOLUME (%)



90% projected growth	18% increase	71% of CFOs	84% of CFOs
in B2B virtual card payments from 2019-2022 ²	in Visa-accepting suppliers in first half of 2020 ²	have increased their use of digital payments since the pandemic ³	say that digitization has improved working capital ⁴

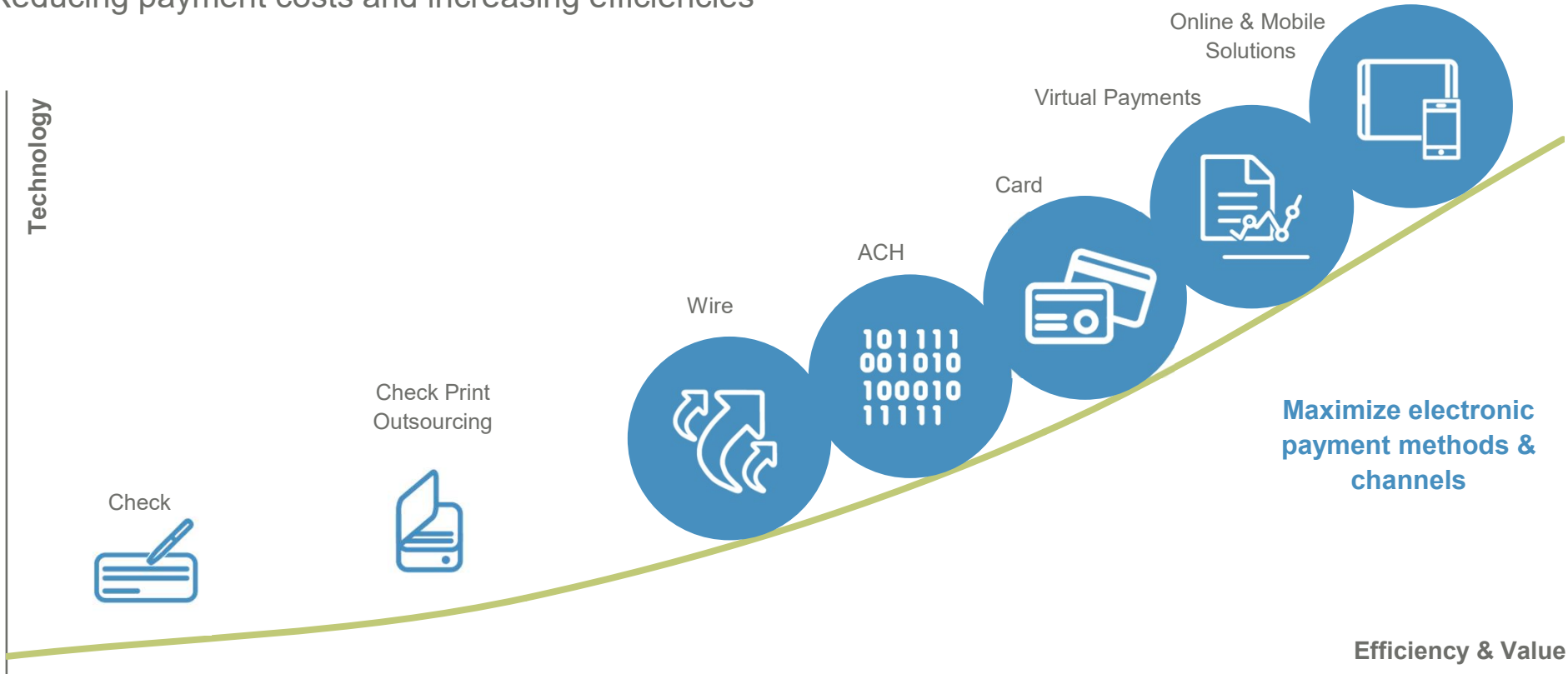
¹Juniper research via Coupa Blog October 2020, <https://www.coupa.com/blog/finance-ap/how-virtual-cards-for-b2b-payments-improve-cash-flow-capture-efficiencies-and>. ²Visa Q12021 Insights, Visa, Feb 2021, ³How We Pay, PYMNTS, September 2020. ⁴J.P. Morgan 2020 E-Commerce Payments Trends Report

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Payment Management

Reducing payment costs and increasing efficiencies



Checks

- Account Reconciliation
- Online Check Image
- Storage & Inquiry
- Controlled Disbursement
- Positive Pay

Check Print

- Print & distribution
- Payment types
 - A/P Checks
 - Claims
 - Payroll
 - Quick checks
 - Official Checks

ACH & Wires

- Same-day and conventional ACH
- Payroll Direct Deposit
- FedWire/CHIPS

Card & Virtual

- Purchasing card
- Virtual Payments
 - Rebates
 - Bank Led Vendor Campaigns

Online & Mobile

- Mobile Dashboard
- Enrollment Portals (Payment Portals)
- Zelle Payments

Simple and Reliable

Resources designed to meet your needs

Purchasing Cards

Plastic, cardless and ghost/
supplier payment solution



Virtual Card

Virtual, electronic, single use payables
solution

Reduce costly manual processing on low
value/high frequency spend



Target higher value spend requiring A/P
control or pre-approval

Employee convenience with powerful
spend controls and added visibility



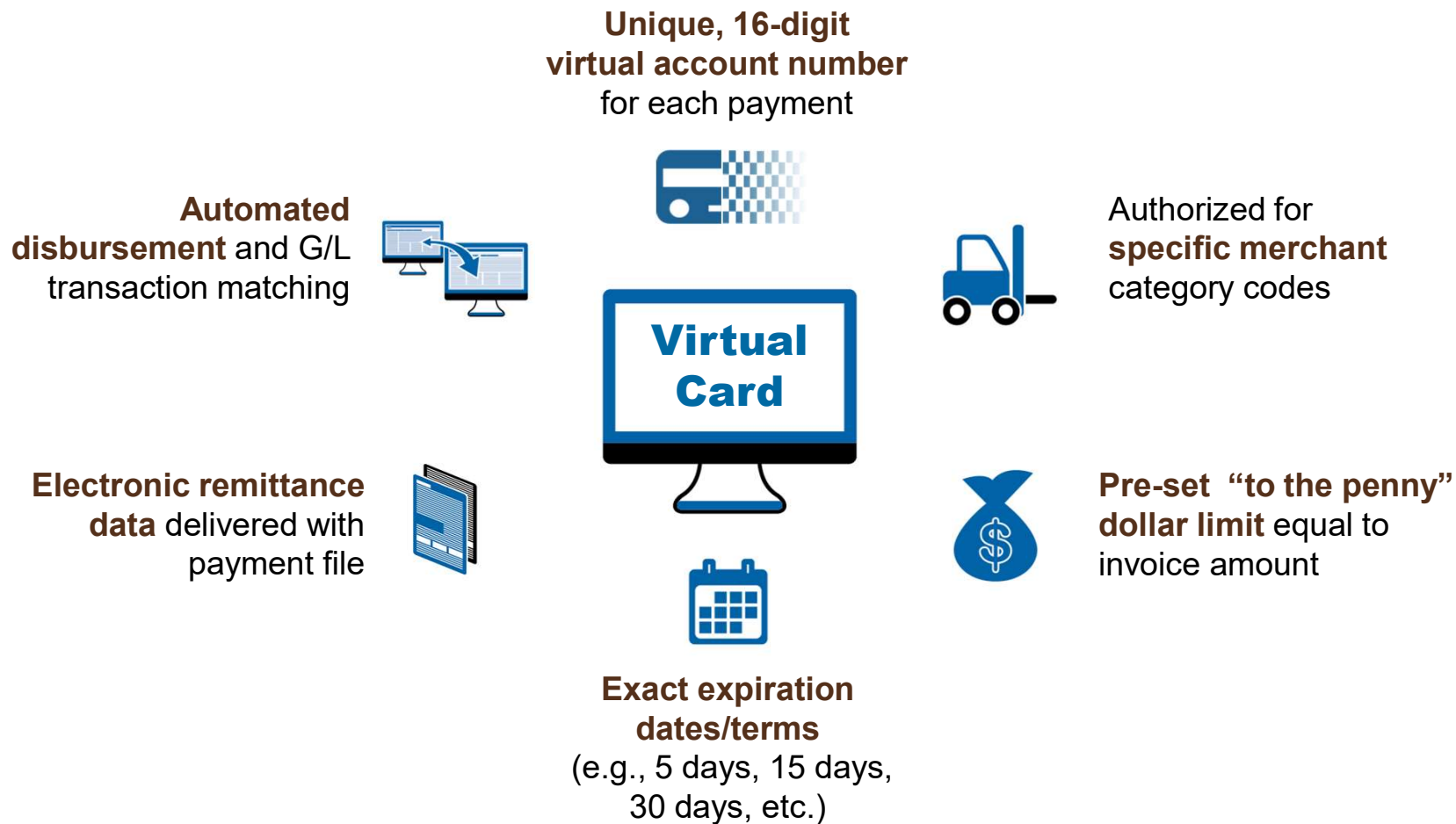
Benefits of a purchasing card with the added
controls of a check (date, exact amount)

Processing cost saves plus rebate
revenue and working capital opportunity

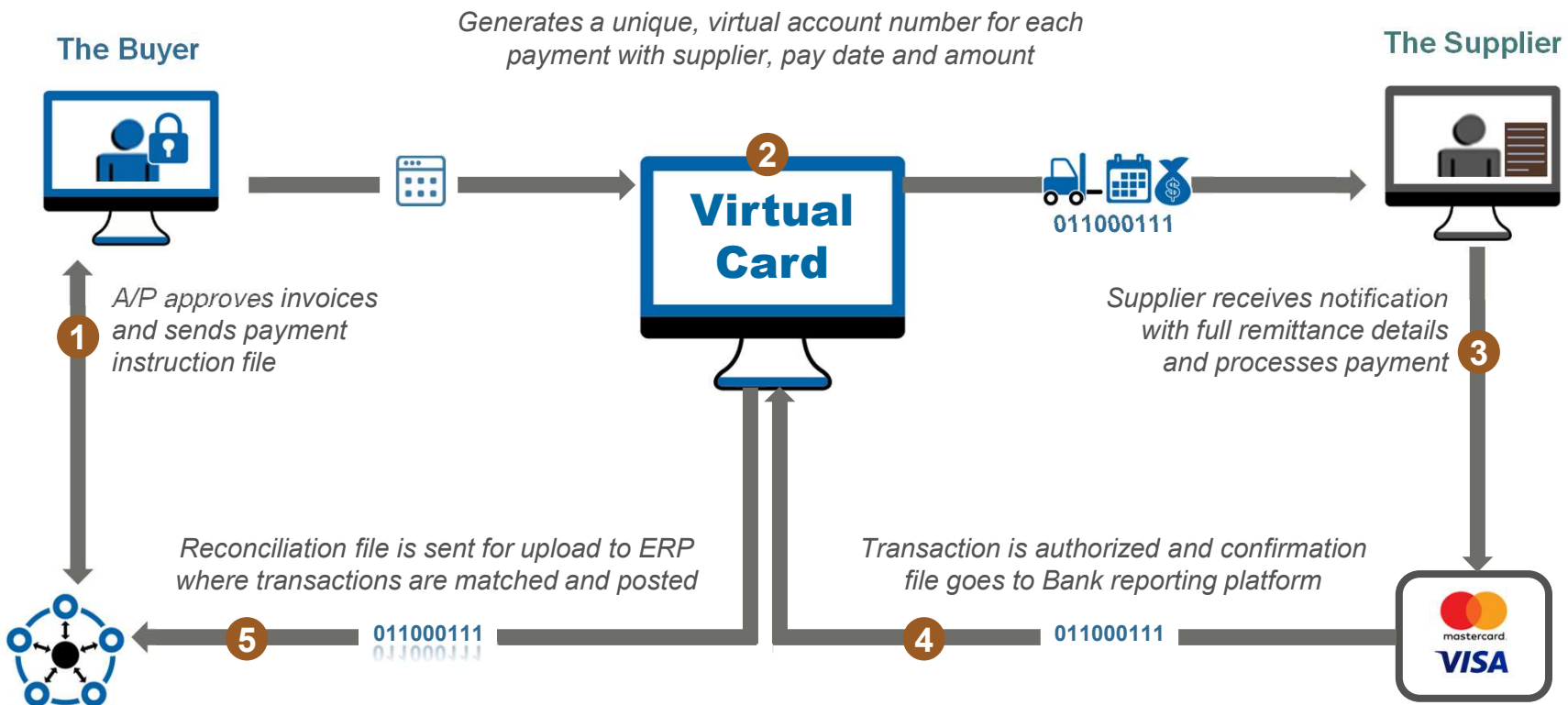


Gain efficiencies of ACH, plus rebate
revenue and cash flow opportunity

Virtual Card Basics



How Does Virtual Card Work?



Virtual Card Payment Strategy

A benefit to both you and your supplier

What you want		What suppliers want	
<i>Hold onto cash</i>	✓	✓	<i>Get paid faster</i>
<i>Extend terms</i>	✓	✓	<i>Reduce terms</i>
<i>Rebate revenue stream</i>	✓	✓	<i>Lower carrying costs</i>
<i>Less paper/manual work</i>	✓	✓	<i>Less paper/manual work</i>
<i>Ease of use/convenience</i>	✓	✓	<i>Ease of use/familiar solutions</i>
<i>Save money</i>	✓	✓	<i>Get more business</i>

Economic Benefits

Zero-cost payables card programs – realistic and attainable

Economic value	Factors
<p>Card rebates</p>	<p>Based on <u>spend</u> <u>and</u> <u>rate</u> with opportunity to increase amount earned each year</p>
<p>Cash flow benefit</p>	<p>Earnings on improved cash flow paying vendors by card vs check or ACH</p>
<p>Cost efficiencies</p>	<p>Savings you can achieve by reducing check and ACH payments</p>

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Building a Business Case for Change

There is no cost to you, the findings are insightful, and the process is simple



Questions?

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