



Basics of Cash Management

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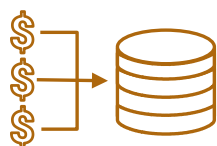
Goals for a successful treasury management

Your need

Maximize visibility and control in the payables process



Streamline the collections process



Maximize the return on account balances



Mitigate risk throughout the cash flow cycle



Make better decisions with more financial information



Value

- Reduce paper/check costs through electronic solutions
- Stop payments easily and quickly
- Streamline procurement process
- Real-time access to information via desktop or mobile device

- Reduce time required to prepare and transport cash/check deposits
- Speed cash flow and funds availability
- Centralize collections
- Leverage mobile technology

- Optimize working capital
- Leverage earnings credit allowance
- Earn competitive interest rates and rebates
- Consolidate balances for self-funding, making investments and paying debt

- Retain data to address legal, risk and audit requirements
- Protect your business from fraud and potential losses
- Improve employee safety

- View balances and account history
- Make secure payments and transfer funds online
- Integrate data with internal systems
- View account information across multiple banking providers

Who said managing your investments can't be easy?

Use Rule Based Liquidity Management to efficiently execute your strategy

Setting Your Investment Parameters:



Set a **target balance** to be allocated toward earning credits and/or interest-bearing deposits



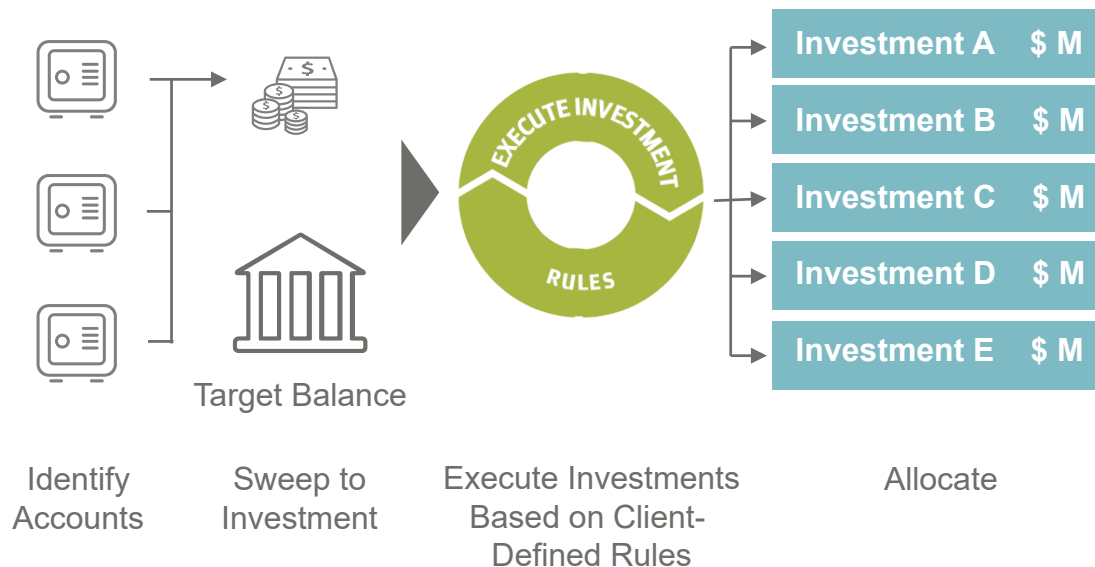
Designate a **minimum or maximum** amount to be invested



Prioritize and invest automatically



Define a **percentage** of funds to be invested

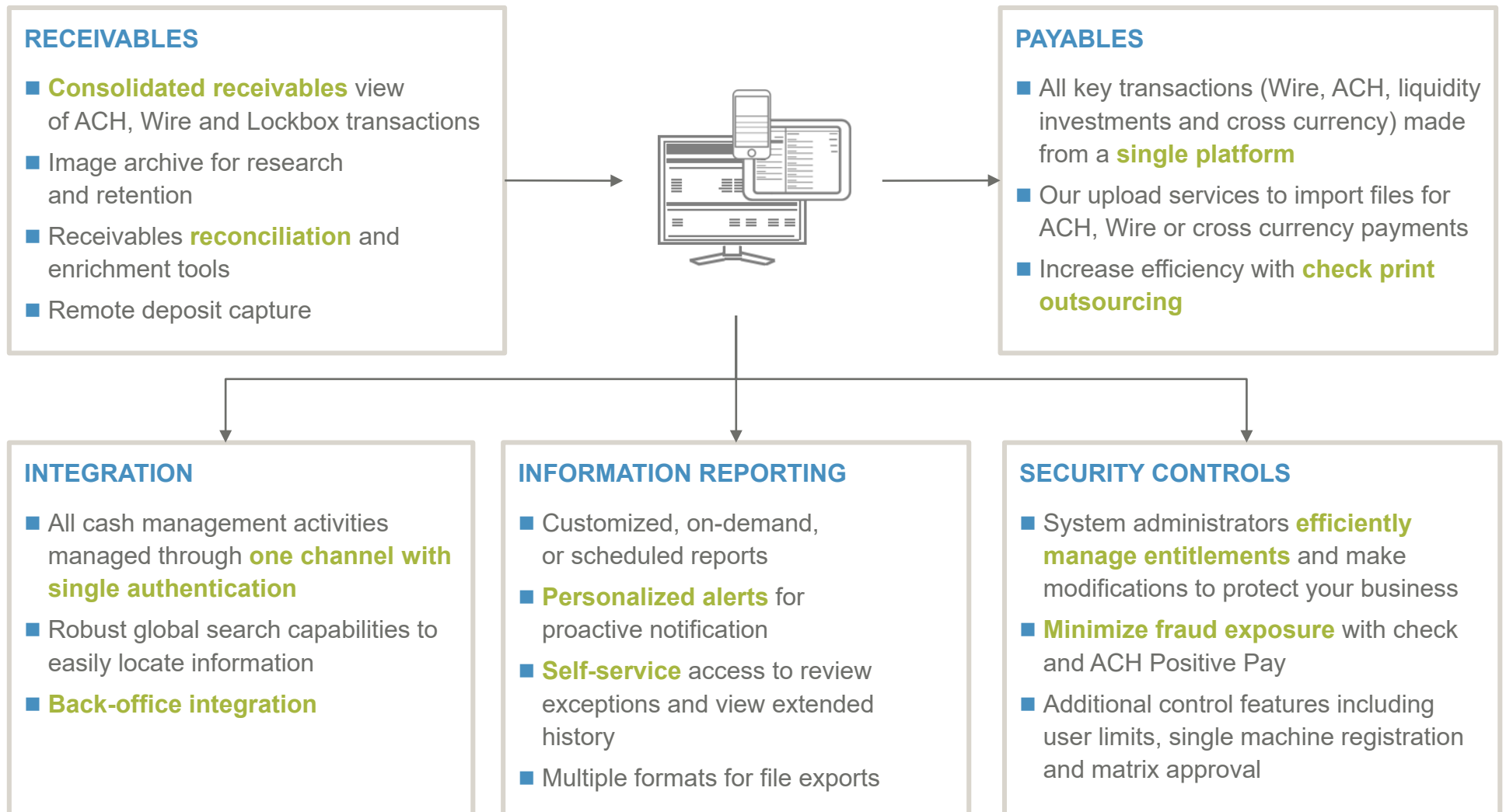


INVEST ON YOUR OWN TERMS

- Execute and settle investments from one account with consolidated reporting
- Change parameters in real-time
- Allocations are automatically adjusted on a daily basis based on cash position

Online cash management solution

A powerful online solution that is simple, intuitive, secure and integrated on your desktop or mobile device

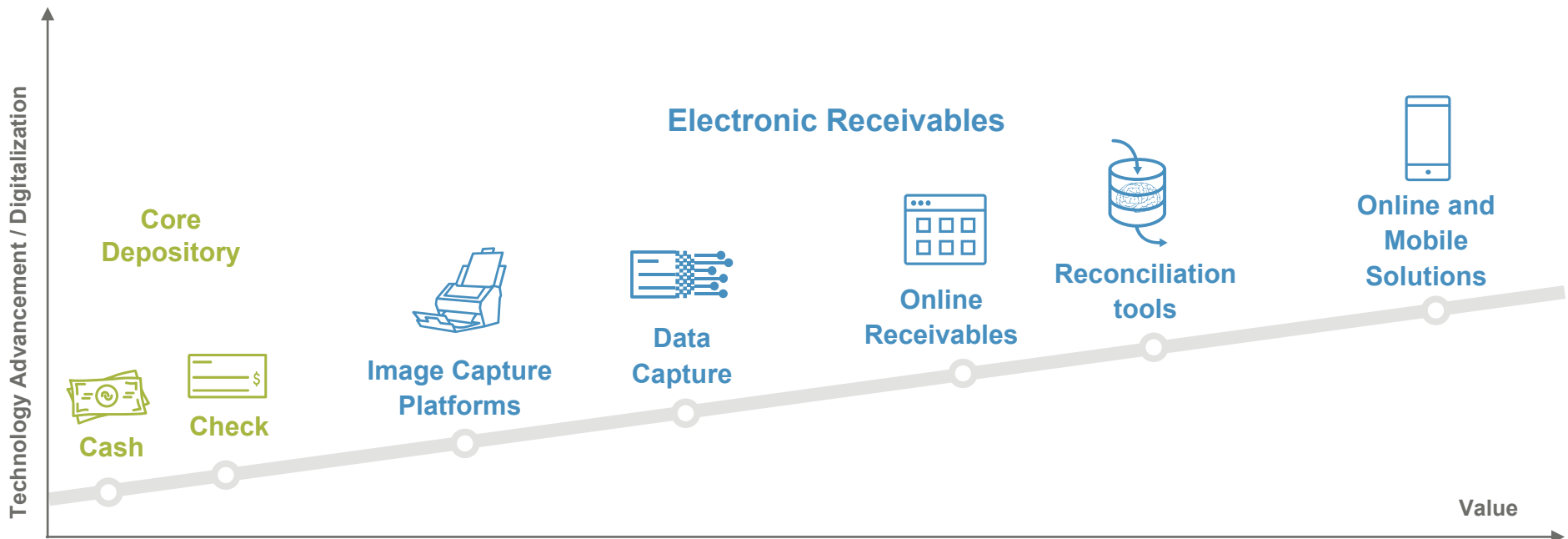


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Integrated Receivables Solutions

A wide spectrum of solutions designed to accelerate your collections and improve reconciliation



- Branch Deposit
- Smart Safe
- Cash Vault
- ATM

- Image Cash Letter
- Remote deposit capture
- Wholesale and retail lockbox

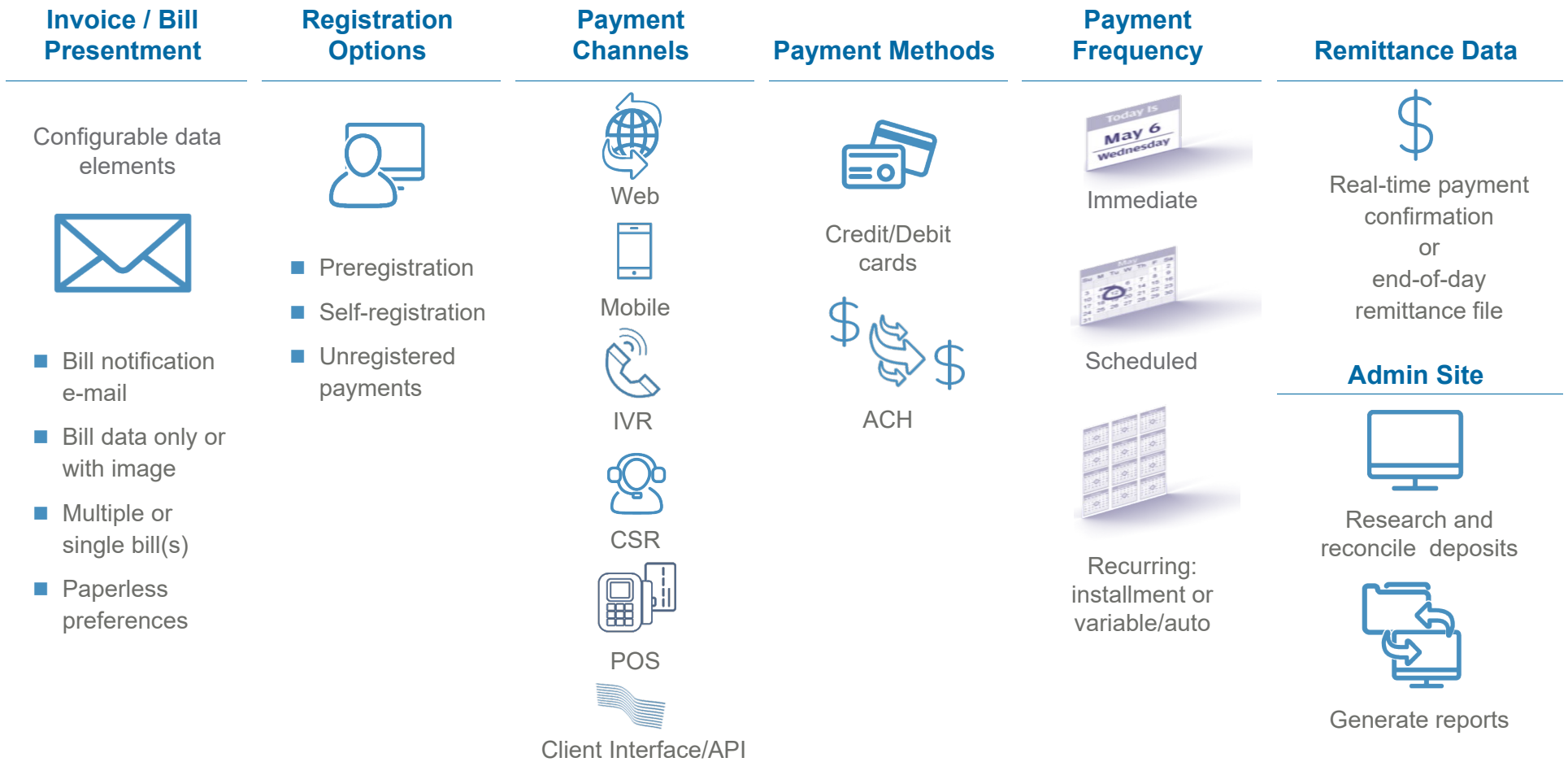
- Data Transmission
 - BAI, EDI and proprietary
- Optical and intelligent character recognition (OCR, ICR, etc.) data capture

- Remittance association
- Invoice matching
- Exception management
- Payer data management
- Transmission reporting – ACH, Wires and returns

- Multi-channel: credit/debit card and ACH
- ACH eLockbox
- ACH collection
- Card services

Comprehensive e-payments platform

A **configurable** payment collection platform, that is easily expandable to support your needs

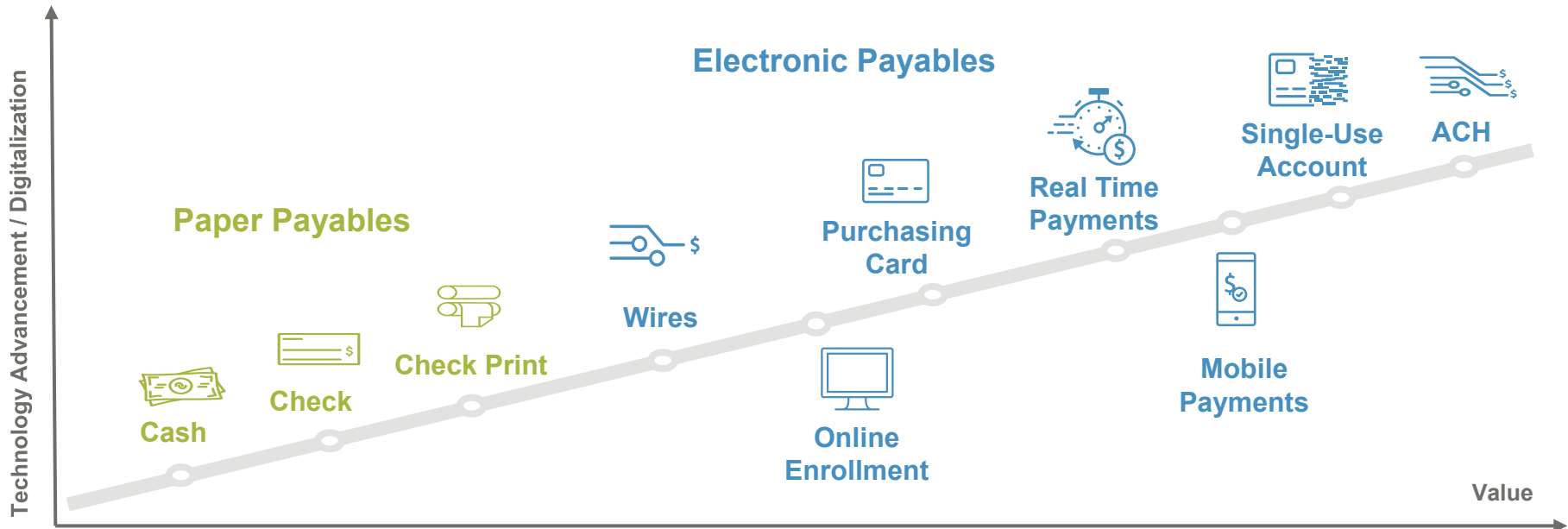


BENEFITS

- PCI and NACHA compliance
- Accelerate cash flow and processes
- Reduce costs and inefficiencies of paper
- Automate acceptance and posting
- Payer convenience and preferences
- Focus on core competencies

Integrated Payables Solutions

Gain efficiencies and reduce costs by automating your disbursements



- Controlled disbursement
- Account reconciliation
- Positive pay
- Online check image storage and inquiry

- Print and distribution
- Payment types
- Account payables checks
- Payroll
- Official checks

- Customized card solutions
 - Purchasing
 - Single Use
 - Travel
- Rebates

- Timeliness and certainty of payments
- FedWire
- Chips
- Digital Payments

- Payroll direct deposit
- Electronic payments
- Mobile / digital payments

Unlock economic value with an Integrated Payables approach



Key principles

Digitize your payment channels

Prioritize spend based on total return

Strategically leverage grace period on Card



Illustrative value

Reduce transactional cost by 80%+

Earn rebates and increase Days Payable Outstanding (DPO) on converted card spend

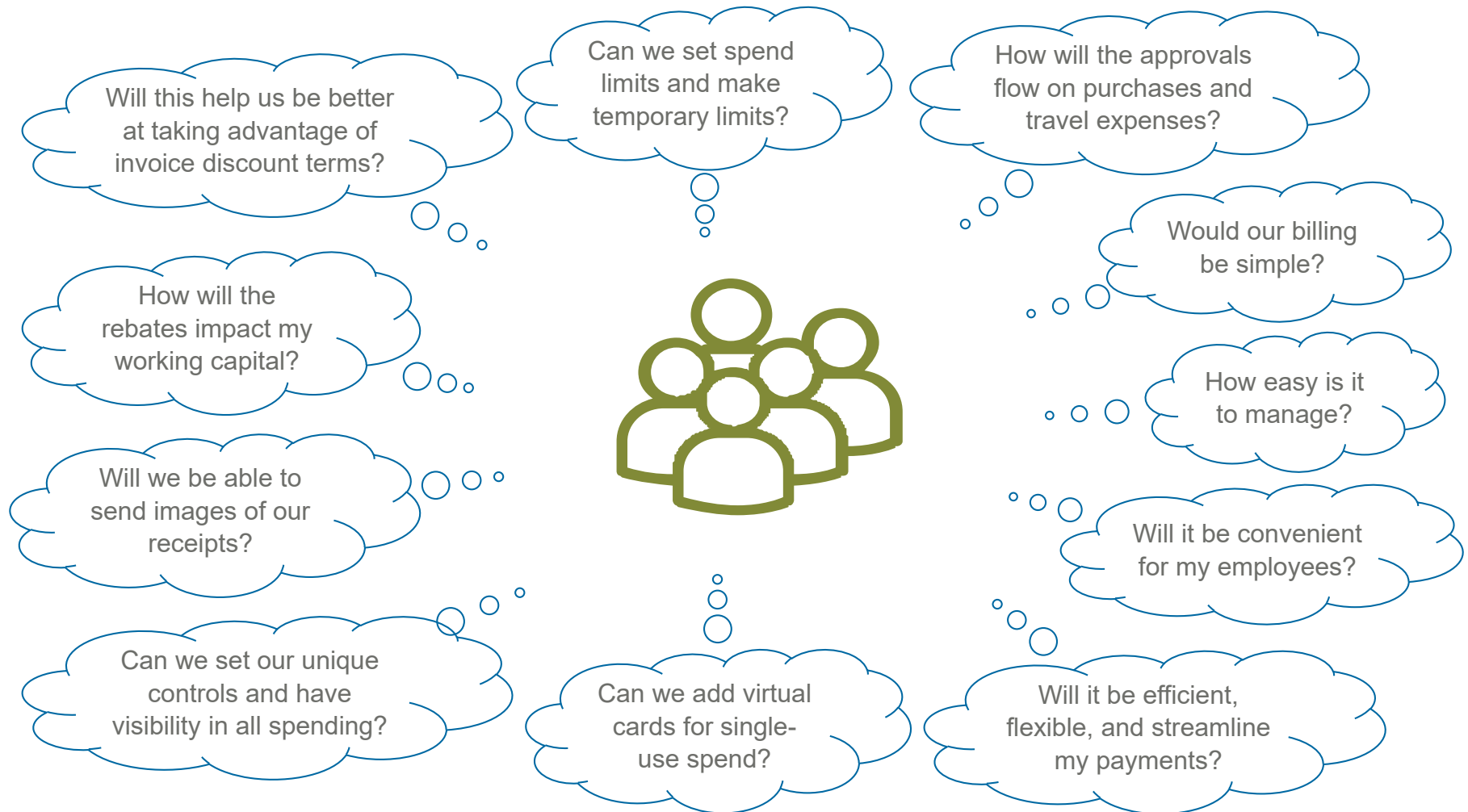
Pay earlier to increase rebate or pay later to increase DPO

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Choose a Card solution that is right for you

So many options to consider



The simplicity and reliability you deserve

Gain maximum value with resources designed to meet your needs

Purchasing Cards

Plastic, cardless and ghost/
supplier payment solution



Single-Use Accounts (SUA)

Virtual, electronic, single use account
payables solution

Reduce costly manual processing on low
value/high frequency spend



Target higher value spend requiring A/P
control or pre-approval

Employee convenience with powerful
spend controls and added visibility



Benefits of a purchasing card with the added
controls of a check (date, exact amount)

Processing cost saves plus rebate
revenue and working capital opportunity



Efficiencies of ACH, plus rebate
revenue and working capital opportunity

Fraud communication

How we communicate suspicious activity

Fraud Alerts

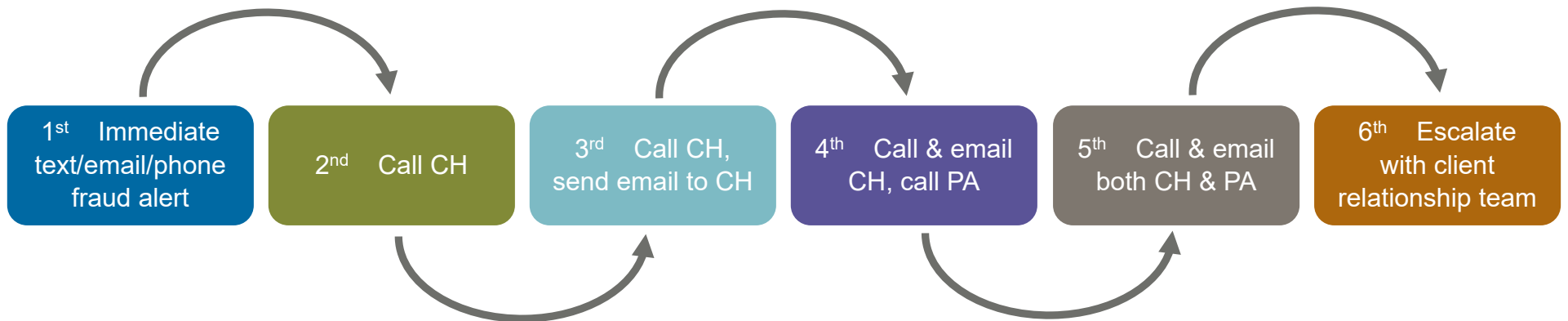
With fraud alerts, cardholders are notified when suspicious transactions are identified on their account.

Cardholders (CH) and program administrators (PA) can enroll to receive notifications through text, email, and/or phone.

Cardholder fraud alerts are one of the easiest and fastest ways for cardholders to confirm fraud on their accounts.



Suspicious activity communication



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Enhance your security protocols

Safeguard your company

Criminals frequently use multiple types of fraud schemes to trick employees at companies into sending payments



- Emails or other communications to a company's employees that appear to be from legitimate contacts, but which actually direct the employee to make funds transfers to accounts controlled by criminals



- Malware attached to emails or website links that infect a company's computers and capture the company's security credentials, enabling criminals to issue payment instructions in the name of the business

Safeguard your accounts

- ACH debit block
 - Protect your accounts against unauthorized debits
- Positive pay
 - Automatically validate presented checks against your uploaded check file
- Transaction limits
 - Periodically set and review for each authorized user; review and adjust daily as needed
- **Leverage dual controls**
- **Call vendors to verify new wire instructions**
- **Review transaction and log-on history regularly**
- Alerts
 - Use to understand when payments have been made or changed

Financial professionals are preparing to guard against email scams

The recent development of increased “sophisticated” fraud such as account takeovers suggests that fraud mitigation, in addition to robust internal controls, should also focus on network security and how to prevent external parties from gaining access to internal systems.

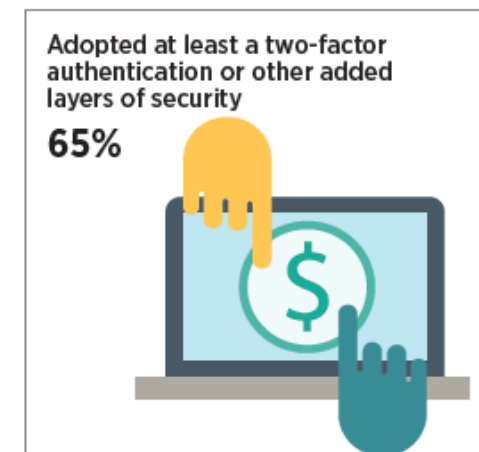
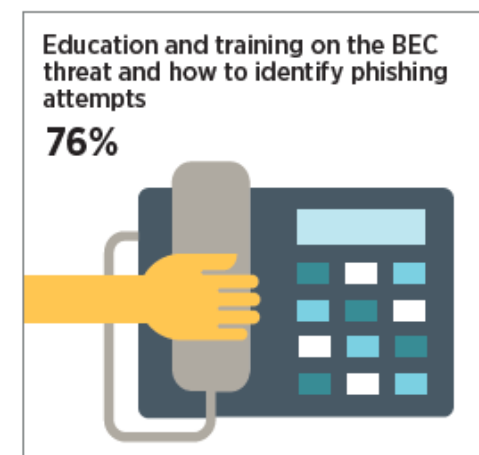
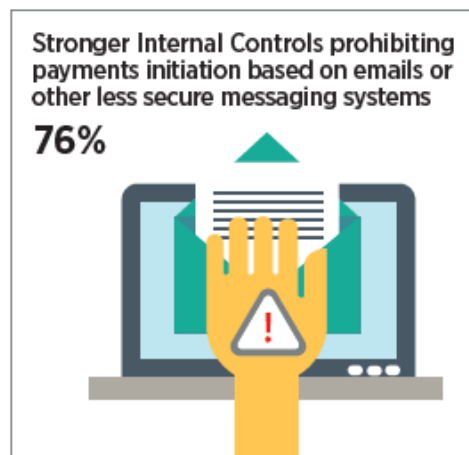
To guard against Business Email Compromise (BEC), companies are implementing various procedures to prevent their employees from being “scammed” by fraudulent emails.

Additional Controls

- Confirming requests for transfer of funds by using phone verification as part of a two-factor authentication
- Implementing an intrusion detecting system that flags emails with extensions that are similar to company email

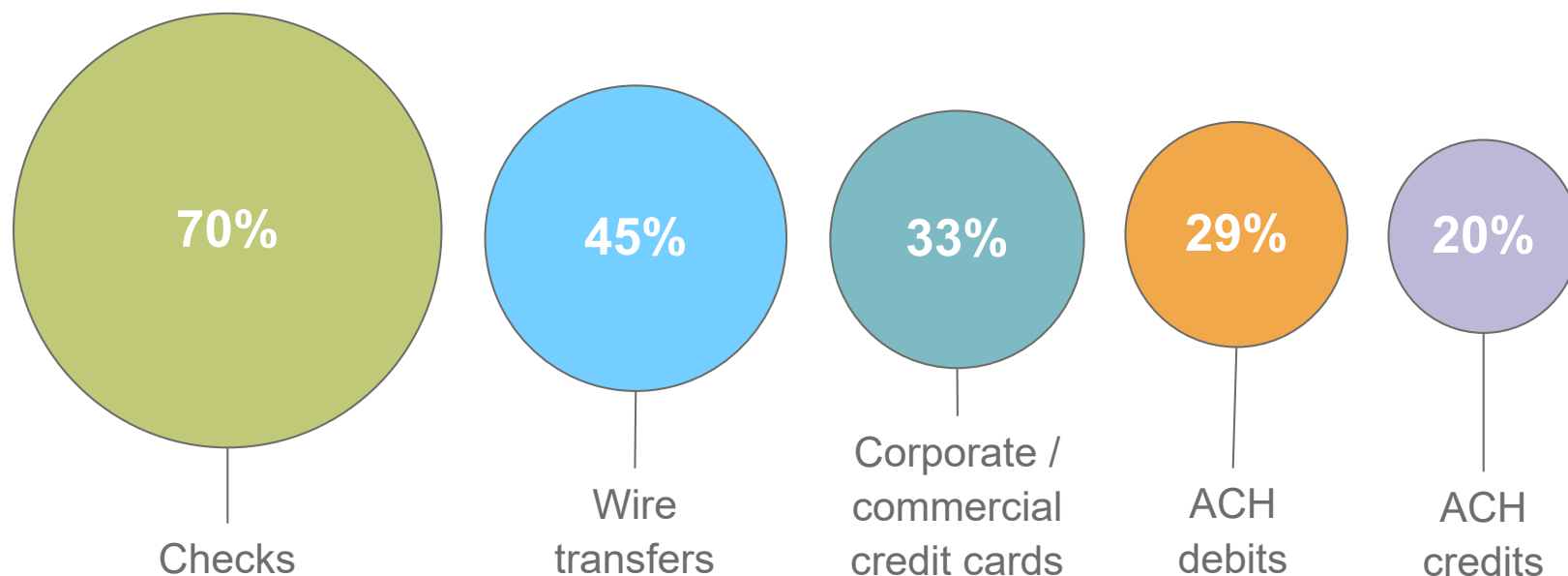
Sources of attempted fraud in 2018

- **64%** Outside individual
- **58%** Business email compromise
- **22%** Third-party or outsourcer
- **21%** Account takeover



Payment methods that were targets of attempted and/or actual payments fraud in 2018

Percent of organizations that experienced attempted and/or actual payments fraud



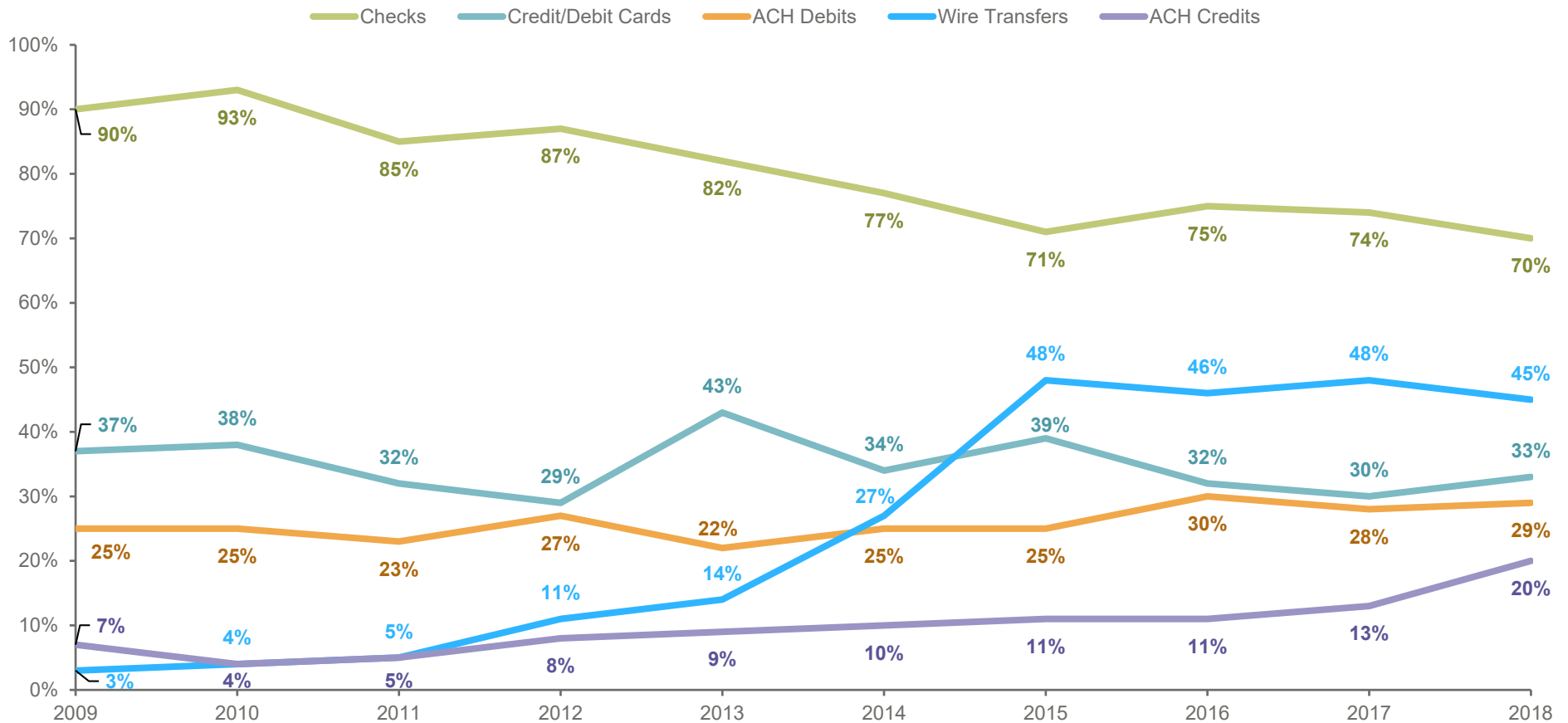
Historical Trend of Fraud for Payment Methods

- Payments by **Checks** are the most subject to fraud, but instances being reported are on the decline
- Fraud through **Wire** continues to be at elevated levels with business email compromise (BEC) being a likely cause of attacks
- Fraud activity with **Cards** on the decline
- Fraud has increased to record levels for **ACH Debits** and continues its upward trend
- A steady increase in **ACH Credits** fraud since 2012

Historical trend of fraud for payment methods

Percent of organizations that experienced attempted and/or actual payments fraud

Historical data, 2009-2018



Source: 2018 AFP Payments Fraud and Control Survey - www.AFPonline.org