



Payment Card Innovation Series

Strategies for the adoption of payment card best practices

Tony Grayson, U.S. Bank

Today's agenda

- Overview of Payment Card Innovation Series
- Introduction to today's session
- Best practices discussion
 - Physical card programs
 - Virtual card programs
- Best practices measurement
- Questions and answers



Objective of the Payment Card Innovation Series

Provide organizations with payment card insights that foster collaboration, communication and understanding within the industry



Understanding our audience (poll question)

Which scenario best describes your organization's adoption of payment card products and solutions?

- A. Limited adoption of corporate travel or purchasing cards
- B. Strong adoption and utilization of corporate travel or purchasing cards
- C. Utilization of virtual cards (e-payables) for Accounts Payable
- D. Some combination of all the above



The importance of best practices adoption



Consider this
benefit

Supports the attainment of organizational
business and operational goals and objectives

Matrix of best practices environment – physical card programs

Maturity evolution

Higher evolution



Lower evolution



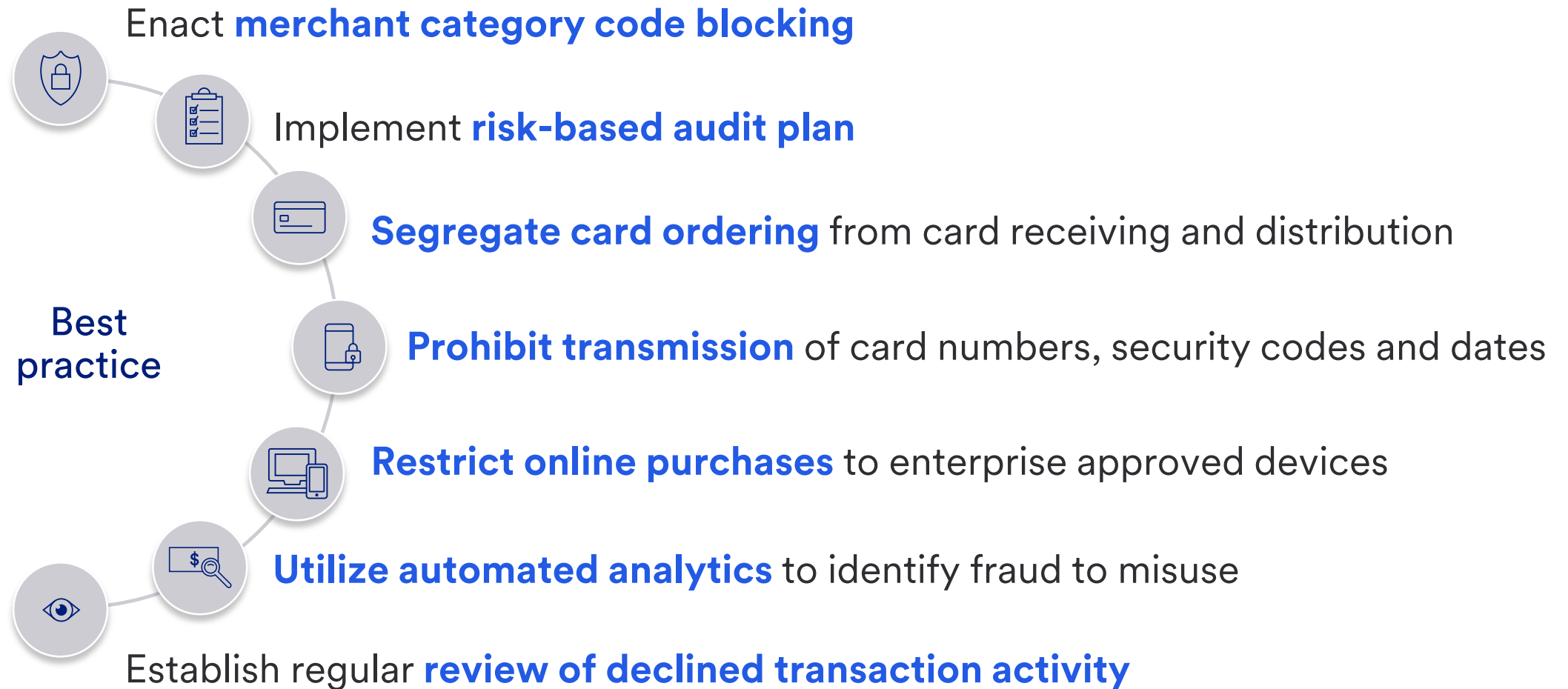
Program goal

Aspirational



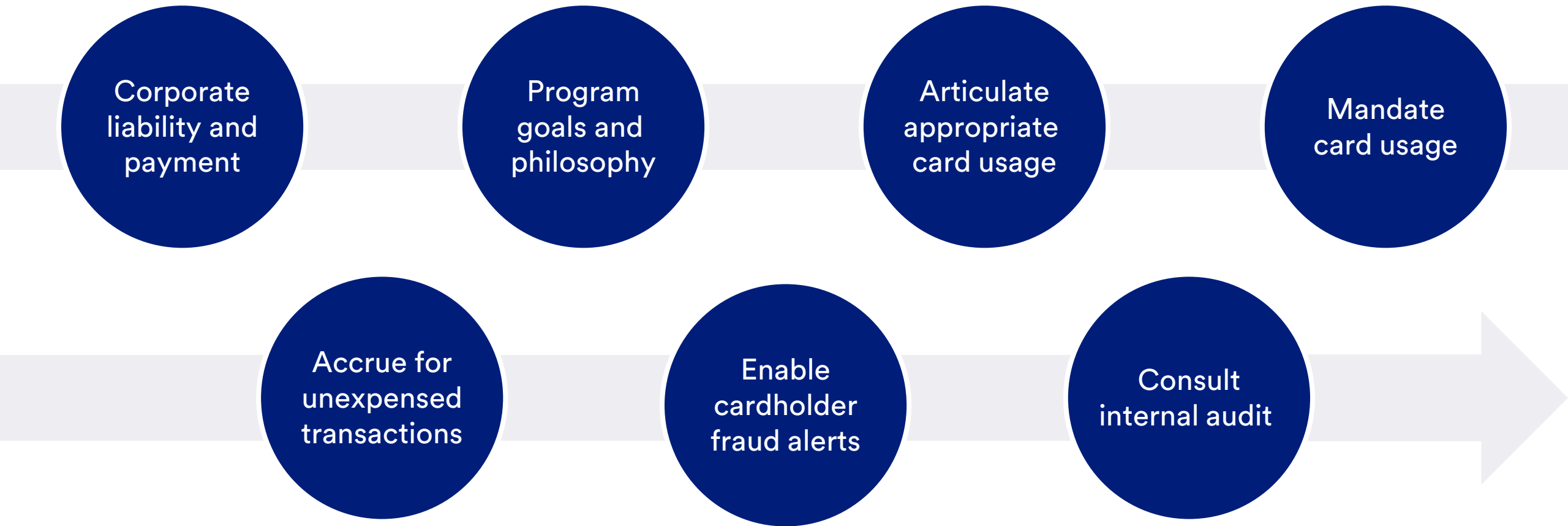
Foundational

Control and monitoring best practices are foundational

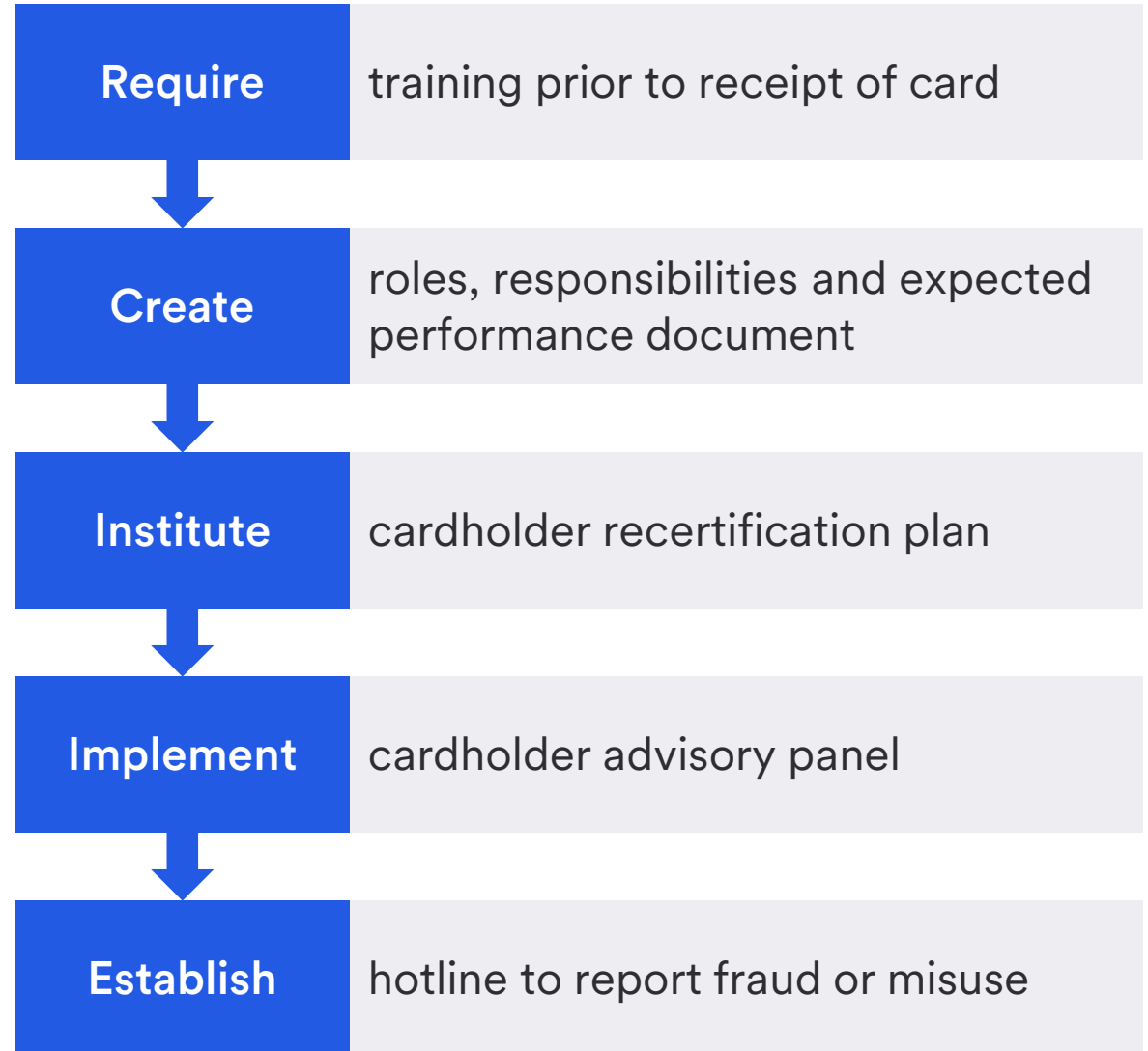


Best practices in program administration

Consider these as part of a comprehensive best practices program



Best practices for training and communications



Best practices for program reporting

Establishes management oversight and ownership of card program



Dashboard

Communicate program results on a regular cadence.

Cardholder activity

Review cardholder activity based on defined risk parameters.

Clearing accounts

Reconcile clearing accounts on a monthly basis.

Merchant activity

Review merchant activity based on defined risk parameters.

Understanding our audience (poll question)

Which scenario best describes your organization's adoption and utilization of payment card best practices?

- A. Limited adoption and utilization of best practices
- B. Some adoption of best practices but not leveraged on a consistent basis
- C. Strong adoption and utilization of payment card best practices on a regular basis
- D. Some combination of all the above



Matrix of best practices environment – virtual card programs

Maturity evolution

Higher evolution



Lower evolution



Program goal

Aspirational



Foundational

Best practices for monitoring and controls



1

Engage precise pay functionality

- Ensures payment issued matches payment transacted
- Promotes ease of reconciliation

2

Contact suppliers if payment not processed in 10 days

- Minimizes risk of expiring payments
- Leverage automated reminders when available

3

Reconcile clearing accounts monthly

- Required as part of internal review or audit

4

Review expiring payments

- Weekly basis yields best results and minimizes expiring payments

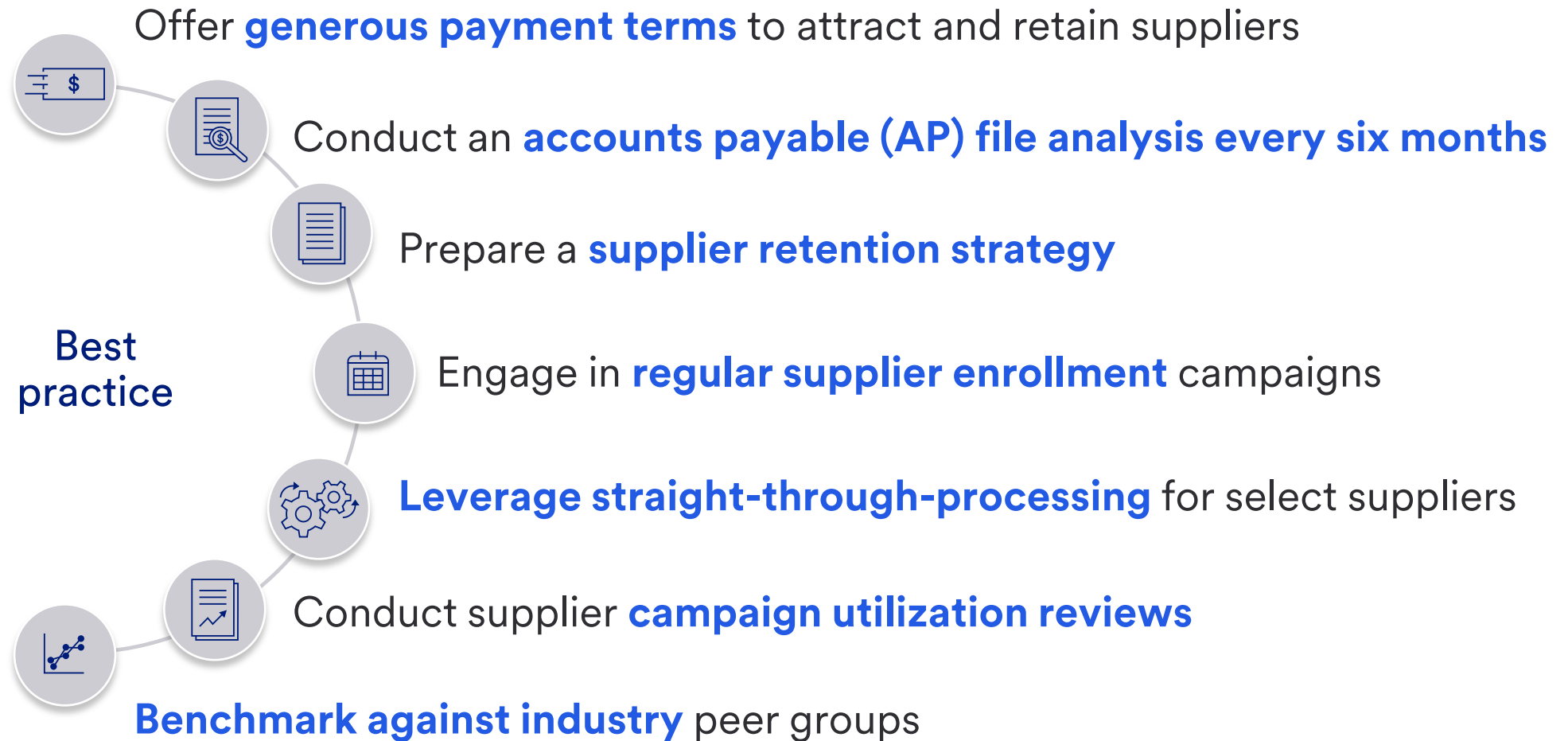
5

Validate supplier contact changes

- Establish consistent, repeatable process to validate supplier contact changes



Optimization and retention best practices for virtual card programs



Best practices in virtual card program administration



- Define program goals, objectives and philosophy
- Establish overarching payments strategy in collaboration with Treasury (cash management)
- Present virtual card as preferred payment method
- Create payment terms strategy and matrix
- Require AP/Procurement director approval of supplier opt-out requests

Best practices in virtual card training and communications

Drive success through program education



Educate existing AP, Procurement, Sourcing and Treasury **staff on virtual card strategy**.



Establish virtual card training plan for new AP, Procurement, Sourcing and Treasury staff.



Promote supplier enrollment opportunities, frequently asked questions, training materials and supplier support resources.



Advise Internal Audit of virtual card benefits and risk mitigation efforts.

Payment card best practices



- Easily assess payment card programs against defined best practices
- Visualize areas of opportunity utilizing “heat-map” approach
- Evaluate performance in critical areas including program administration, controls, reporting, training and communications

Consulting services

Require in-house payment card consulting expertise

- Available for life of banking relationship
- Expertise across full spectrum of procure-to-pay processes
- Provided at no cost
- Leverages external industry data sources
- Industry certified expertise

Services provided

- Payment strategy development
- Industry benchmarking analysis
- Best practices consultation
- Program optimization
- Payment process mapping
- Program utilization review
- White paper program evaluation
- Supplier retention strategy recommendations



Payment Card Innovation Series



Factors in identifying the right payment card provider

Strategies for the adoption of payment card best practices

Techniques to maximize the value of your payment card programs

The importance of developing key reporting metrics

Preparing your card program for an audit

Questions and answers



Tony Grayson

Vice President Payment Consulting and Optimization

anthony.grayson@usbank.com

615-761-4048



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