

AR LEADING PRACTICES (PART 1) FASTER PAYMENTS AND CHANGING CONTROLS



ANNA TALLO

Senior Product Manager, Deluxe

CRAIG JEFFERY

Founder & Managing Partner, Strategic Treasurer



WHAT

Discussing the opportunities and concerns surrounding faster payments and changing controls and how AR and treasury can best work together to navigate them.



WHEN

Tuesday, July 19, 2022
2:00 PM – 3:00 PM EDT



WHERE

Live online presentation
Replays at StrategicTreasurer.com



This presentation is provided by Strategic Treasurer and Deluxe

ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



ANNA TALLO

Anna Tallo is a Senior Product Manager at Deluxe and is responsible for Deluxe's industry-leading remote capture products. Anna has over a decade of experience working in various capacities within treasury management, including product management, client services and support. She is a Certified Treasury Professional, recently earning an MBA from the University of West Alabama. She also holds a Bachelor of Science in Marketing and Bachelor of Arts in Spanish from Auburn University.



CRAIG JEFFERY

Craig Jeffery formed Strategic Treasurer in 2004 to provide corporate, educational and government entities direct access to comprehensive and current assistance with their treasury and financial process needs.

His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.

TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &
ANALYSIS



PAYMENTS

VARIOUS TYPES



CHARACTERISTICS

DIFFERENCES BETWEEN
PAYMENT TYPES



DRIVERS

TO AUTOMATION



SECURITY

MAKING PAYMENTS SAFER



COLLABORATION

BETWEEN AR AND TREASURY

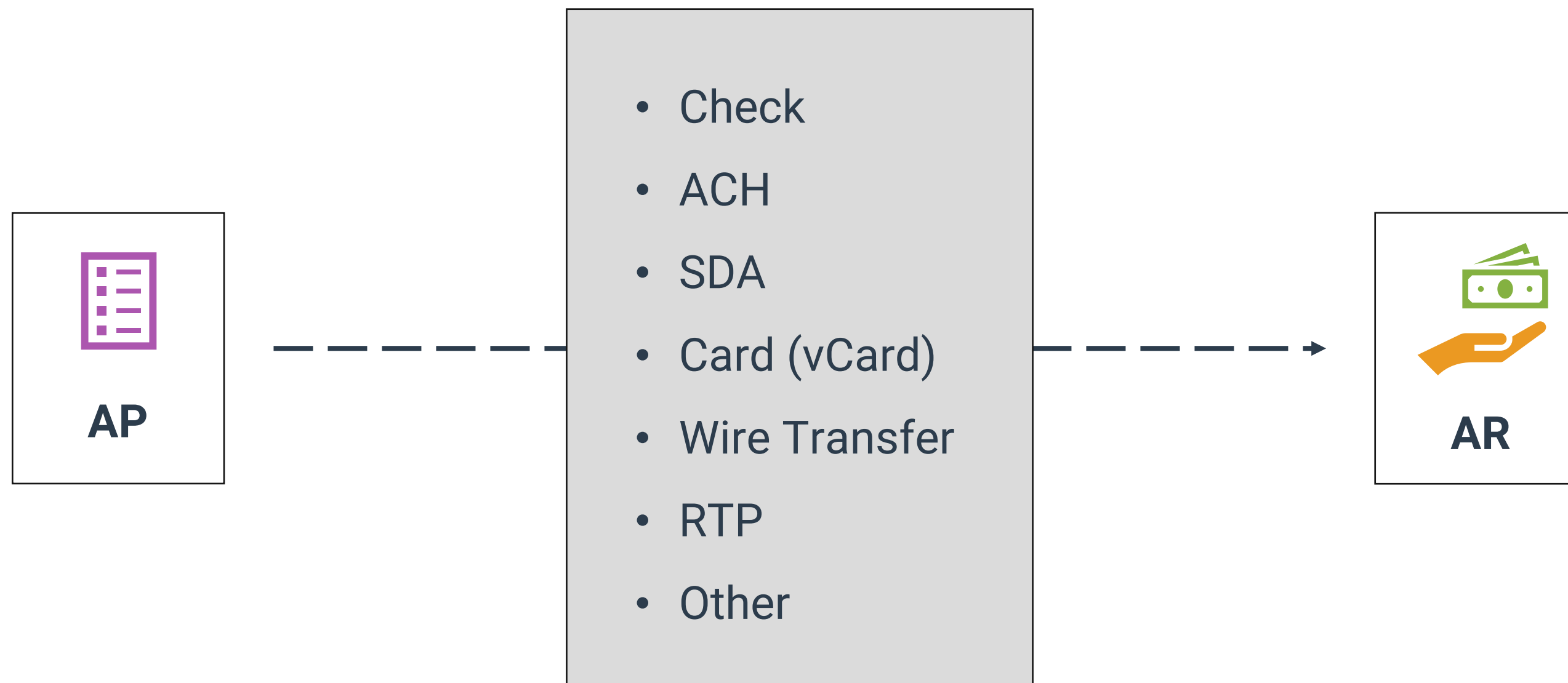


KEY TAKEAWAYS

AND FINAL THOUGHTS

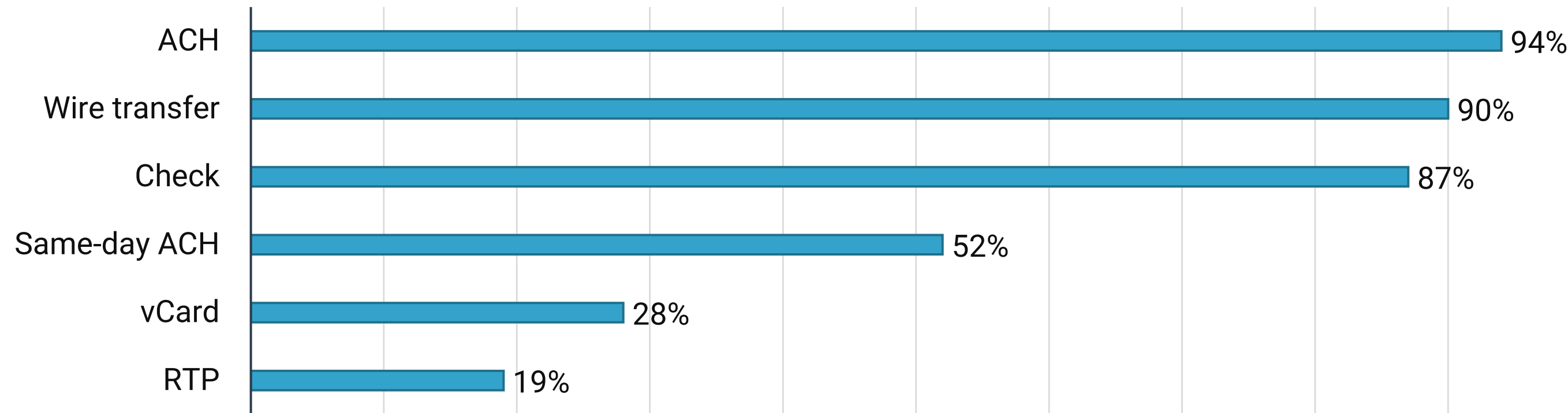
PAYMENTS

DIFFERENT SYSTEMS

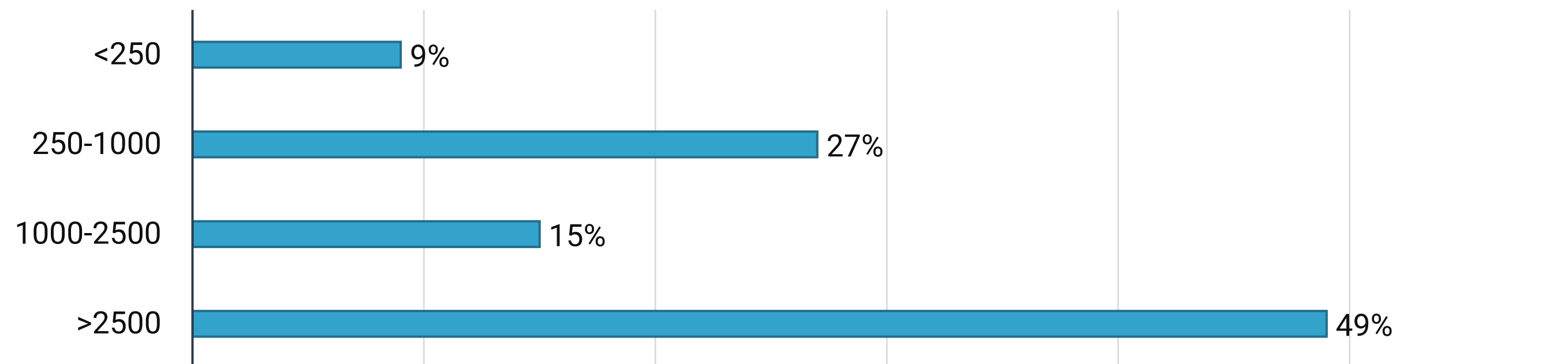


POLL QUESTION

What methods of payments do you receive?

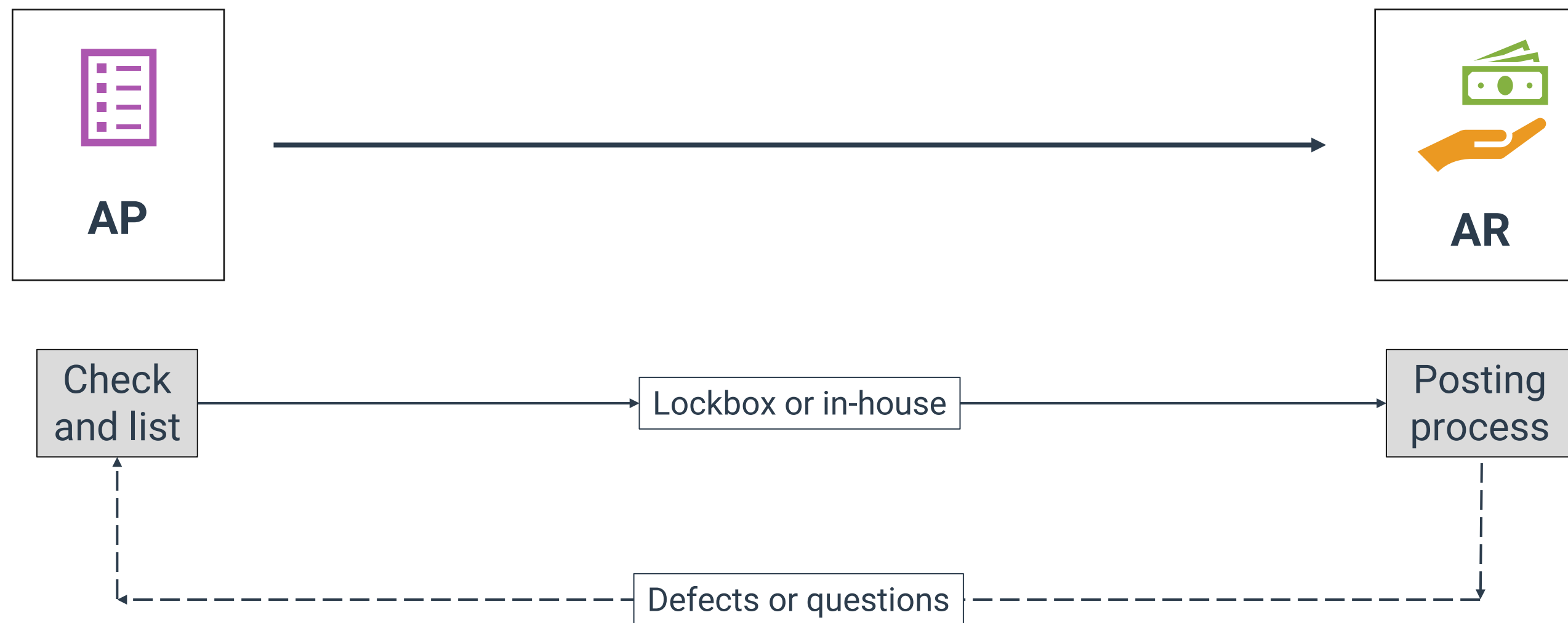


What is the monthly volume of your organization's overall payments received?



CHECK

METHOD AND DISTINCTIONS



Value & Info

- Can travel together

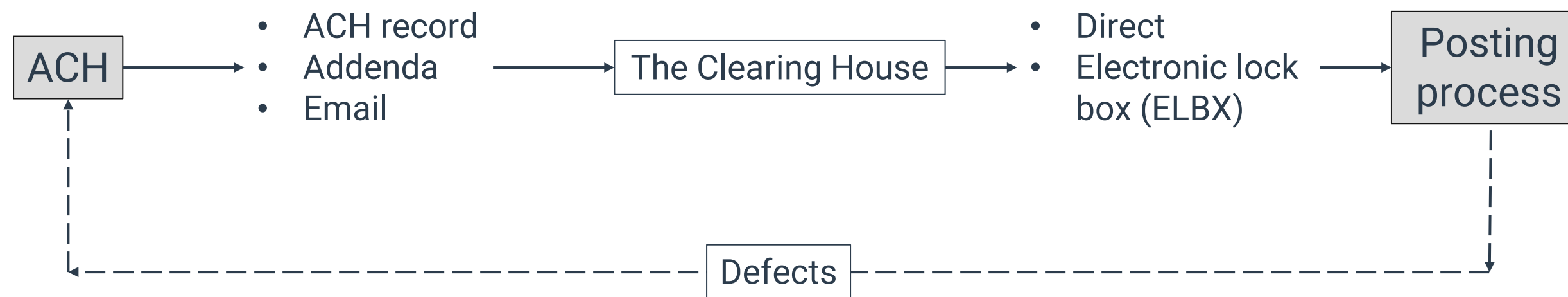
Timing: Days+, week

Visibility: None

Controls: Positive Payment
Payee Match Positive Payment

ACH

METHOD AND DISTINCTIONS



Value & Info

- Can travel together
- Can travel separately (reassociation)

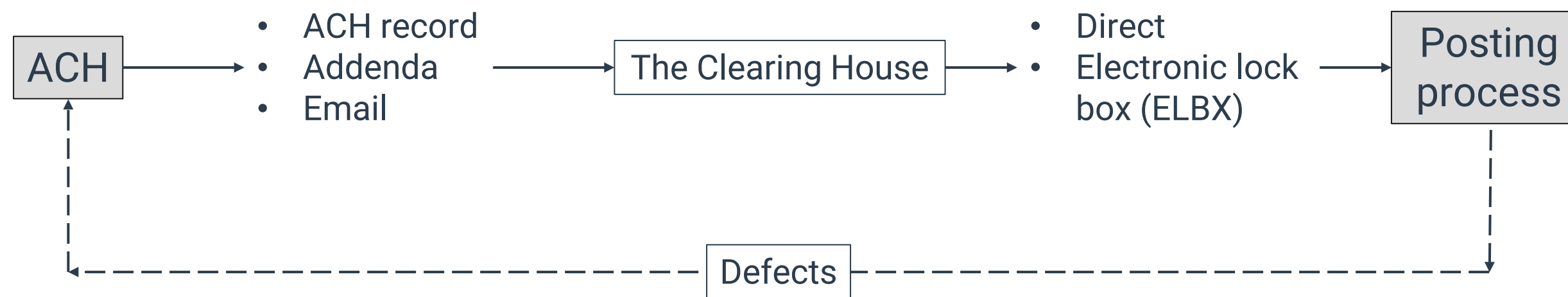
Timing: Next day

Visibility: None (until received)

Controls: UPIC (receiver)
Control totals (sender)
Validation (sender)

SAME-DAY ACH

METHOD AND DISTINCTIONS



Value & Info

- Can travel together
- Can travel separately (reassociation)

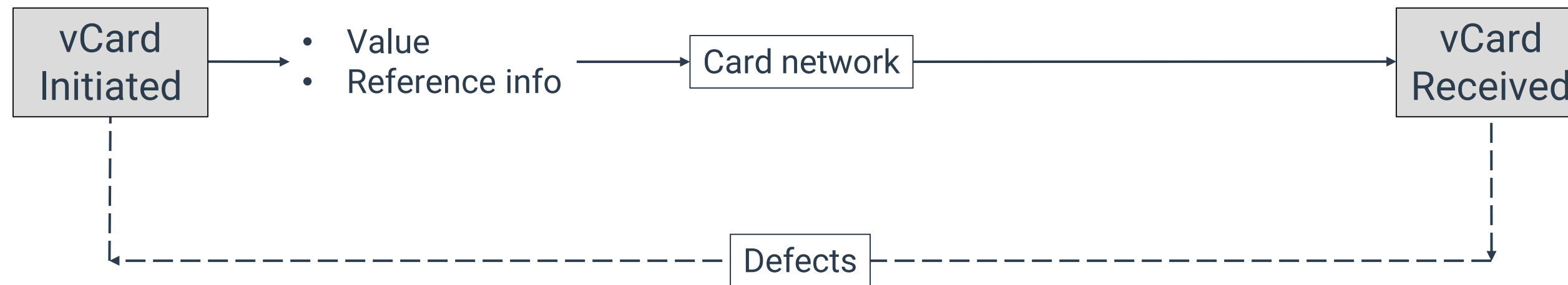
Timing: Same day

Visibility: Day earlier than ACH

Controls: UPIC (receiver)
Control totals (sender)
Validation (sender)

VCARD

METHOD AND DISTINCTIONS



Value & Info

- Travel together
- Contemporaneous

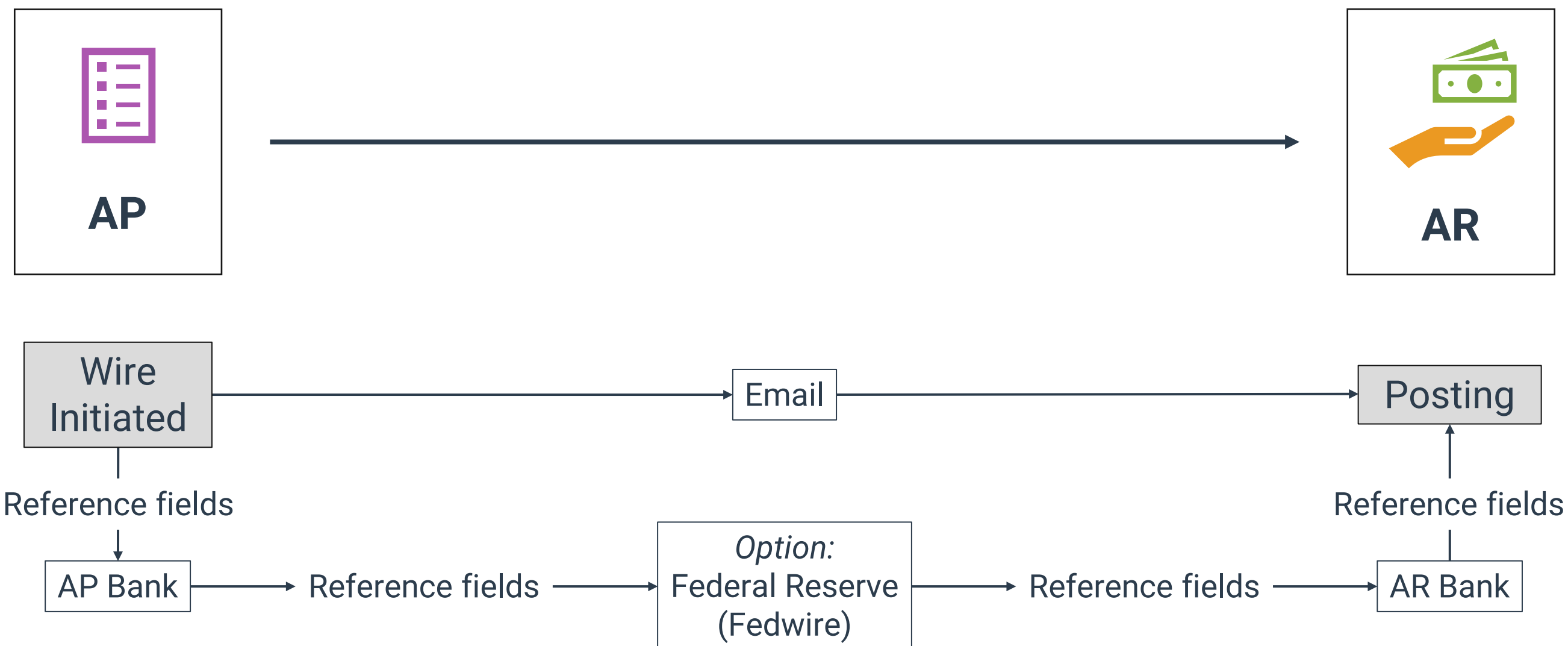
Timing: ASAP pending good funds

Visibility: At point of initiation

Controls: One-time use
Can't steal what's no longer there

WIRE TRANSFER

METHOD AND DISTINCTIONS



Value & Info

- Some data can travel with payment
- Most can see the reference info

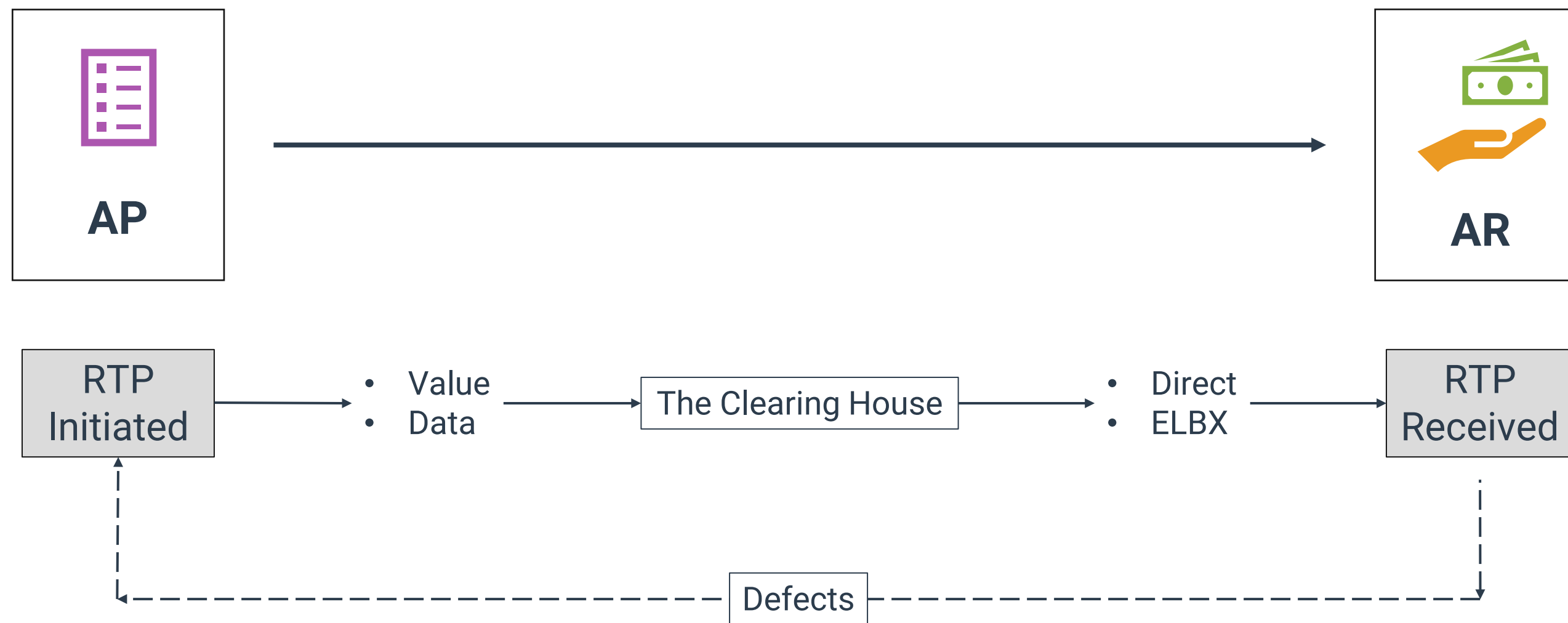
Timing: Near immediate

Visibility: Same day, reference info

Controls: Valuation options

REAL-TIME PAYMENT (RTP)

METHOD AND DISTINCTIONS



Value & Info

- Travel together

Timing: Faster

Visibility: Document exchange (XML, PDF)

Controls: DDA tokenization (instead of real account numbers)

CONTROLS

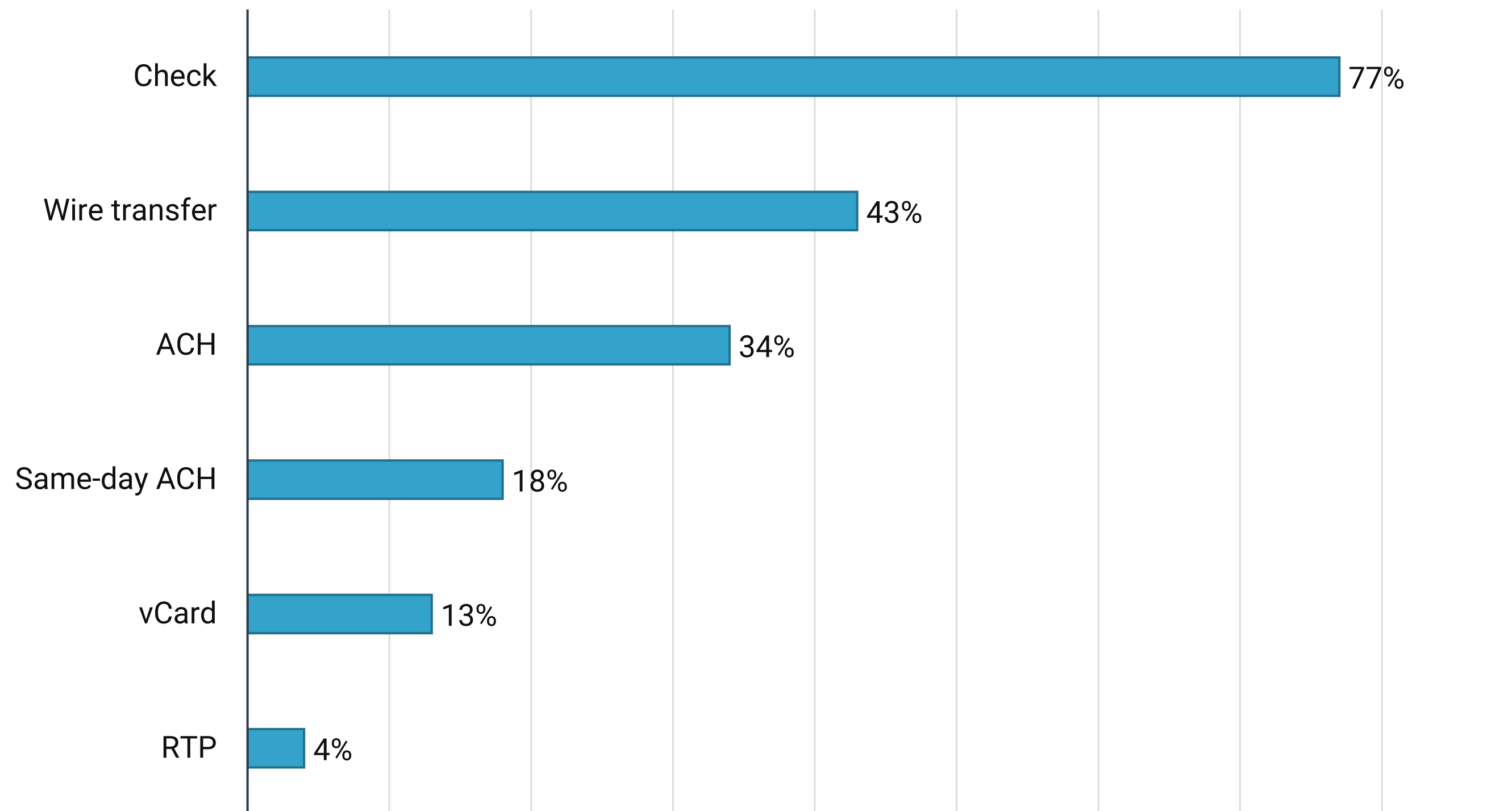
A QUESTION OF SPEED AND CONTROLS

	Amount	Speed	Finality of Settlement	Detail	Controls
Checks	No limit	5-10 days	Extended timeframe (see regulations)	List	<ul style="list-style-type: none"> • Positive Payment • Payee Match Positive Payment • Voids • Stop payment • Affidavit of forgery/washing
ACH	\$99,999,999.99	1 day	Minimum 2 business days*	Detailed rules CCD+1, CTX	<ul style="list-style-type: none"> • Electronic pre-authorization • File confirmation processes
SDA	Was: \$25,000 Now: \$1,000,000	Same-day (Windows: W1, W2, W3)	Rules	ACH addenda	<ul style="list-style-type: none"> • Electronic pre-authorization • Transaction limits
vCard	Set by user	Seconds	Rules	Level 3 data	<ul style="list-style-type: none"> • One-time use • Transaction limits
Wire Transfer (Fedwire)	Varies by financial institution	10-30 minutes	Yes	Customer fields (RFB) with limited space	<ul style="list-style-type: none"> • Transaction limits • Transaction confirmation processes
RTP	\$1,000,000	Seconds to minutes	Yes	Details	<ul style="list-style-type: none"> • Transaction limits

* General guidance

POLL QUESTION

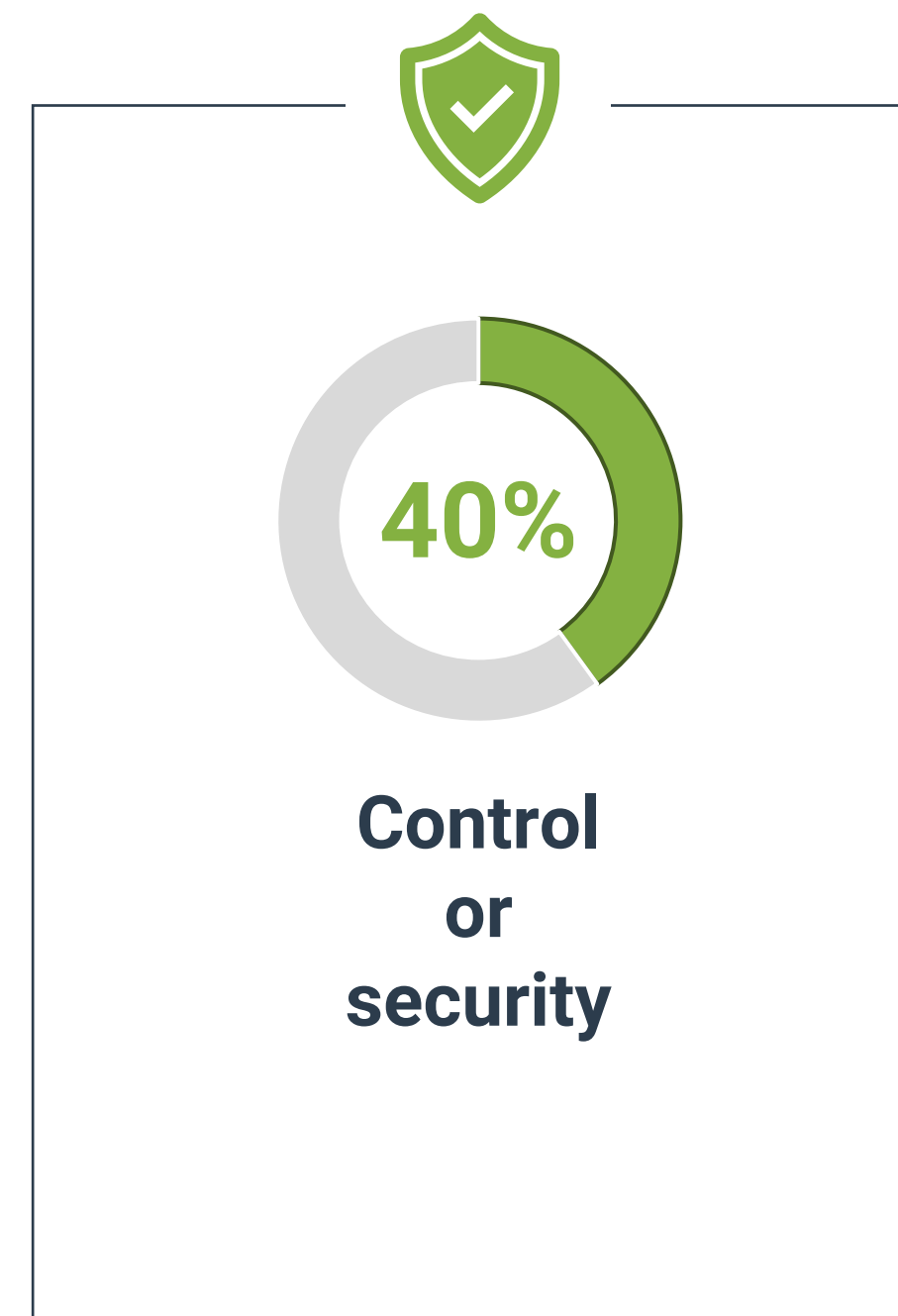
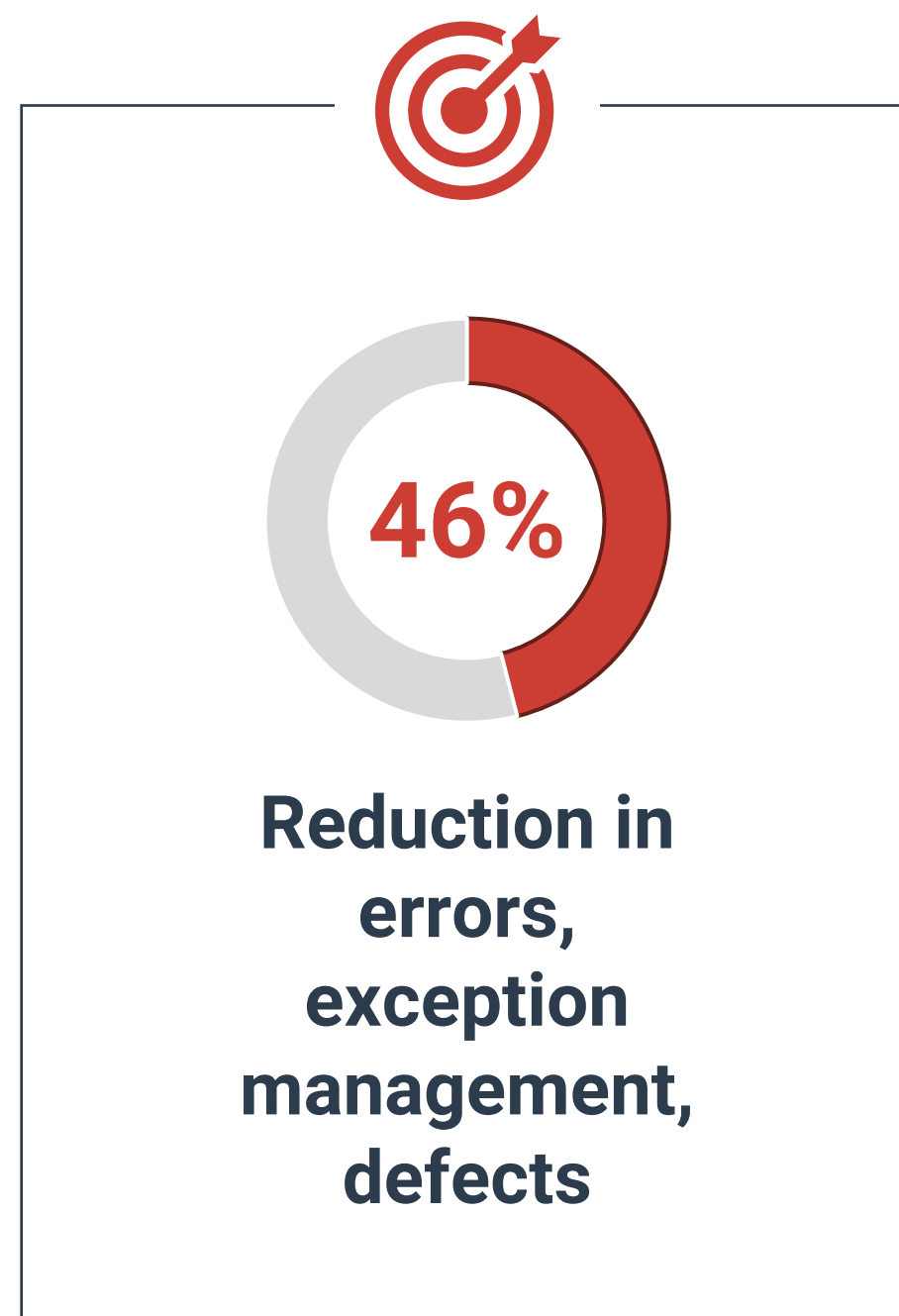
Which processes are highly manual for your AR posting?



DRIVERS TO AUTOMATION

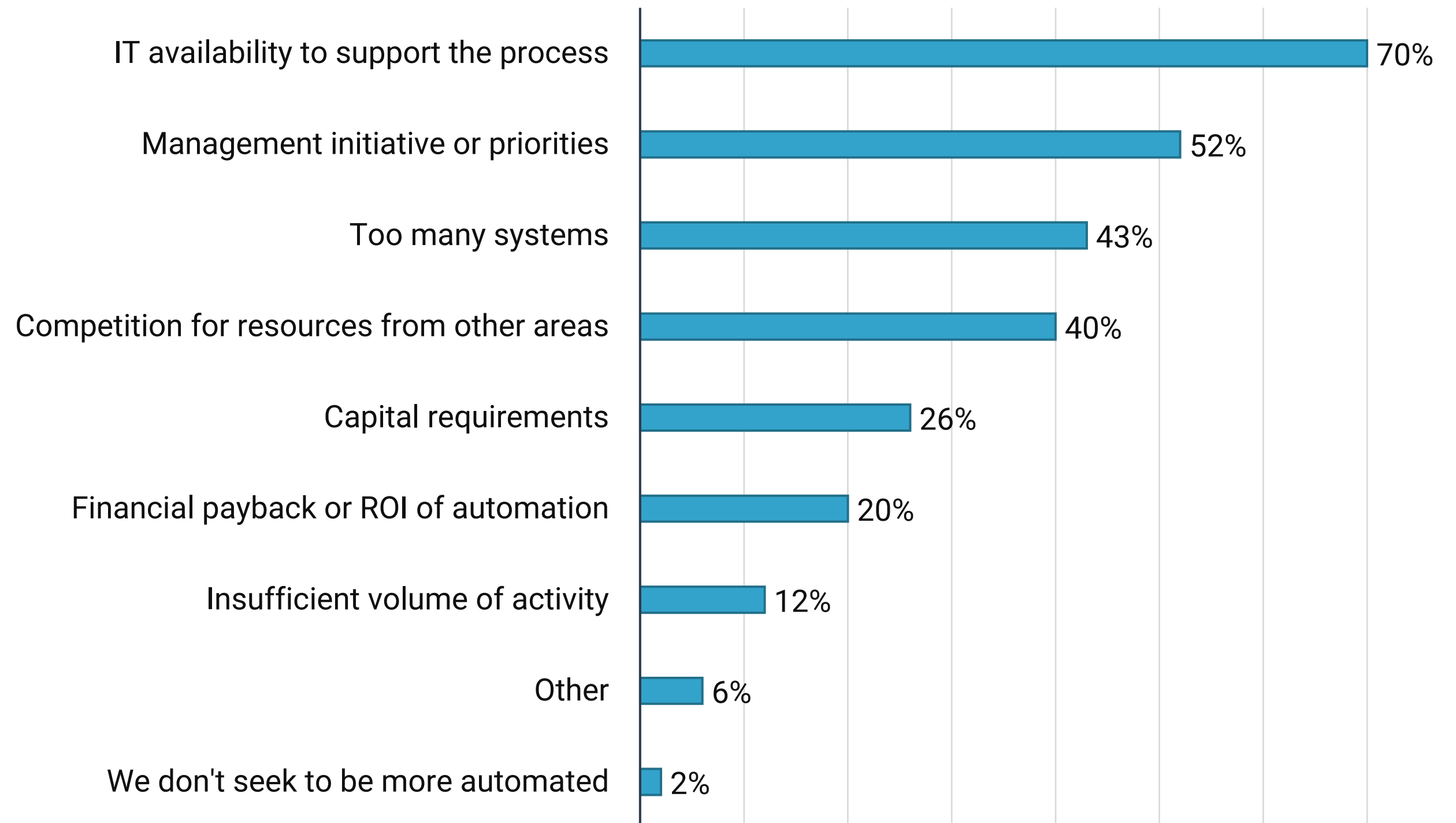
REDUCING ERRORS AND INCREASING SECURITY

» AR: What would drive you / or drove you to more AR automation? (Select all that apply)



POLL QUESTION

What are your biggest challenges to automation?



SECURITY

OPTIONS TO MAKE PAYMENTS SAFER



Encrypting Data



One-Time Use



Tokenization



Two-Party Validation

- Changes
- Electronic pre-authorization
- Filters

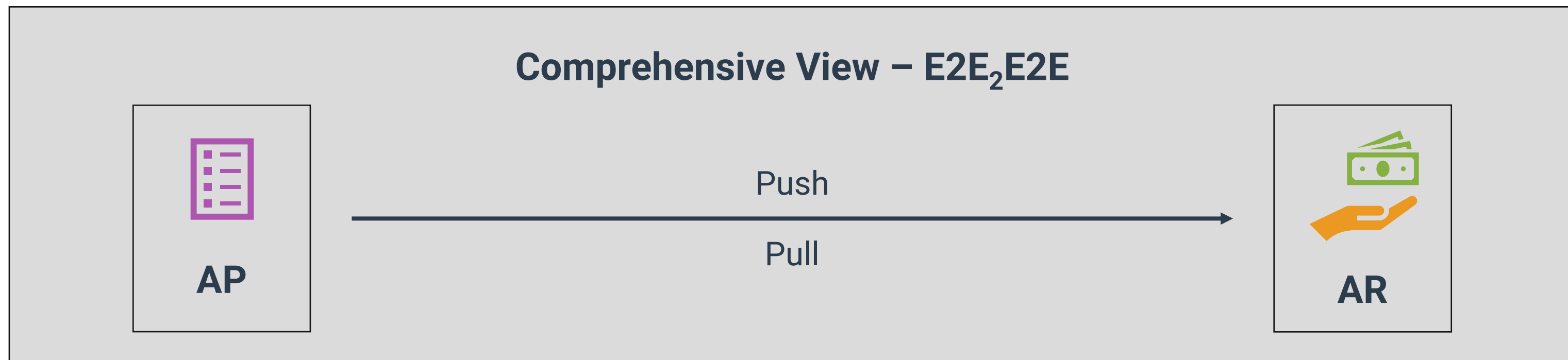


One-Direction Gates

- UPIC

WORKING TOGETHER

AR AND TREASURY



1. Value transfer

2. Process management

- Posting
- Exception management (defects)
- Two parties
- Communication of details
- Discrepancies

3. Visibility

4. Controls

- Protecting:
 - Accounts
 - Cash
 - Confidential data
 - Client data



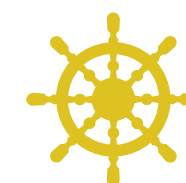
Working capital – Post quickly



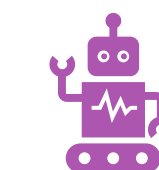
Liquidity – Reducing float or latency issues



Visibility – Planning



Stewardship – Control of value and info



Efficiency – Support automation

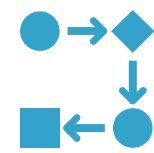
KEY TAKEAWAYS

IDEAS AND POINTS TO BRING BACK TO THE OFFICE



COMPREHENSIVE VIEW

- All parties



PROCESS VIEW

- All aspects of transactions



LIQUIDITY AND CASH MANAGEMENT

- Cash availability
- Balance sheet data



TRANSITION

- Value increasing
- Concerns
- Adoption
- Opportunities

LET'S CONNECT

DON'T LET THE LEARNING END HERE...
CONTACT US WITH ANY FUTURE QUESTIONS.

Thank you for your interest in this presentation and for allowing us to support you in your professional development. Strategic Treasurer and our partners believe in the value of continued education and are committed to providing quality resources that keep you well informed.



STRATEGIC TREASURER

Craig A. Jeffery,
Managing Partner

✉ craig@strategictreasurer.com

🎧 The Treasury Update Podcast

💻 [linkedin.com/in/strategictreasurer/](https://www.linkedin.com/in/strategictreasurer/)



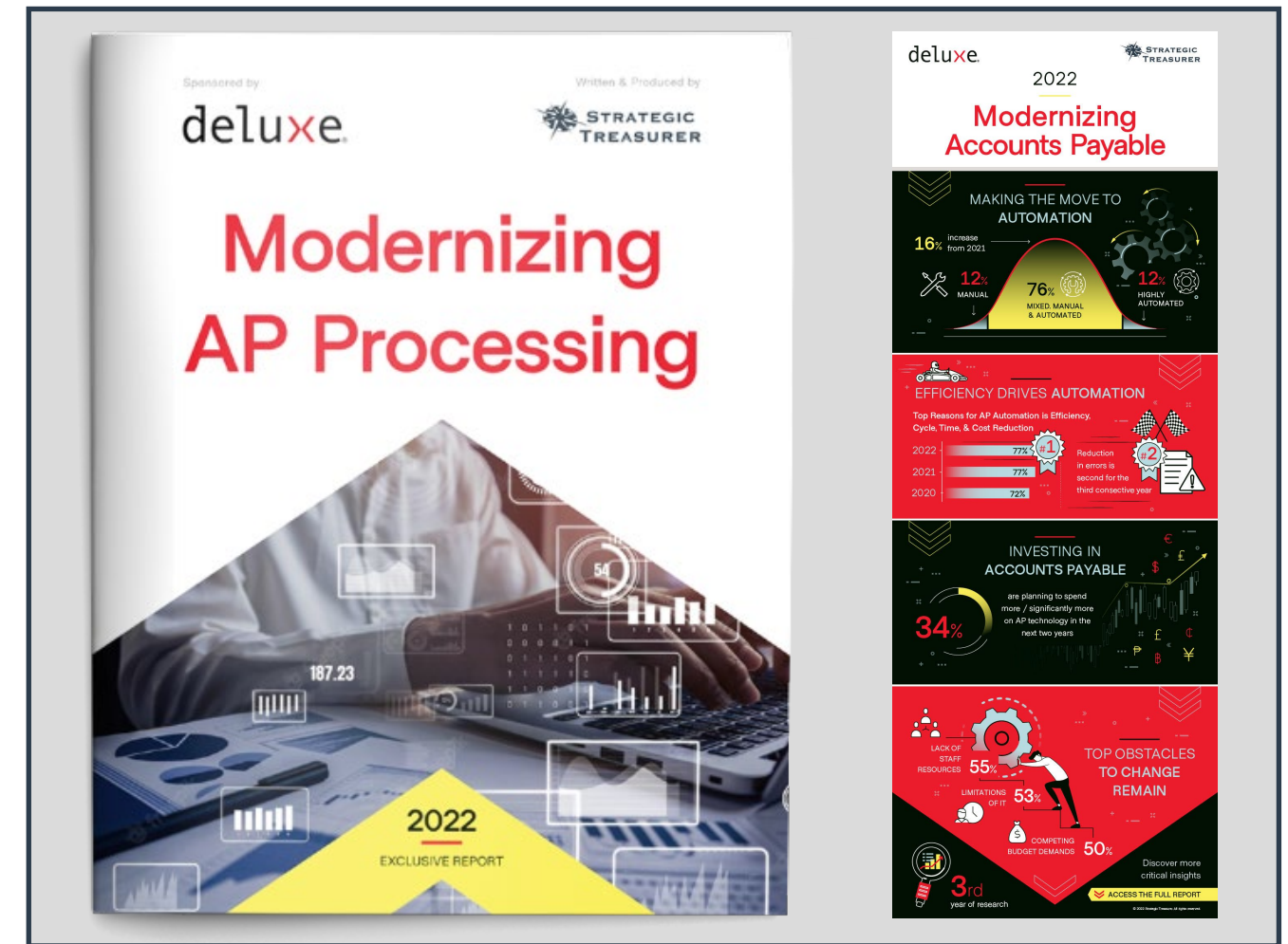
DELUXE CORPORATION

Anna Tallo
Senior Product Manager, Payments

✉ anna.tallo@deluxe.com

📞 205.607.7728

💻 [deluxe.com/payments/receivables-management/](https://www.deluxe.com/payments/receivables-management/)



SURVEY REPORT and INFOGRAPHIC

Download the 2022 Modernizing AP Processing Report for in-depth commentary.



**Released
20 September**