

U.S. Bank Welcomes You to the 11th Annual GSA SmartPay[®] Training Conference

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Delinquency Management

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Agenda

- Timelines
- Reporting
- Rolling Balances
- Hidden Delinquencies
- Missing Payments
- Prompt Payment Interest
- S1 Accounts
- Invoice Services
- Credit Balances
- Who to Call
- Questions?



Delinquency Timelines

- **45 Days Past Billing Date** - LPN (Late Payment Notice) is sent
- **61 Days Past Due** (91 days from billing) - Account suspended (M9 Status)
- **181+ Days Past Due** - may result in suspension of the entire level 4 agency
- **“Past Due” vs. “Past Billing”**

Reporting

- PMO Reports
- U.S. Bank Access[®] Online Reports
 - Delinquency Report
 - Suspension/Cancellation Report
 - Certification
 - Transaction/Dispute Reporting
 - Payment and Prompt Payment Act Interest Report
 - Shows Regular and Interest Payments for two years



PMO Delinquency Reports



CPP Delinquency Report
As of: Friday, July 22, 2005

Government Services

	Cycle Totals	Current	1-30 DPD	31-60 DPD	61-90 DPD	91-120 DPD	121-150 DPD	151-180 DPD	181+ DPD
Army - 7/22/05 Report	\$309,178,517.76	\$266,514,529.74	\$34,128,567.30	\$7,393,765.65	\$1,067,977.75	\$29,708.82	\$14,418.29	\$124.90	\$29,425.31
Number of Accounts			1,747	383	89	13	3	1	5
Delinquency Percentage			1+ DPD % 13.7991%	31+ DPD % 2.7607%	61+ DPD % 0.3693%	91+ DPD % 0.0238%	121+ DPD % 0.0142%	151+DPD % 0.0096%	181+DPD % 0.0095%
Total for Suspensions: Report as of 7/22/2005			\$0.00	\$0.00	\$1,620.46	\$0.00	\$0.00	\$124.90	\$29,425.31



CPP Delinquency Report (00021 Rems)
As of: Friday, July 22, 2005

Government Services

LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	Billing Official #	Billing Official Name	1-30 DPD	31-60 DPD	61-90 DPD	91-120 DPD	121-150 DPD	151-180 DPD	181+ DPD	Account Status	90+ Balance
21	11	1111	11111	xxxx-xx45-6789-1038	BOB SMITH	\$4,659.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
21	11	1112	11112	xxxx-xx45-5678-9109	JOE COOL	\$545.61	\$728.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Subtotal for Level 3: 00011						\$12,215.53	\$728.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
21	22	2222	22222	xxxx-xx45-5333-3333	JANE DOE	\$22,220.74	\$500.00	\$72.50	\$0.00	\$0.00	\$0.00	\$0.00	MS	\$0.00
21	22	2223	22223	xxxx-xx45-5888-8888	FRED FLINTSTONE	\$9,549.92	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Subtotal for Level 3: 00022						\$31,770.66	\$500.00	\$72.50	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00



Online Reporting

- PDF
- Browser
- Excel

Name	Account Number	Current Balan	Total Past	D30 Days	60 Days	90 Days	Bank Number	TBR Level 1	TBR Level 2
JOHN SMITH	*****4555555551	\$3,657.09	\$2,703.51	\$2,703.51	\$0.00	\$0.00	3058	47163	00021
JOE COOL	*****4555555552	\$1,134.33	\$1,134.33	\$1,134.33	\$0.00	\$0.00	3058	47163	00021
JANE DOE	*****4555555553	\$23,772.24	\$8,323.03	\$8,323.03	\$0.00	\$0.00	3058	47163	00021
BOB JOHNSON	*****4555555554	\$2,887.91	\$486.38	\$486.38	\$0.00	\$0.00	3058	47163	00021
ANN OLSEN	*****4555555555	\$4,857.15	\$3,235.80	\$3,235.80	\$0.00	\$0.00	3058	47163	00021



Transactions/Disputes

- Resolved in Favor of Cardholder – credit issued
- Resolved in Favor of Merchant – no credit
- All disputes, whether they were initiated in Access Online or not, will appear on the Dispute Report

Name	Account Number	Managing Account	Trans Date	Posting Date	Cycle Close D:	Trans Amount	Disputed	Dispute Status	Dispute Status Date	Merchant Name
JOE COOL	*****000111111	*****4555532511	2008/05/28	2008/05/29	2008/06/19	\$139.00	Y	Unresolved		ZAP*ZAPPOS.COM
JOHN SMITH	*****100011112	*****4555532578	2008/05/12	2008/05/13	2008/05/19	\$88.15	Y	Resolved in Favor of Cardholder	2008/05/22	GSA-FSS-ADV
JOHN SMITH	*****100011112	*****4555532578	2008/05/12	2008/05/13	2008/05/19	\$88.15	Y	Resolved in Favor of Cardholder	2008/05/22	GSA-FSS-ADV
JANE DOE	*****000111113	*****4555539573	2008/05/27	2008/05/27	2008/06/19	\$9.10	Y	Resolved in Favor of Merchant	2008/07/01	CENTER COMPANY
BOB JOHNSON	*****000111114	*****4556159211	2008/05/15	2008/05/19	2008/05/19	\$359.40	Y	Resolved in Favor of Merchant	2008/05/28	STARTLOGIC, INC
ANN OLSON	*****000111115	*****4556585862	2008/06/02	2008/06/03	2008/06/19	\$112.29	Y	Unresolved		STANLEY SUPPLY & SVCS



Rolling Balances

- Unpaid balances carry forward and are included in the new Balance Due
- Payments and merchant credits are applied to the oldest, open balance
- Delinquency buckets reflect total past due, but may not indicate which statement was unpaid or short paid



Rolling Balances – Example

	Month 1 (Current)	Month 2 1-30 DPD	Month 3 31-60 DPD	Month 4 61-90 DPD	Totals
Purchases	500.00	200.00	300.00	400.00	1,400.00
Payment Received	(200.00)	(300.00)			(500.00)
Bucket Balance Due	500.00	200.00	200.00		900.00



“Hidden Delinquencies”

- Payment intended for a current statement is applied to the oldest, open balance
- Past due account falls off of Delinquency Reporting, and appears again after cycle
- EDI Accounts – Delinquency report after cycle
- Non-EDI – Current Billing Activity vs Account Balance



Missing Payments

- Contact U.S. Bank if your records indicate payment has been made
- Payment Information
 - Payment Date
 - Full Amount (including Interest Penalty)
 - Method (check, EFT)
- EDI Rejects



Disputed Transactions

- EDI Accounts
 - Disputes paid up front
 - No adjustment needed for credits
- Non EDI Accounts
 - Pay and confirm
 - If withheld, must be added back to payment once resolved
- Access Online Reporting



S1 Accounts

- Air Force, Air Guard and a few Tenets
- Must final approve within 60 days
- May be suspended by your A/OPC at 30 days
- Suspension 1st Monday after cycle
- Reinstatement only on Mondays
- Suspensions independent of delinquency status
- Account is terminated if not final approved when available in Access Online – 6 Months



Managing Account Approval Status

Account Number	Account Name	Close Date	Statement Amount	Status Type	Current Status	Status Date	Approver Name
*****455555551	JOHN SMITH	2007/05/18	\$11,531.22	Approved - AO	Pending		
*****455555551	JOHN SMITH	2007/05/18	\$11,531.22	Certified - BO	Pending		
*****455555551	JOHN SMITH	2007/05/18	\$11,531.22	Certified - FSO	Pending		
*****455555552	JOE COOL	2007/05/18	\$281.89	Approved - AO	Pending		
*****455555552	JOE COOL	2007/05/18	\$281.89	Certified - BO	Pending		
*****455555552	JOE COOL	2007/05/18	\$281.89	Certified - FSO	Pending		
*****455555553	JANE DOE	2007/05/18	\$9,383.75	Approved - AO	Approved - AO	2007/06/14	DOE, JANE
*****455555553	JANE DOE	2007/05/18	\$9,383.75	Certified - FSO	Certified - FSO	2007/06/15	DAVIS, BEN
*****455555553	JANE DOE	2007/05/18	\$9,383.75	Certified - BO	Pending		
*****455555554	BOB JOHNSON	2007/05/18	\$1,978.85	Approved - AO	Approved - AO	2007/07/27	JOHNSON, BOB
*****455555554	BOB JOHNSON	2007/05/18	\$1,978.85	Certified - FSO	Certified - FSO	2007/07/27	DAVIS, BEN
*****455555554	BOB JOHNSON	2007/05/18	\$1,978.85	Certified - BO	Pending		
*****455555555	ANN OLSEN	2007/05/18	\$705.92	Approved - AO	Approved - AO	2007/07/06	OLSEN, ANN
*****455555555	ANN OLSEN	2007/05/18	\$705.92	Certified - FSO	Pending		
*****455555555	ANN OLSEN	2007/05/18	\$705.92	Certified - BO	Certified - BO	2007/07/06	OLSEN, ANN



Prompt Payment Interest

The Prompt Payment Act states that interest penalty must be paid if payment is not made within 30 days of receiving a proper invoice

- EDI Accounts
 - Clock starts at cycle date
 - DFAS automatically calculates interest
- Non-EDI Accounts
 - Paperless accounts start the day after cycle when the statement is available in Access Online



Tips – EDI Accounts

- Certify as soon as possible
- Print Delinquency Reports from Access Online the day after cycle
- Name alternate Billing Officials for deployed account holders
- Take action on past due accounts, or accounts that are not paid in full



Tips – Non EDI Accounts

- Monitor Current Billing Activity vs. Account Balance
- Forward required documentation to your Finance Office as soon as possible
- Monitor all disputes for expected resolution
- Keep track of all unpaid transactions
- Take action on past due accounts or accounts that are not paid in full



Recoveries and Reconciliations

- Government Services Research
 - Recoveries
 - Reconciliation
 - Payment Research
 - Credit Balance Refunds



Credit Balances

- Quarterly Refunds
 - Include rebates and merchant credits on a net credit line of accounting
- 6 Month Credits
- Miscellaneous Credits
 - Overpayments
 - Duplicate payments



Invoice Services Contacts

Greg Wixo Phone: 701-461-3250

E-Mail: gregory.wixo@usbank.com

Level 2

Level 3's

21 - Army	30 thru 54
21 - Army	56 and 57
21 - Army	59 and 60
21 - Army	71, 73, 75 & 76
21 - Army	82 & 89

Darby Amundson Phone: 701-461-3270

E-Mail: darby.amundson@usbank.com

Level 2

Level 3's

21 - Army	12 thru 21
21 - Army	55
21 - Army	94



Andrea Ramsett Phone: 701-461-3914

E-Mail: andrea.ramsett@usbank.com

Level 2	Level 3
21 - Army	8 thru 11
21 - Army	58
21 - Army	65
21 - Army	72, 74 and 77
21 - Army	84 thru 86
21 - Army	90
21 - Army	99
57 – Air Force	ALL
97 - Defense Agencies	ALL

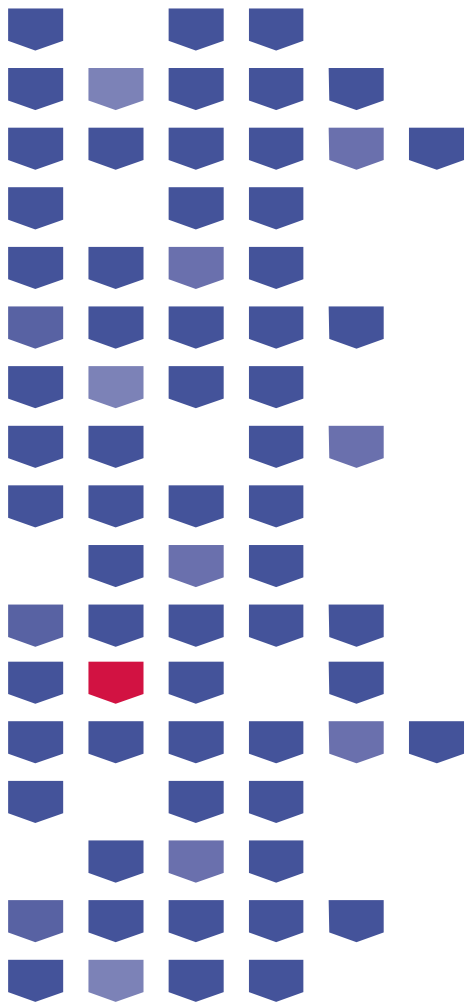
Dorinda Orth-Payments Phone: 701-461-3645

E-Mail: dorinda.orth@usbank.com

Connie McClellan-Supervisor Phone: 701-461-3312

E-Mail: constance.mcclellan@usbank.com





Questions?



Dispute Management

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Agenda

- **Dispute Definition**
- **Fraud Definition**
- **Timeframes**
- **Valid Disputes**
- **Invalid Disputes**
- **How to initiate**
- **Dispute Process**
- **Case Examples**
- **Dispute Status**



Dispute

Definition-

Cardholder does not recognize a transaction or has been unable to resolve an erroneous billing to their credit card.

Cardholder Requirements-

- Attempt to resolve with merchant
- Provide detailed explanation
- Notify within 90 days of transaction date
- Respond Promptly to requests



Fraud

Definition –

Third party unauthorized use of a credit card or cardholder identity

Cardholder Requirements

- Close Card
- Affidavit of Fraud
- Notify within 90 days of transaction date
- Respond timely to requests for information



Timeframes

- Guidelines

- To preserve dispute rights, a dispute must be received within 90 days from the date on which the transaction posted.
- ***Disputes can be initiated within 90 days of the transaction date even if previously approved in Access Online***

- Extensions

- Delayed Delivery
- Quality of services – U.S. transactions only

- No Extensions

- Draft Requests, not a valid dispute, *does not preserve your dispute rights!*



Valid Disputes

- Unrecognized/Unauthorized
 - Unauthorized requires account to be closed
- Duplicate charge
- Merchandise/Services not received
- Returned merchandise
- Cancelled
- Incorrect amount
- Paid by other means
- Defective merchandise
- Quality of service



Invalid Disputes

- Sales Tax
- Shipping & Handling
- Exchange Rates
- Federal Express
- Credits/Re-bills
- Government Service Rebates
- Different Fiscal Year
- Wrong customer's account
- Unofficial/Unauthorized cardholder purchases



How to Initiate a Dispute

- **Access Online**

<https://access.usbank.com>

- **Customer Service**

1-888-994-6722

- **Mail**

U.S. Bank Government Services

PO Box 6347

Fargo, ND 58125-6347

- **Fax**

1-866-457-7506



Dispute process

- Cardholder disputes transaction
 - Dispute reason
 - Identify original cause
 - Relevant information/documentation
- Transaction suspended
- Dispute researched
 - VISA Regulations
 - Additional information obtained
 - Transaction receipt
 - Contact customer



Dispute Process

- Charge back to merchant
 - Cardholder receives provisional credit
- Merchant rebuttal
 - Up to 45 days from chargeback date
 - Additional information
- Updated Cardholder response
- Arbitration



Dispute Example

- Cardholder contacts Customer Service to dispute transaction as Paid by Other Means
 - Cardholder asked to provide:
 - Attempt to resolve with merchant
 - No longer in business
 - No response
 - Credit not received
 - Documentation to prove case
 - Cash Receipt
 - Cancelled Check
 - Other credit card statement
- Transaction Suspended



Dispute Example...

- Customer response
 - Valid charge - Suspension removed
 - No response - Suspension removed
 - Provides proof of payment
- Case Reviewed
 - Documentation meets requirements
 - Visa Timeframes
- Chargeback to merchant
 - Cardholder receives credit



Dispute Example...

- Merchant rebuttal
 - Additional information
 - Merchant Credit
- Updated Cardholder response required
- Case Reviewed
 - No Cardholder Response- Customer Re-billed
 - No Recourse- Customer Re-billed
 - Additional Recourse- Arbitration
- If re-billed- Customer will be notified by letter



Fraud Example

- Cardholder contacts Customer Service due to unauthorized transactions
 - Account is closed and new account established
 - Balance transferred to new card
 - Unposted charges-line item appears on new card
 - Unauthorized statement sent to cardholder for signature – Affidavit of Fraud



Fraud Example...

- Case Researched
 - Draft Ordered
 - Credit posts to new card for unauthorized charges
 - Fraudulent charges transferred to closed card
 - Monitor additional unposted transactions
- Sales Draft/Merchant rebuttal received
 - Sent to customer for review
 - No Response - New account re-billed
 - Valid charge - New account re-billed
 - Still Unauthorized - Credit remains on account



Dispute Status

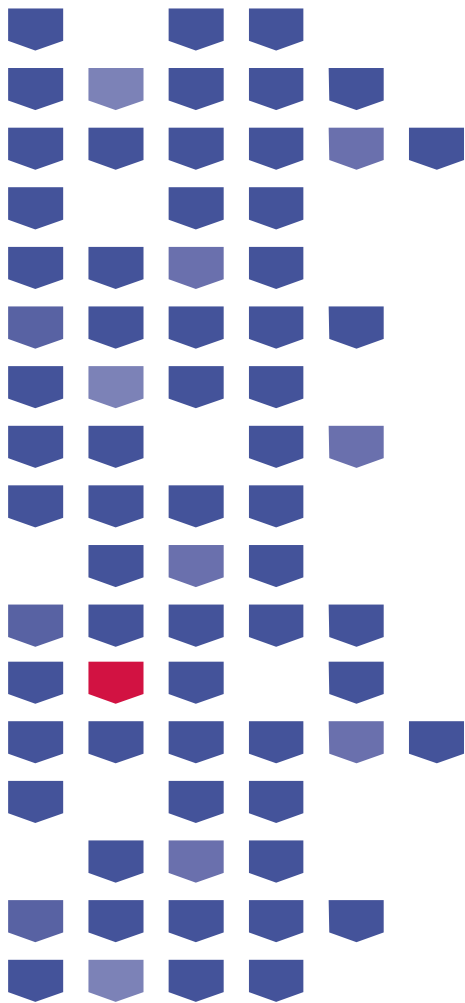
- Contact Customer Support
866-540-9904
- Contact Dispute Representative
- Access Online
- Contact Customer Service
888-994-6722



Fraud

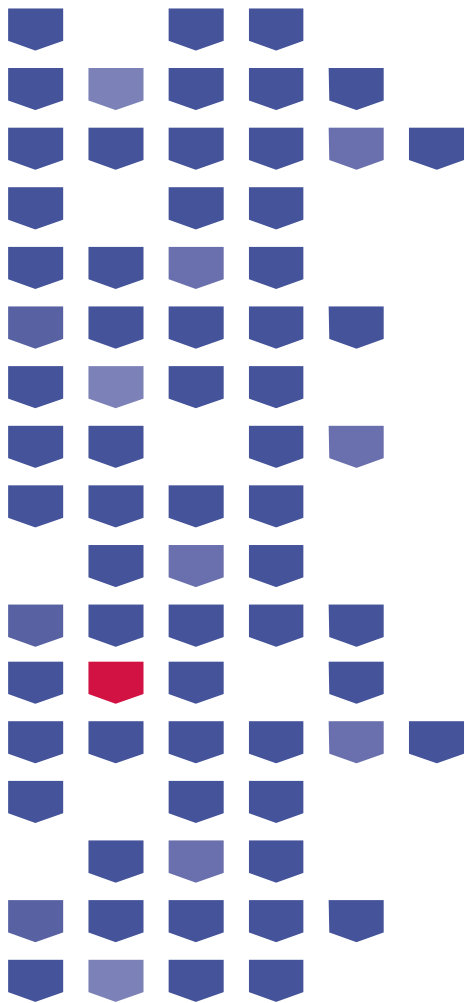
- Fraud activity on account
- Card lost/stolen compromised
 - Call Customer Service
1-888-994-6722





Questions?





Thank You

Presentations will be available on
www.usbank.com/sp2presentations
after the conference

