

SECURING YOUR RECEIPTS



SARAH MILLE

Senior Lockbox Manager, Deluxe

JIM WOODS

Director of Outsource Services, Deluxe

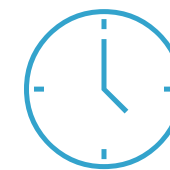
CRAIG JEFFERY

Managing Partner, Strategic Treasurer



WHAT

Discussing how you can assess and improve the security processes and standards for payments flowing in through your lockboxes.



WHEN

Tuesday, June 20, 2023
11:00 AM – 12:00 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



SARAH MILLE

Sarah Mille is the Senior Lockbox Manager at Deluxe, specializing in lockbox processing and accounts receivable solutions. She is an experienced Product and Project Manager who has been in the Treasury Management Product Management field for nearly 20 years. Sarah is an Accredited Receivables Manager (ARM) who is passionate about providing receivables solutions and efficiencies to her clients.



JIM WOODS

After being introduced to his dad's lockbox business at an early age, Jim has been in the industry for more than 20 years in a variety of positions. Jim graduated from Boston College and spent five years as a college basketball coach before joining his family's business. He joined Deluxe in 2022 as Director of Outsource Services and operates out of New Jersey. Jim brings a unique perspective to his role by having experience on the actual floor of a lockbox operation, and his coaching background lends to bringing a group of people together to work towards a common goal.



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.

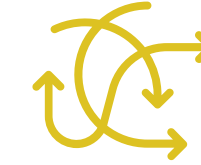
TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &
ANALYSIS



FRAUD

SITUATION AND FOCUS



RECEIVABLES

COMPLICATION AND
PROBLEMS



ROLE OF THE LOCKBOX

MICRO AND MACRO VIEW



PAYMENT SECURITY

IMPROVING THE PROCESS



LOCKBOX SERVICES

HOW TO EVALUATE

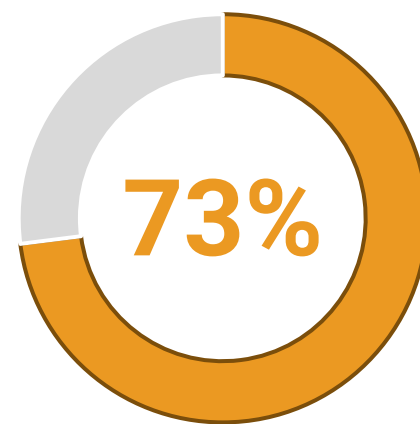


KEY TAKEAWAYS

AND FINAL THOUGHTS

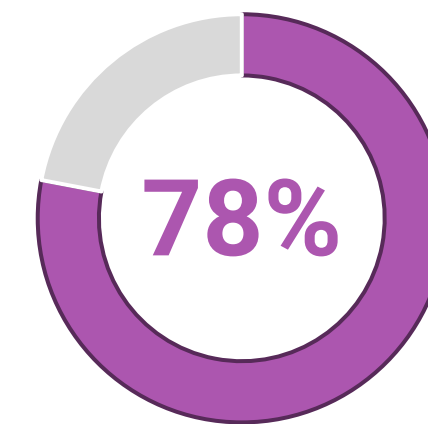
FRAUD EXPERIENCE

HIGH AND INCREASING



Experienced or suspected fraud

In the past twelve months, 73% of corporates experienced or suspected fraud.

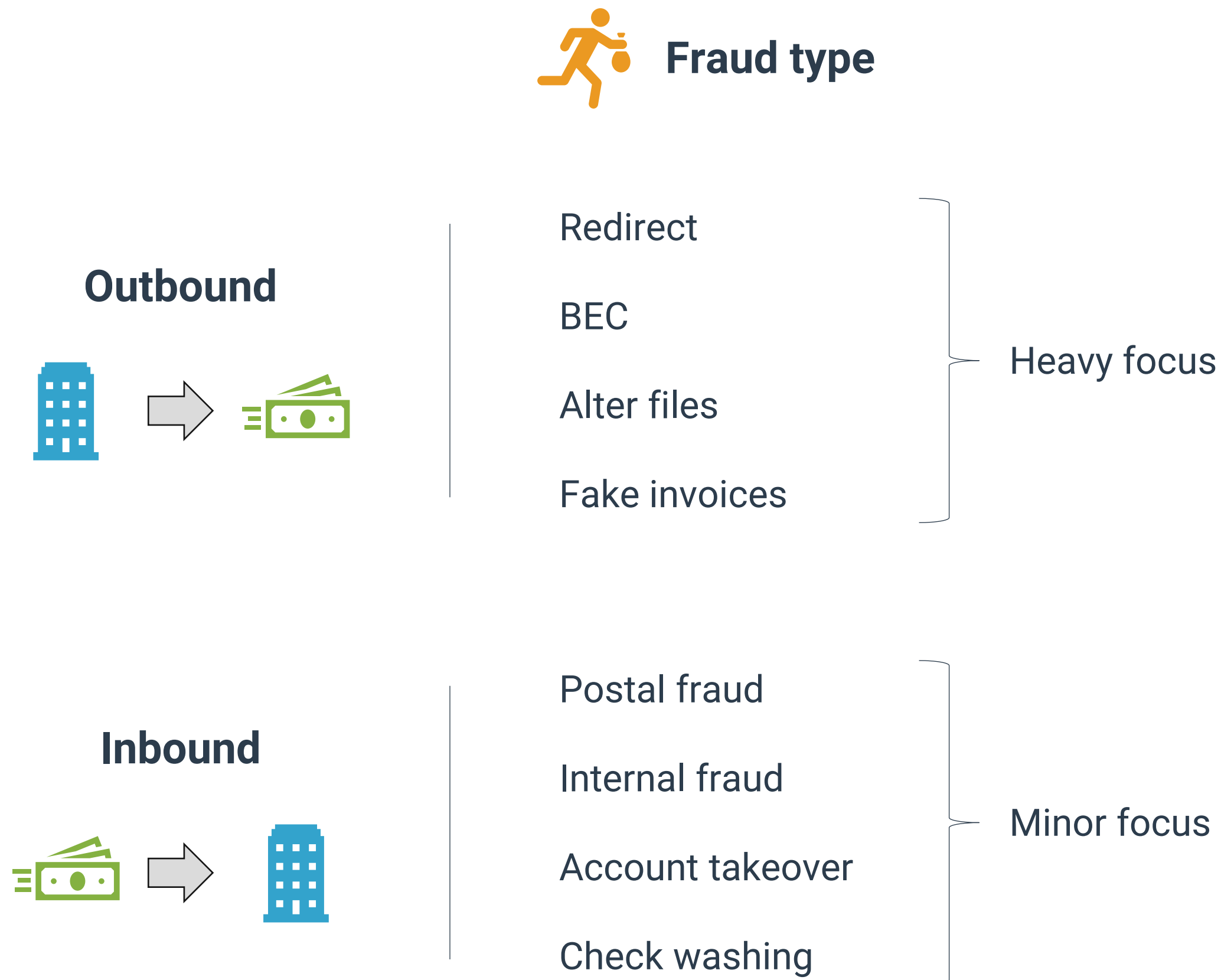


Increased or significantly increased threat

A total of 78% of corporate respondents believed the threat level of fraud had increased or significantly increased in the prior year. Only 1% believed the level of threat had decreased.

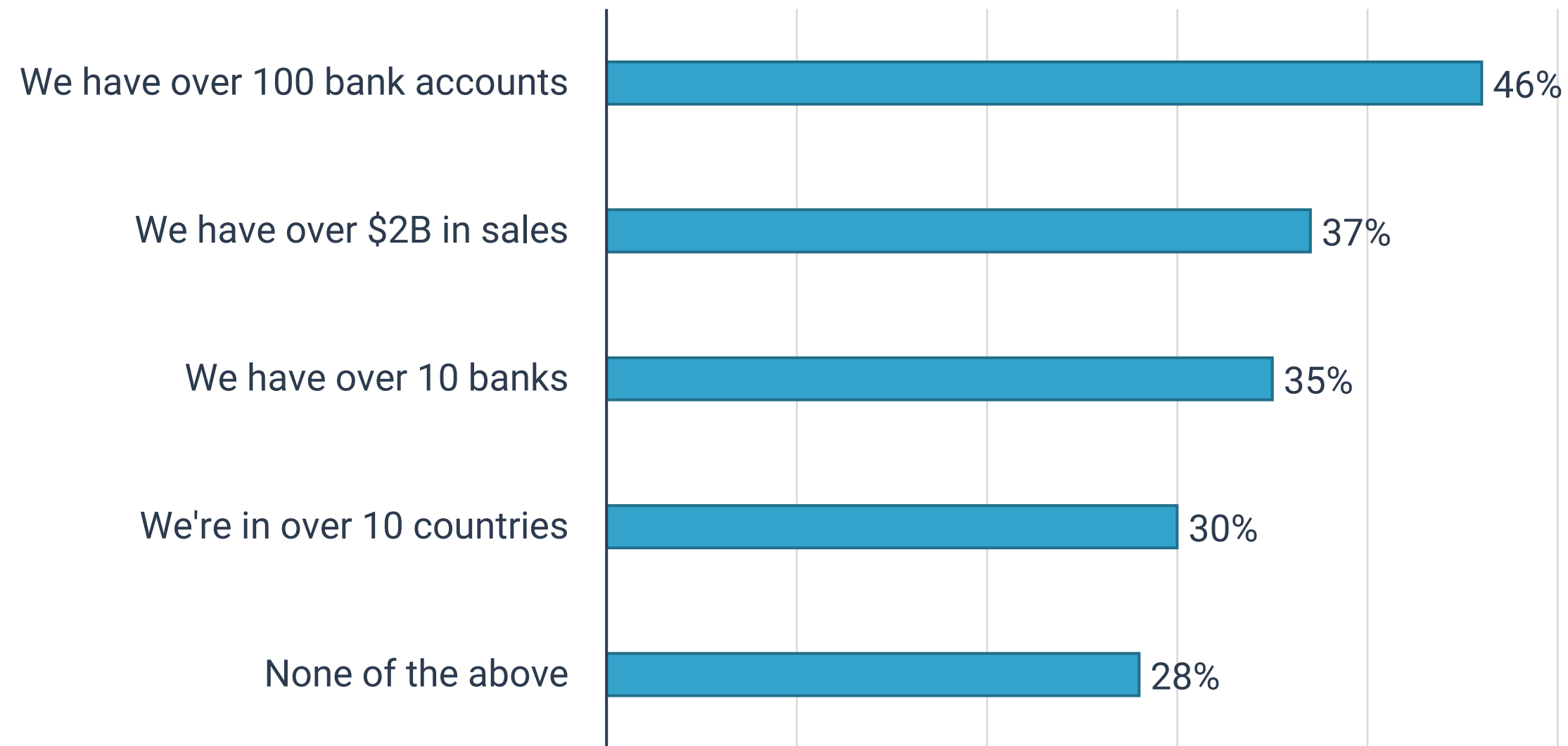
PAYMENT FRAUD AND CONTROLS

IMBALANCED ORGANIZATIONAL FOCUS



POLL QUESTION

Poll 1 - The following describes us: (all that apply)



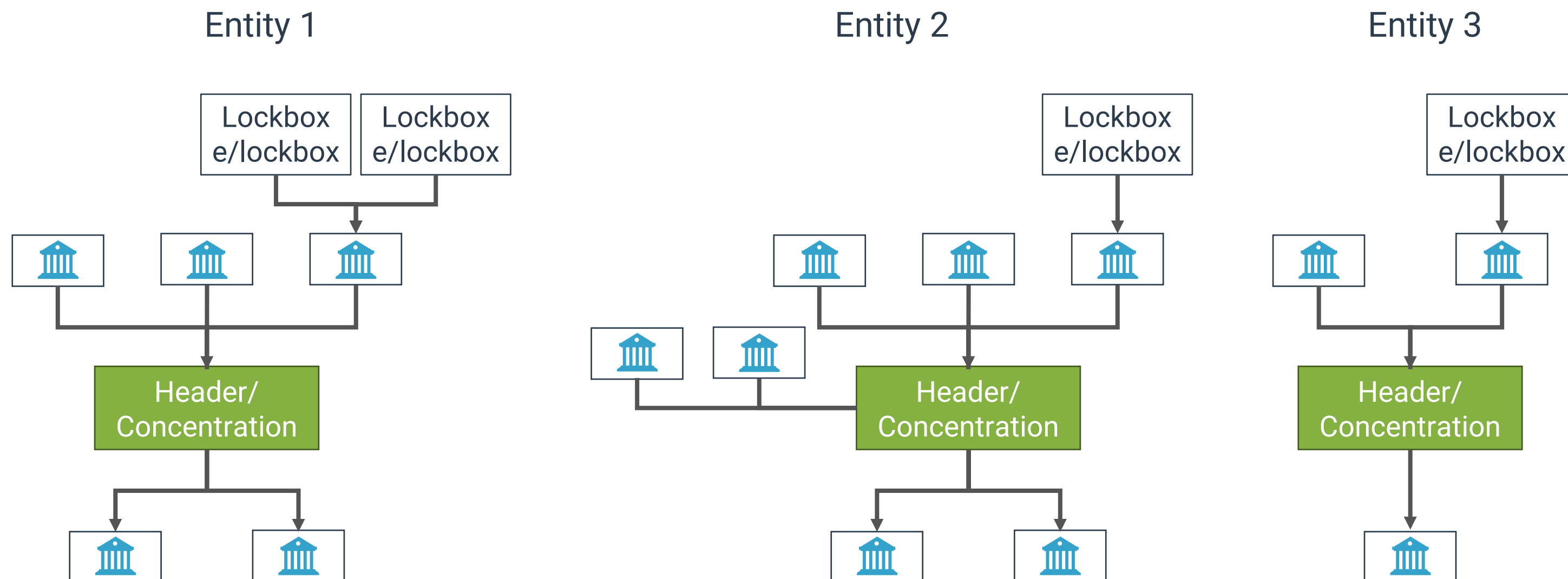
RECEIVABLES

THEORY VS. REALITY

Theory: Simple



Reality: Complex



RECONCILIATION ISSUES

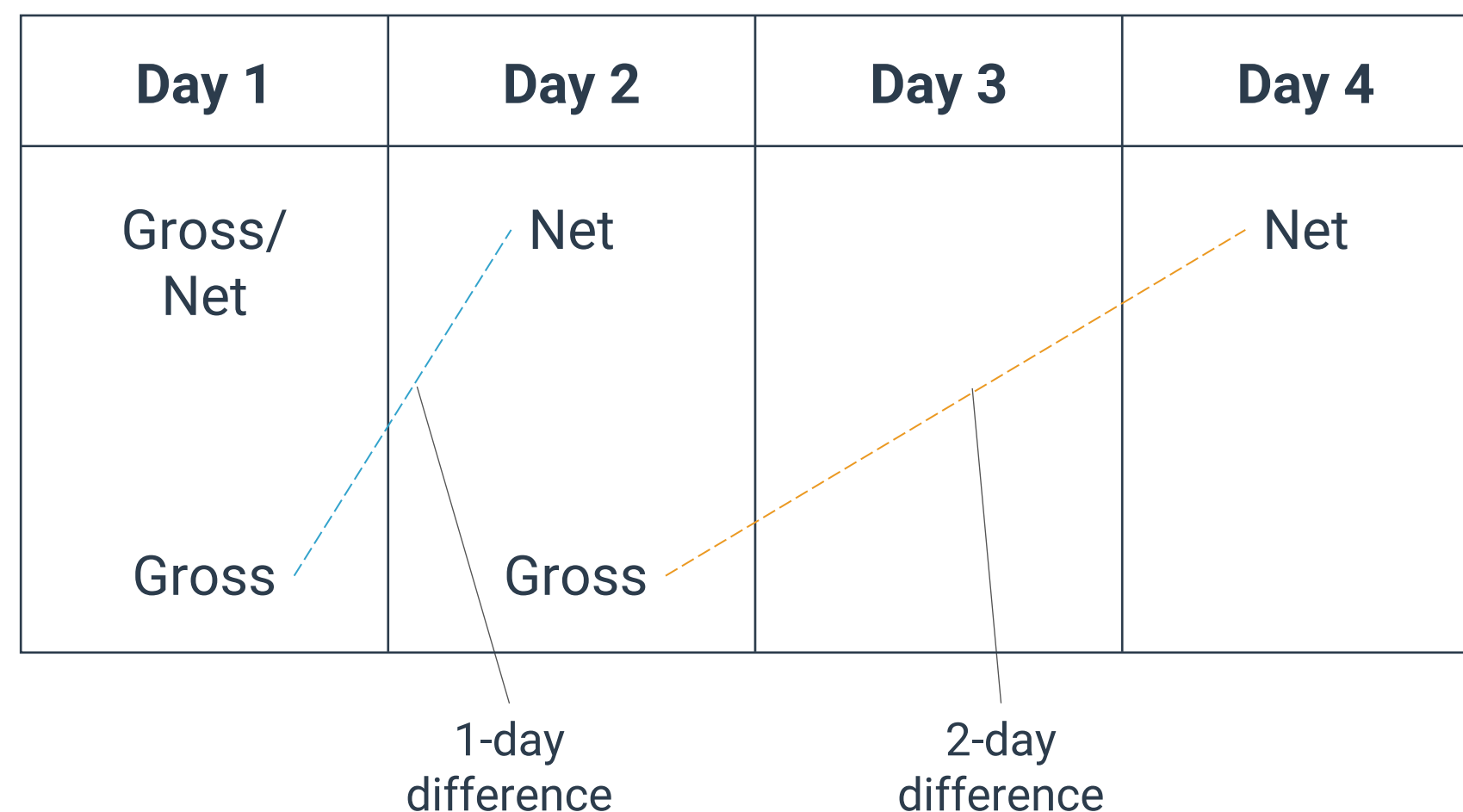
CAUSING PROBLEMS, COSTING TIME AND MONEY



Causes of reconciliation issues:

- Differences in timing
 - Cutoff times
 - Delays
- Differences in amounts
 - Net/gross
- Differences in levels of detail
- Differences from a system or bank

Example of difference in timing



PAYMENT CONTROL

CONVERSATION, INVESTIGATION, FINDINGS



Buyer

I did.

Let me confirm.

Sent 12 days ago.

Mailed it, and you cashed it.



Seller

Pay me.

I'm not seeing it.

Where's the payment?

I didn't get it. How did you send it?

Let me look into this.

The payment was stolen.

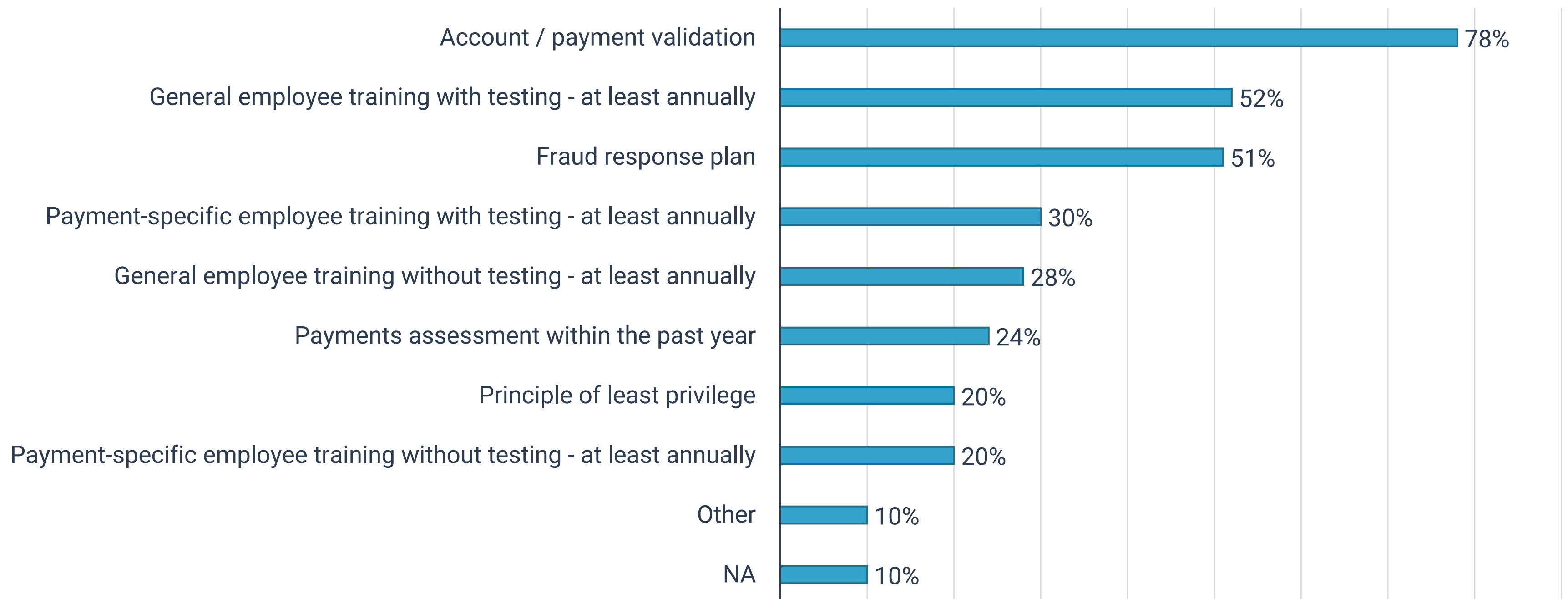


Needs in payment control:

- Automated
- Accurate
- Visible

POLL QUESTION

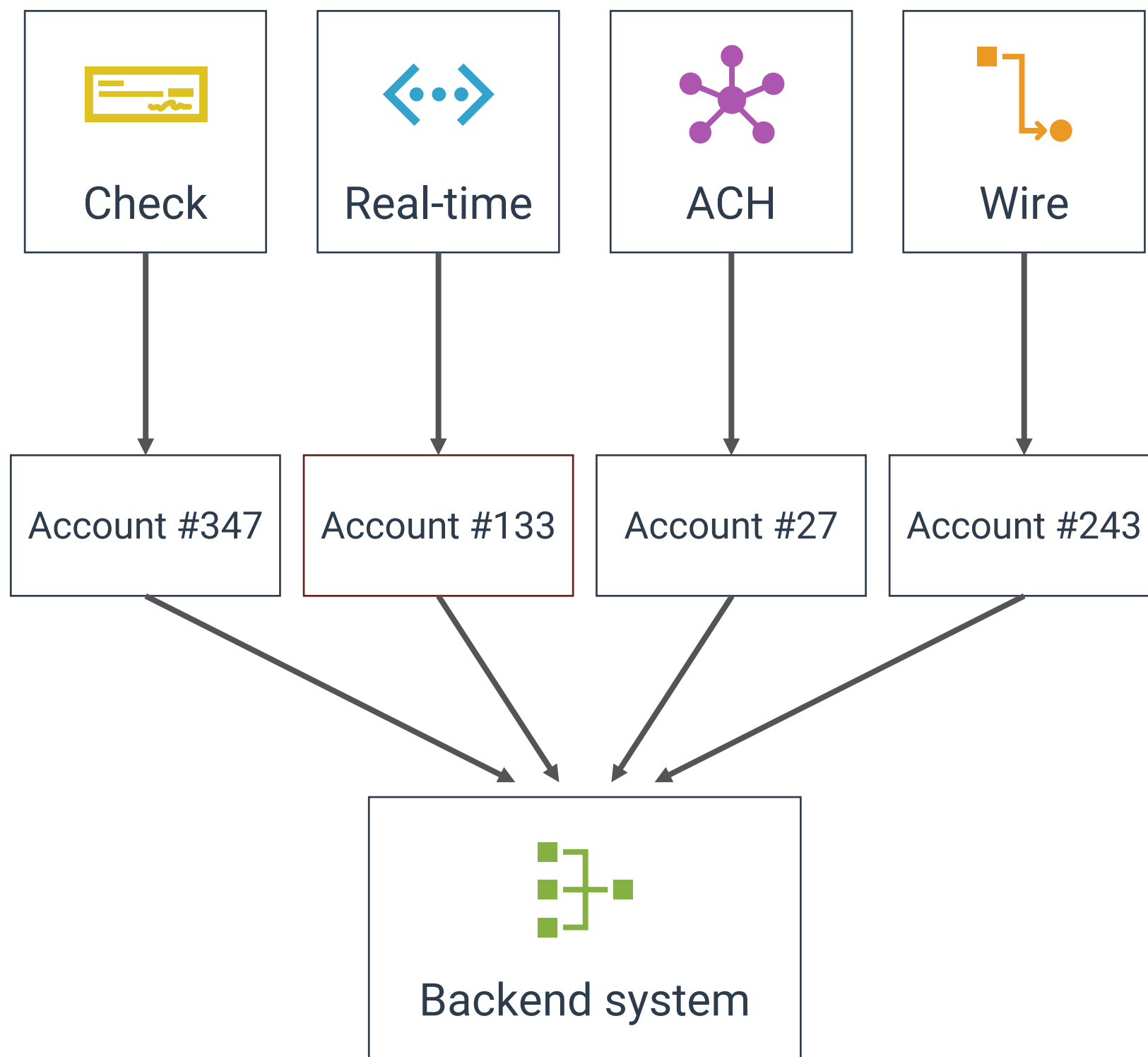
Poll 2 - We have the following security controls in place: (all that apply)



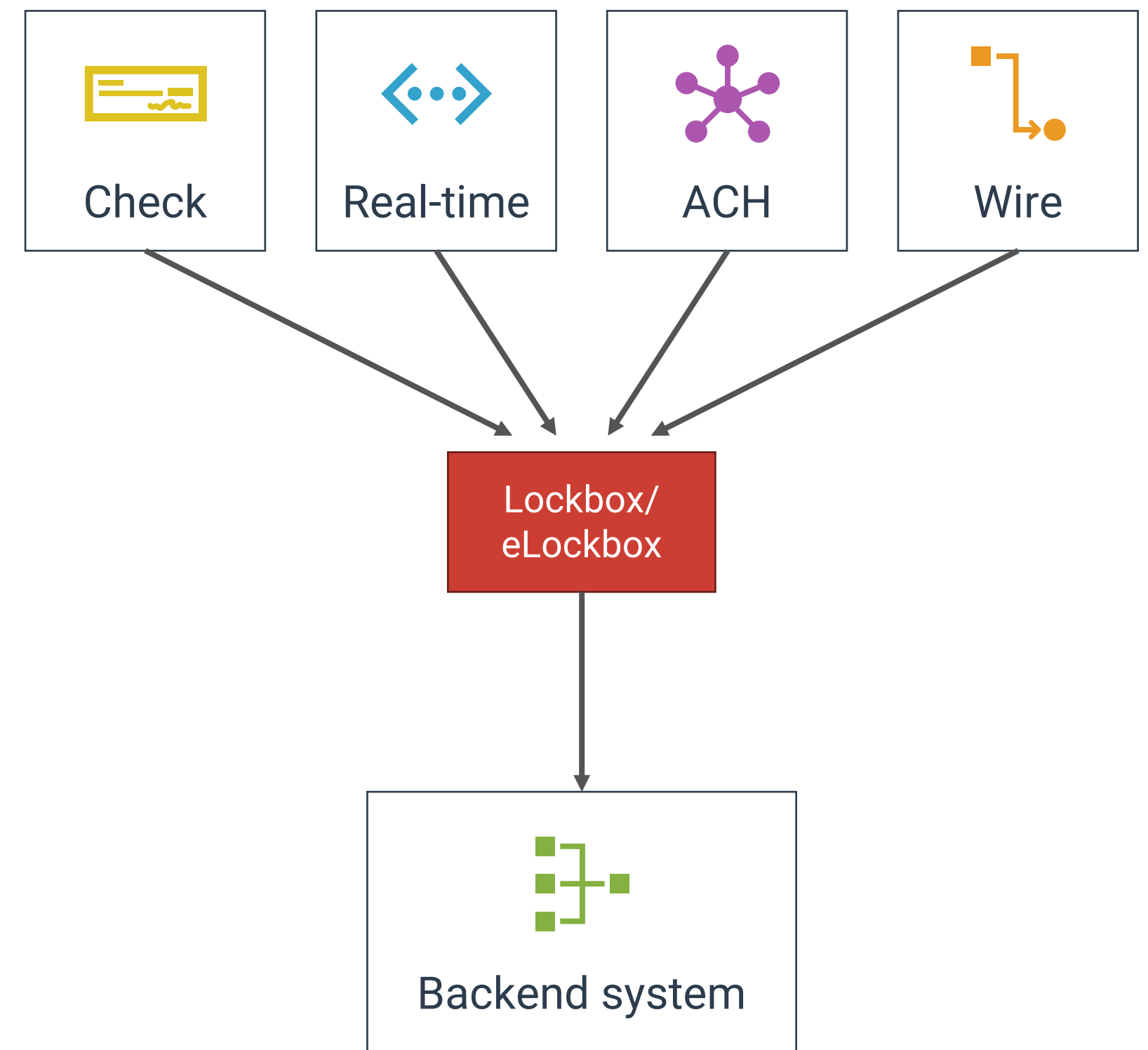
THE ROLE OF THE LOCKBOX

MOVING FROM COMPLEX TO SIMPLE

Complex

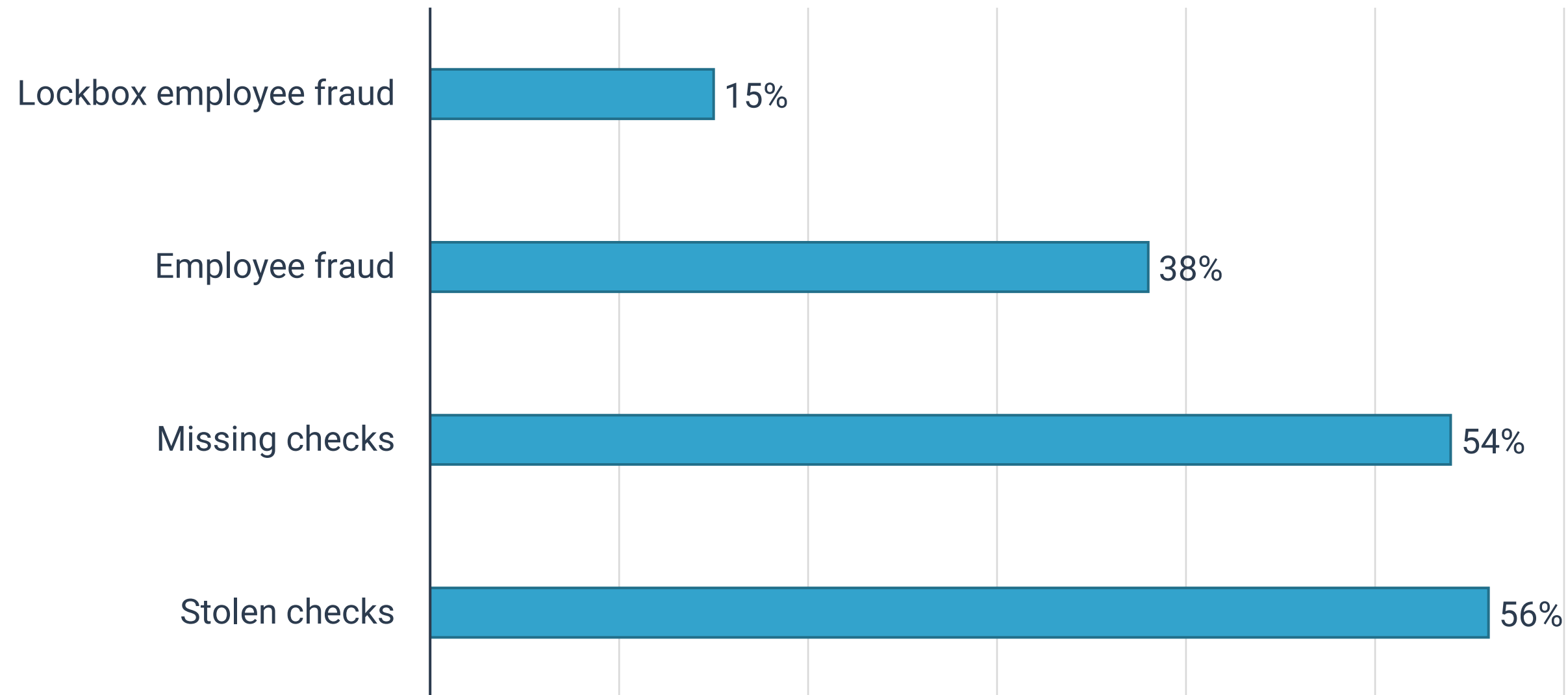


Simple



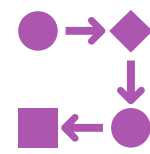
POLL QUESTION

Poll 3 - What is your company's greatest fraud risk/security concern around inbound payment processing? (all that apply)

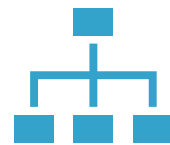


PAYMENT SECURITY

ASSESSING THE PROCESSES AND STANDARDS



Internal processes



Structures



Services and tech



People

PROTECTING INBOUND PAYMENTS

EVALUATING SERVICES



Considerations



Information security policy

How are business information, payment data and assets protected?



Third-party risk assessment

Evaluating all parties involved



Compliance

Information and data security



Employee security training

Training, testing and continually updating staff on fraud prevention tactics



Industry experience

Specifically as a lockbox provider



Segregation of duties

Dual control

Principle of least privilege

SECURITY QUESTIONS

FURTHER ASSESSING SERVICES



Questions to ask

- ☐ How robust is your third-party risk management process?
- ☐ Do you offer third-party attestation?
- ☐ How often do you perform vulnerability assessment and penetration testing (VAPT)?
- ☐ What offshore resources, such as data entry do you use?
- ☐ Do you have confidentiality agreements that apply to all relevant employees/associates?
- ☐ Can you provide your business continuity plan (BCP)?
- ☐ Do you perform annual disaster recovery testing? Can you provide the results?
- ☐ Provide an overview of your hiring, transfer and exit procedures for employees.
- ☐ Do you have an employee security training and testing program?
- ☐ How often do you perform employee background checks?
- ☐ Are your processing locations continually monitored with up-to-date cameras and/or video technology?

TAKEAWAYS

IDEAS AND POINTS TO BRING BACK TO THE OFFICE



CONTROL PROCESSES AND SERVICES

- Internal process controls
- Banking services
- Commercially reasonable procedures



SERVICE / BANKING SECURITY STANDARDS

- Compliant with industry standards
- Access controls and authentication
- Regular audits and reviews
- Incident response and recovery



EVALUATE SERVICES

- How prepared are you for DR and BCP?
- Make sure your lockbox is using state of the art technology to monitor the floor (cameras and card swipes)
- Know your 3rd party vendors both domestically and offshore

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.



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Episode 255
Exploring Next-Generation Payment Trends



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- Liquidity & Risk
- Banking Services
- Treasury Technology



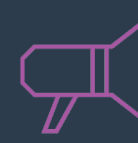
ASSIST Outsourced Services

- Fee Management
- Employee Security Training
- Compliance Services
- Connectivity & Onboarding



RESEARCH Market Data

- Survey Participation
- Research Report Access
- Industry & Peer Benchmarking
- Critical Treasury Assessment



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- Messaging Optimization
- Investment Validation



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- Content Amplification
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RESEARCH Market Data

- Treasury Insights (Data Services)
- Tailored Market Research
- Survey Program Sponsorship
- Client Benchmark Reporting



INFORM Industry Insights

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