

Payment Automation with Integrated Payables

October 2023

OHIO ASSOCIATION OF PUBLIC TREASURERS

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Agenda:

- ✓ Basics of Commercial Card Accounts
- ✓ Virtual Cards
- ✓ Stepping up to Integrated Payables
- ✓ How to earn revenue share from your bank

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Commercial Card

(aka Pcard or Purchasing Card)

- ✓ Travel & Entertainment (T&E)
- ✓ Purchases (one off and those where you don't want to establish an account with vendor)
- ✓ AP Payments
- ✓ Very few or no fees
- ✓ Volume of Spend and/or transactions is typically much higher than a typical business card account
- ✓ More bells and whistles
- ✓ Not a debit card, credit limit is established at time of account opening

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Chip Technology – Tap n Go



When card is 'dipped' in chip enabled terminal, chip will prompt for 4-digit PIN. PIN may also be required if contactless feature is used.

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Commercial Card Capabilities

- ✓ Provide custom reporting for reconciliation
- ✓ May have an Expense Report Management module to manage expense reports, code transactions and attach receipts electronically
- ✓ On-line access to order/close cards, increase/decrease limits in real-time along with visibility into pending and declined transaction detail
- ✓ Insight into level-3 data, when available (receipt line-item detail)
- ✓ Virtual card creation, either as a one-off or as a file upload of multiple cards at one time
- ✓ May offer ability to have a department card(s) "Accounts Payable" embossed as name on card
- ✓ PIN established at time of activation to mitigate fraud in a lost/stolen situation
- ✓ Offer rebate (cash or points)

Fraud Protection for Plastic and Virtual Cards


- ✓ Unauthorized transactions should be reported within 30 –days of statement date.
- ✓ Dispute form to be filed through Commercial Card Support team
- ✓ Transaction amount is removed from statement balance due
- ✓ Once researched, the amount is credited back to your account

What is a Virtual Card?

- ✓ Not a real plastic, but rather a digital card
- ✓ Created for a specific purchase
- ✓ Created for a specific amount
- ✓ Created for a specific number of transactions
- ✓ Created for a specific Vendor/Supplier
- ✓ Can created with PO or Invoice detail as part of the detail for reconciliation
- ✓ New card number generated every time so it can't be "re-used" – great if you are in a dispute situation and you want to control how much a vendor can transact on your account
- ✓ Can be created as a one-off card or multiple cards at one time via upload file
- ✓ Can be blocked in real-time
- ✓ Portal to provide visibility and manage created cards, typically a free add-on to your account
- ✓ Gives you absolute control

Virtual Card - Details Screen

Card Information



Cardholder Name: Virtual Card
 Exact Amount?: Yes
 Issued Date: 06/17/2021
 Expiration Date: 09 / 21
 # of Transactions: 1
 Blocked?: No
 Status: Pooled
[View Payment Details](#)

Active Blocked

Update Card Parameters

* - Required fields

Exact Dollar Amount? Yes No

Number of Transactions:

Name:

Expiration **:

Notes:

Invoice Number:

PO Number:

Card Images:

Card Activity

Date	Merchant	Misc Number	Status	Amount
06/17/2021 00:00:00	PARISH ENTERPRISES END OK	1799	Authorized	\$193.63
06/17/2021 13:45:53			Created	\$193.63
06/18/2021 04:02:04	PARISH ENTERPRISES	1799	Pooled	\$193.63

[Refresh](#) Available Balance: \$0.00

User Action History

Date	Status	Name
No results found		

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Integrated Payables

Let's talk Accounts Payables

- ✓ *How much thought/analysis have you given to evaluating an Integrated Payables solution to create greater efficiency in your A/P process?*
- ✓ *Walk me through the payment process as it is today, starting with when you receive an invoice. What are your next steps? Is it cumbersome or too time consuming for your AP team? Could their time be used in a better way?*
- ✓ *How do you decide who is paid by what method?*
- ✓ *On average, how much time is spent processing your payables on a weekly/monthly basis?*
- ✓ *Do you currently have an approval process for your payables? Does someone have to hand sign each check before it's mailed?*
- ✓ *AP is a cost center for most entities, wouldn't it be great if you could find a solution that provided greater efficiency and paid for itself?*

Integrated Payables – Payment types

- ✓ **Checks**
- ✓ **ACH**
- ✓ **Virtual Credit Cards**
- ✓ **Real Time Payments (RTP)**
- ✓ **Wires**

Let your bank do what they do best, make payments (on your behalf) and even get paid for it!!

ACH – Automated Clearing House

Electronic Payments pushed to Vendor/Supplier – 1 to 2 day turn around

- ✓ Saves money - Improves efficiencies through reducing paper handling, check printing costs, and invoice processing.
- ✓ Peace of mind - Allows you to precisely time when payments are made and received by your vendor.
- ✓ Invoice Detail passed with the file so vendors can import invoice data from their bank.
- ✓ ACH more secure way to send funds, fraud protection is likely available by your bank

Real-Time Payments (RTP®)

Think Zelle or Venmo for Business to Business payments

- ✓ As the first new payment system in the U.S. in more than 40 years, RTP is addressing the need for faster, more efficient payment methods
- ✓ Payments can be sent/received 24/7 365 days a year
- ✓ Origination fees are more than an ACH but much less than a wire

Checks

- ✓ Your bank will print and mail checks from the file you upload. We'll capture check number and any additional remittance information and print it on the check stub.
- ✓ No more printing checks, fighting with the printer, stuffing envelopes or purchasing costly ink, check stock or envelopes.
- ✓ Free up time for your AP staff to do more meaningful tasks
- ✓ Positive Pay file is created by the bank, which saves an additional step

Wires

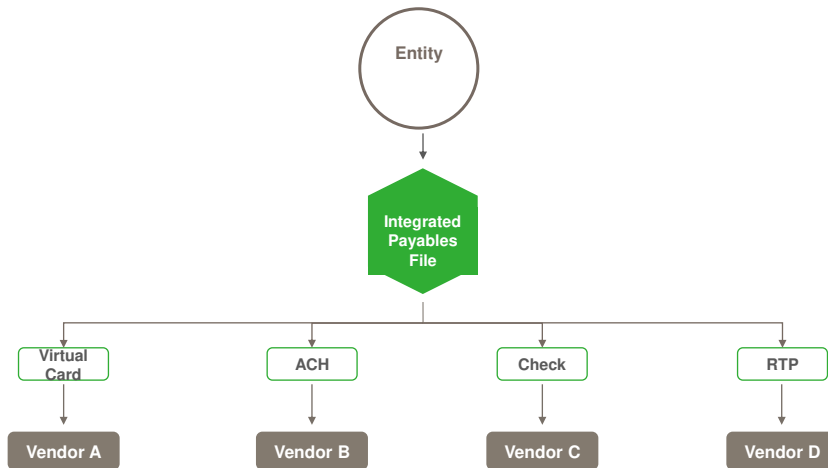
- ✓ Transactions are completed in minutes providing immediate availability and use of funds.
- ✓ Costly compared to other payment types, but guarantees availability to receiver.

Virtual Credit Cards

- ✓ Unique one-time use card created for each payment
- ✓ Each virtual Card can be used only one-time for exact amount
- ✓ 30-minute turn around time to vendor
- ✓ Earn rebate/revenue share on each transaction
- ✓ Could be as little as \$0 cost to create each card
- ✓ All transactions have the same dispute protection that plastic card transactions have



Integrated Payables – File Upload/Transmission



Integrated Payables - Capabilities

- Automate the process of preparing AP disbursements, placing controls within an automated workflow
- Print and mail checks on your behalf to eliminate the highly manual process in place today
- Provide check issue file information to protect checks from fraud
- Provide support to convert vendors from receiving checks to electronic payments where possible
- Provide reconciliation data by AP system to ease balancing and reconciliation back to the source system
- Automate your ACH Notification of Change (NOC) process by updating your vendor's account information for you

Integrated Payables – How it's done

- ✓ Map to your payment file export. No need to have data fields in a certain order. (.csv preferred)
- ✓ Simply create a file of payments to be made, including Vendor Name, Vendor ID, Check Number, Payment Amount and Invoice information and upload it in the Portal
- ✓ The payment method is maintained by bank so there is no need to maintain payment method or manage separate General Ledgers

Integrated Payables provides Business Continuity

*Initiate payments from anywhere you access
your Banking Online – like working from home.*

- ✓ How did you perform in March of 2020 when the stay in place orders were issued?
- ✓ Did your AP staff have to go into office to issue payments?

Rebate/Revenue Share

- ✓ Your bank may offer monthly and/or Annual Rebates based on transaction volume of spend
- ✓ Use the new revenue to cover bank fees and the fees for Integrated Payables
- ✓ Become a department who generates revenue rather than being a cost center
- ✓ Typical spend to maximize rebate is \$1,000,000+ in spend per year

Integrated Payables can pay for itself

Integrated Payables Example:

Average Payments per month			500
Check payments	40%		200
ACH	50%		250
Virtual Card payments	10%		50
Assumed average payment amount:			\$4,000
Example Total Monthly Fees for payments and account fees		\$497.50	
Monthly Rebate from Card payments 1%		\$2,000.00	
Net benefit to customer		\$1,502.50	

Questions

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