



A
Winning
HAND:

**Beyond Plastics:
Virtual Accounts Deliver Real Results**

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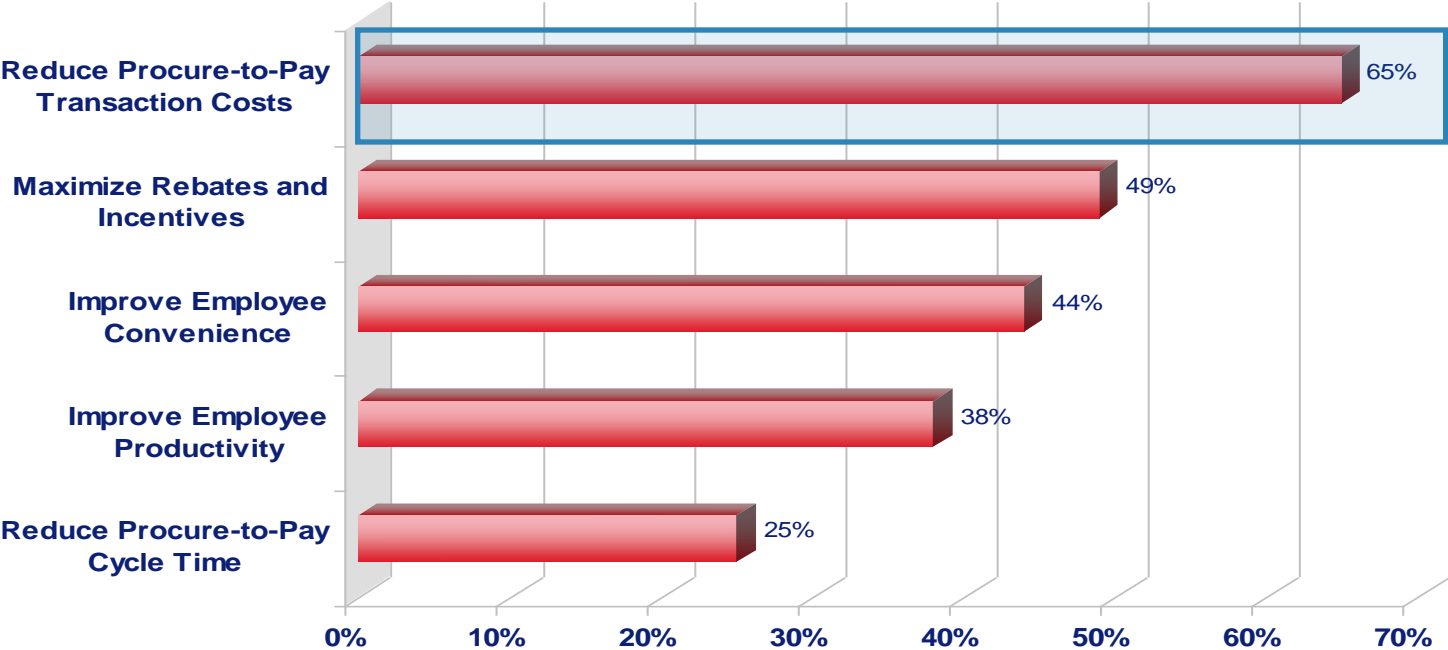


Discussion Topics

- Review current payment trends
- Alignment with government policy
- Alignment with agency goals
- What are virtual accounts?
- Virtual account benefits
- Moving forward



Factors Driving Electronic Payment Focus

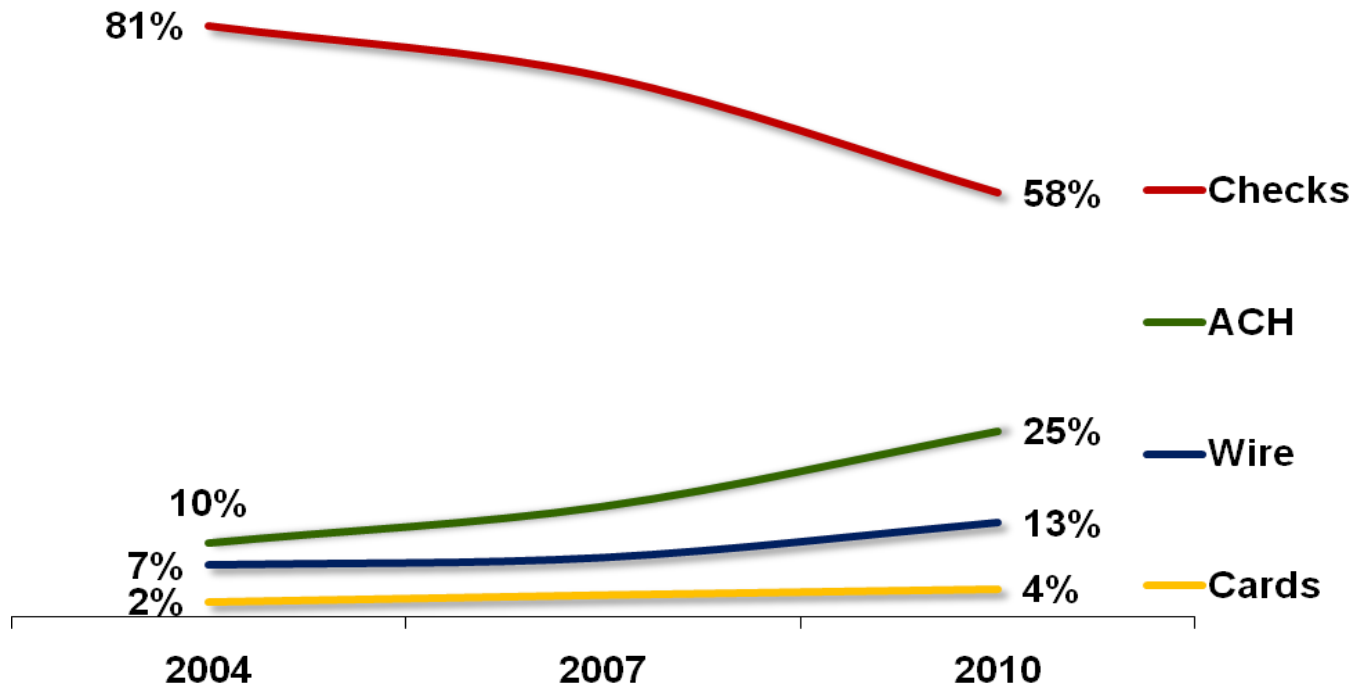


Source: PayStream Advisors Electronic Payments and P-Cards Adoption Survey 2009



Key Trends

**Business-to-Business Payment Mix
(% of total number of transactions)**



Source: AFP Electronic Payments Survey data for 2004, 2007, and 2010.

Note: Aite estimates that over 80% of checks are settled electronically (images / image replacement docs)



Federal Guidance → Driving Agency Goals

- “EFT 99” requirement under Debt Collection Improvement Act
- Multiple green initiatives
- Federal Cloud Computing strategy



Alignment With Agency Goals

- Reduce costs
- Increase control and improve oversight
- Enhance refund opportunities
- Adhere to Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA)



Electronic Accounts Payables (EAP)

- Definition¹:
 - “Non-plastic card accounts used to pay for invoiced goods and services (whether set up as a rotating pool of card accounts, ghost card accounts funded only to pay invoices from suppliers, or another arrangement).”
- EAP Terms:
 - Virtual card
 - Single-use accounts
 - Straight-through processing
 - Buyer-initiated payments
 - EIPP

¹ From the Purchasing Card Benchmark Survey Results 2010, RPMG Research Corporation



U.S. Bank ePayables Products

- U.S. Bank EIPP
 - Complete AP processing from Invoice capture, audit, approval, pay, and trade finance
- U.S. Bank Access[®] Online Payment Plus
 - Extension to your existing AP process by paying invoices via the card platform



A Closer Look at Virtual Accounts/EAP

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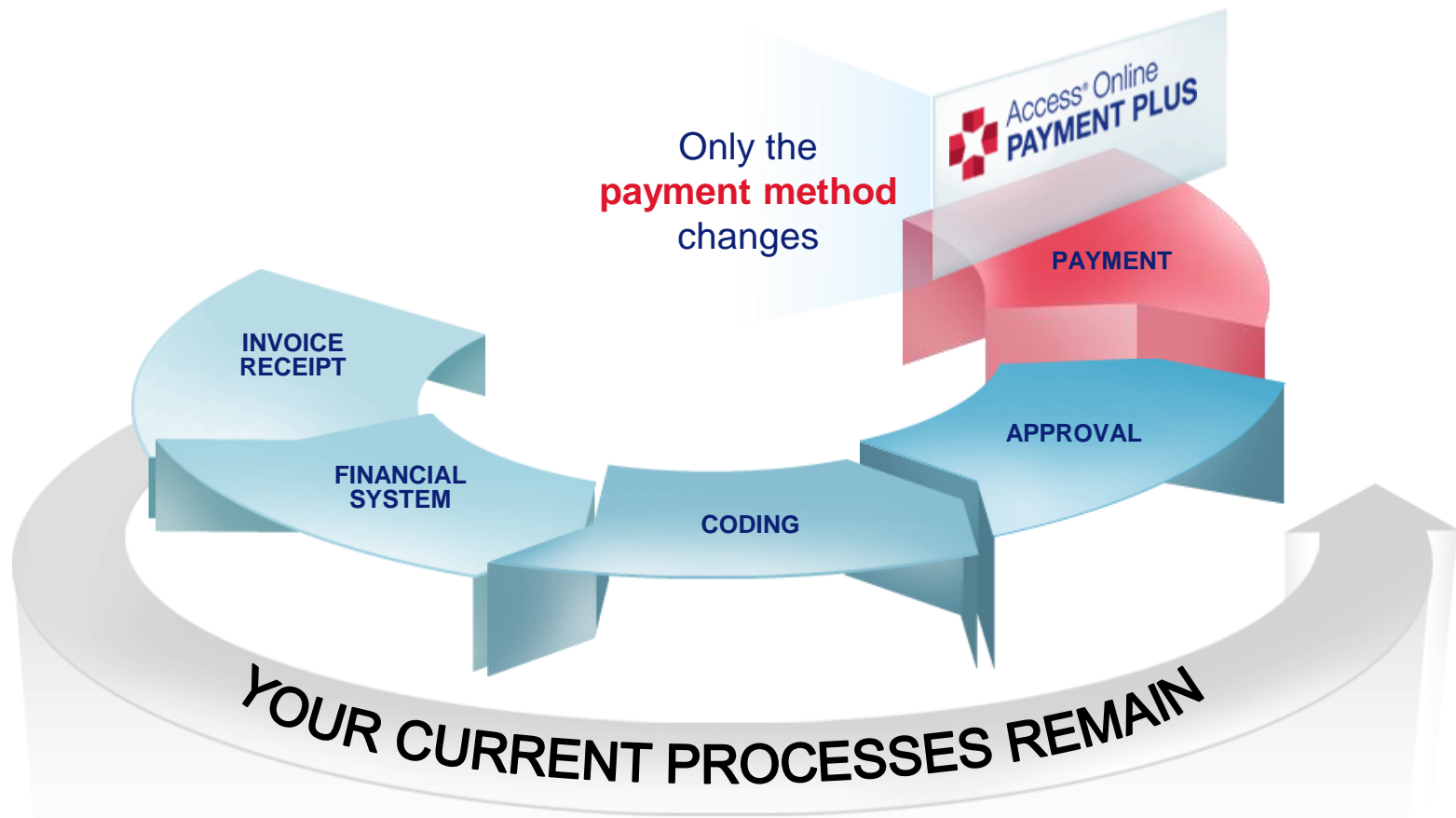


What Are Virtual Accounts?

- Cardless accounts for supplier payments
- May include one or all of the following:
 - Dynamic credit adjustment accounts
 - Single-use accounts
 - Straight-through processing



Access Online Payment Plus



Common Barriers to Change

“Our organization has not changed payment methods because we...”

Control:	<ul style="list-style-type: none">✓ need to keep existing approval processes, especially for larger dollar purchases✓ don't want to increase the number of cards in circulation
Data:	<ul style="list-style-type: none">✓ want to retain all pre-purchase data
Tax:	<ul style="list-style-type: none">✓ require tax review prior to payment
Culture:	<ul style="list-style-type: none">✓ no appetite to change existing pre-payment processes
Cost:	<ul style="list-style-type: none">✓ other providers charge fees for software, etc.

✓ *Addressed by Payment Plus*

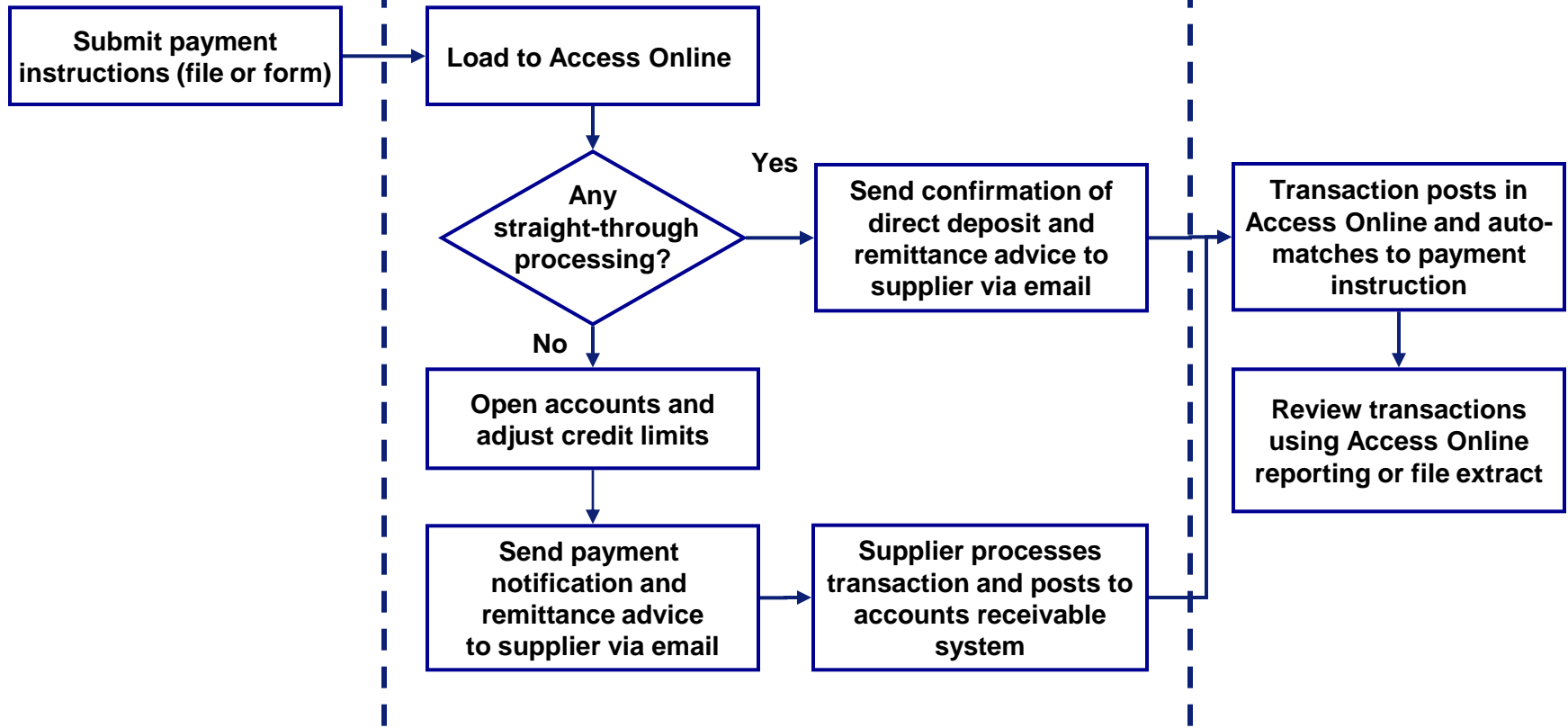


Payment Plus Process Flow

1. Submit

2. Pay

3. Monitor



How Does it Work?



Access Online
PAYMENT PLUS

Truly as easy as



Step 1: Submit



Access Online
PAYMENT PLUS

Payment Instruction Maintenance
Create Payment Instruction

Card Account Number: [input field]

Create Manage Track List

Use this form to create a Payment Instruction that may be available for automatic and/or manual matches to transactions.

* = required
[Collapse All](#) [Create Payment Instruction from Existing Payment Instruction](#)

[-] Information [Return to Top](#) [Go to Save](#)

Payment Instruction Information

Payment Instruction Email * [input field]

CC Email: [input field]
Note: separate multiples by a semi colon

Expiration Date * [input field]

Payment Account *
 User Account
 Single Use Account

Note Included in Notification: [dropdown menu]

Truly as easy as

1

Submitting your payments is easy. Simply submit an automated file or enter the required information into U.S. Bank Access® Online and your payment is initiated.



Step 2: Pay



Access Online
PAYMENT PLUS

Two automated payment options:

- Cardless accounts
- Straight-through processing

Truly as easy as



Cardless Options



Truly as easy as



Pay suppliers securely using **virtual** dynamic credit adjustments and single-use accounts. Suppliers receive full remittance details so your payment can be applied correctly, even when including multiple invoices on one payment.



Straight-through Processing



Access Online
PAYMENT PLUS

Truly as easy as



Straight-through processing allows payments to be directly deposited into suppliers' bank accounts. Faster reconciliation for both buyers *and* suppliers strengthens relationships.



Step 3: Monitor



Access Online
PAYMENT PLUS



Truly as easy as



Monitor your payments and update your financial systems using the convenience of Access Online reporting and extracts.



Virtual Account Benefits

1. Reduce costs
2. Increase control
3. Expand spend visibility
4. Improve rebate opportunities
5. Comply with TIPRA
6. Support green initiatives



Questions for an Informed Decision

- Do we have the right level of visibility and control beyond micro purchases?
- How can we benefit from improving payment processes and support green initiatives?
- How do our policies and procedures compare to government and private sector best practices?
- How can we solve for TIPRA and contract payments?





Questions?



Thank You

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after the conference

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