Receivables Automation: Bringing it all together – How Technology Drives Visibility and Efficiency

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Agenda

- The Receivables Fragmented Landscape
- Building an End to End Receivables Ecosystem
- The Executive Order: Federal Modernization of Check Payments
- Impact of the Federal Modernization of Check Payments on your Organization
- General Q&A

QUESTION

Question: Why did you join today's session?

- Learn how peers are responding to Accounts Receivables Challenges
- Explore back-office modernization / automation opportunities beyond compliance and risk
- Hear practical starting points for receivables automation
- Other

The Problem: Fragmented Receivables Landscape

Why Receivables Need Automation:

- Manual processes increase risk of errors, delays, and fraud
- Multiple payment channels create reconciliation complexity
- Lack of visibility into real-time cash positions
- High cost of exception handling and dispute resolution
- Delay in cash application affects working capital and forecasting

Why Automation Helps:

- Speeds up collections and improves cash flow predictability
- Reduces manual data entry and reconciliation efforts
- Increases transparency and audit readiness
- Supports better budget and financial planning

The Solution: Building an End-to-End Receivables Ecosystem

"Automation is not all or nothing project - Automation is a journey, not a switch. Take small steps to start"

Types of Receivables Automation Tools Available Today:

- **ACH Origination & Integration** – for recurring, reliable collections
- **eLockbox & Digital Remittance Capture** – automates payment matching
- **AI Powered Cash Application** – reduces exception handling
- **Portal Based Invoicing & Self-Service Tools** – improves citizens and vendor experience

What FinTech Are Doing:

- Offering cloud-native automation tools
- Driving faster innovation cycles and real-time capabilities
- Lowering barriers to entry for agencies with limited technology budgets

What Banks Are Doing:

- Enhancing treasury platforms with automation features
- Offering APIs and embedded finance tools for integration
- Partnering with FinTechs to deliver hybrid solutions

Security, Fraud & Compliance Benefits:

- **Less manual touch** =lower fraud risk
- **Built-in controls and audit trails**
- **Supports compliance** with federal and agency-level standards

Job Security (This Is Not About Job Loss):

- Automation frees up staff for higher value, mission-focused work
- Reduced burnout from repetitive, manual tasks

Question:

Question: What are your biggest roadblocks to achieving fully digital-back-office modernization?

- Outdated legacy systems
- Budget constraints and unclear ROI
- Data quality issues
- Lack of vendor innovation
- All of the above

Executive Order: Modernizing Payments To and From America's Bank Account

A recent executive order mandates all federal payments and disbursements must shift to EFT by September 2025, leaving organizations only months to shift practices since the mandate was issued.

Applied broadly to most federal payments:

- - tax refunds
- - social security and other benefits payments
- - payments to federal contractors and vendors

The end of check float and manual remittance processes will require updates to cash management, reconciliation, and payment operations.

This mandate presents an opportunity for organizations to modernize their processes and enterprise-wide payment infrastructure for long-term efficiency, reduced risk, and cost savings.

Aims to improve financial inclusion, reduce fraud, and increase efficiency in government disbursements

How the Executive Order Could Impact Your Organization

Enterprise Resource Planning (ERP) and banking integrations: For companies that frequently receive or send payments to/from the Department of Treasury, AR and AP systems will need to be fully equipped to handle 100% electronic inflows, both inbound and outbound.

Faster cash settlement: EFT removes the lag between initiation and receipt. Organizations could consider revisiting liquidity buffers and short-term investment strategies.

Shift in reconciliation workflows: The transition from checks to EFT changes how remittance data is received and applied, so finance teams will need to reassess reconciliation processes as soon as possible.

Elimination of check float: Treasury teams will lose the ability to time disbursements around checks clearing. Cash flow models built around check-based float will likely need restructuring.

Risk of disruption: This requirement goes into effect before the end of the year. Late-stage adopters could face delays or rejections, particularly in sectors with high federal payment exposure.

Question:

Question: When it comes to acting on the mandate, where are you today?

- Still assessing impact, haven’t started
- Exploring options, early conversations underway
- Piloting solutions in specific areas
- Executing a modernization plan at scale

Question:

Question: What would be most valuable as a follow-up to today's session?

- Deeper dive on the Executive Order requirements
- Case studies from banks and peers
- Frameworks for starting modernization initiatives
- 1:1 conversation with an expert

THANK YOU