Payment Solutions

May 2, 2019

U.S. Bank Introductions

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Assistant Vice President, Relationship Manager, Public Sector and Education & Non Profit

Ryan Schweiger
Senior Vice President, Head of Sales & Relationship Management – Public Sector and Educational & Non Profit

Shelly Fehrenbach
Treasury Management Payments Consultant

* JOINING BY PHONE

Agenda

- Introductions
- Proposed Solution
    - Experience
    - Account Management Team
    - Card Solutions
    - Card Controls
    - Technology Overview
        - Reconciliation/Reporting/Integration
- Technology Demonstration
- Implementation Overview
- Value Add
    - Program Optimization
    - Virtual Programs
    - Payment Analytics
    - Mobile
- Deviations

Program Solution Overview

Leverage our payables experience in Public Sector

Federal Government

Air Force

Army

Navy

Defense Agencies

NASA

Postal Service

Department of Transportation

Department of Agriculture

Veterans Affairs

More than 60% of the Federal Government's Spend is managed by U.S. Bank

State Government

Alabama	Nebraska
Alaska	Ohio
Arizona	Oregon
Arkansas	Pennsylvania
California	Tennessee
Iowa	Washington
Maryland	West Virginia
Minnesota	Wisconsin
Montana	Utah

We manage 18 State Government Purchasing and Travel programs

Higher Education

University of Kentucky

Eastern Kentucky University

Northern Kentucky University

Murray State University

State of Wisconsin University System

Tennessee University System

Arkansas University System

University of Miami

University of Colorado

University of California System

And MANY other Educational Purchasing and Travel Programs

A Market Leader in Payments

U.S. Bank is the world's largest bankcard issuer of commercial cards and electronic payment systems

One Card   Corporate Card   Purchasing Card

Managed Spend   Executive Card   Emergency Card   Event Planner

Fleet Voyager   Aviation Standard

Features of One Card Program

Combines the benefits of Travel and Purchasing cards into one card

- Travel insurance benefits (One card only)
- Declining Balance Feature
- EMV Card
- Disputes
- Controls
  - Limits / MCC Blocking / Single Purchase Limits
  - Cash access restrictions
  - Velocity controls
  - Real time changes
  - Effective dating
  - Account Setup Templates

Account Management Team

Commitment to Service Excellence

EXECUTIVE SPONSORS
Ryan Schweiger
Vice President
Marti Croak
Senior Vice President

24/7/365 U.S. BASED SUPPORT

CUSTOMER SERVICE

FRAUD MONITORING

TECHNICAL SUPPORT

Samy Kayser
CPS Relationship Manager

Melissa Murphy
Dedicated Account Coordinator

Karen Ho and Stephanie Gardner
Client Services Management

Technology Consultant

Kim Mays
Govt. Banking Relationship Manager

Traci Miner
Solutions Engineer

Training Group

Mike Berre
Supplier Enablement Manager

Michael Bornhorst
Implementation Manager

Technology Overview

Access® Online

Access® Online

| Setup and Maintenance | Transaction Management | Virtual Pay | Management Reporting | Financial Extracts |

Program Management | Risk Management | Supplier Management

Integration Capabilities

- File Integration

  – Standard Industry Financial Extracts

    - UVCF (VCF4.0) - including account, allocations and transaction details (Hotel Folio, Airline, Merchant and line item information) delivered daily/cycle

    - Statement Billing File (SBF2.5) – account, basic transaction and allocation details delivered daily/cycle

  – Custom Financial Extracts to meet client data requirements

- System to System Integration

  – Client System Validation – API/Web Service for real-time allocation validation

  – HR Integration – API/Web Services supporting real-time Account setup and maintenance change requests

  – Virtual Pay Direct – AP/Web Service for real-time payment instructions requests with call back to client side with credential information

Technology Demonstration

Implementation & Training

Implementation Approach

Discovery	Define	Design	Deliver	Review
• Initial kickoff meeting between U.S. Bank and Client	• In-depth implementation requirements meetings between U.S. Bank and Client	• Conduct ongoing status meetings and work sessions	• Integrate systems and move files into production	• Validate objectives met
• Ask open-ended questions	• Confirm project scope and timeline	• Build program structure	• Submit payment instruction files	• Ensure successful usage
• Enable knowledge transfer	• Conduct key requirements discussions	• Configure Access Online	• Complete card issuance	• Monitor through full billing cycle
• Assess needs and objectives	• Finalize project plan	• Perform initial file and system integration testing	• Distribute Access Online credentials	• Confirm successful payment
		• Enable suppliers	• Go live with full program	• Validate file integration
		• Confirm go-live readiness		• Transition to ongoing service and support
				• Close transition project

Sample Implementation Plan

	STAGE 1	STAGE 2	STAGE 3	STAGE 4
Define	Knowledge Transfer / Strategic Goals and Objectives			
Design	Kick-off meeting	Determine Program Parameters / Consult on Policies, Procedures and Best Practices	Pre-launch checkpoint / Launch	
Deliver		Program Setup and Connectivity Establishment / Complete Account Setup and Enable Suppliers		
Review				Review and Confirm Setup / Transition

us bank

Public Sector Implementation Best Practices

A best practice is often not what everyone else is doing, but is what is possible to achieve

- Establish a communication strategy for cardholders regarding the transition and timelines

- Assign an empowered project owner to streamline communication and decision-making

- Stakeholder support and execution across all locations to help drive key decisions and on-time delivery

- Ensure alignment of technical resources to support implementation

Thorough Training and Support

We will collaborate with you on a robust training program to meet your needs and ensure a seamless implementation.

We recommend and provide:

- On-site user group meetings
- Instructor-led webinars
- Web-based self-study courses
  - 270 different types of training deliverables
    - 23 Guided Simulations
    - 23 Hands on Simulations
    - 47 self-paced lessons
    - 80+ Quick reference guides
    - 36 Recorded classes
- Certification
- Cardholder communications
- Technical resources
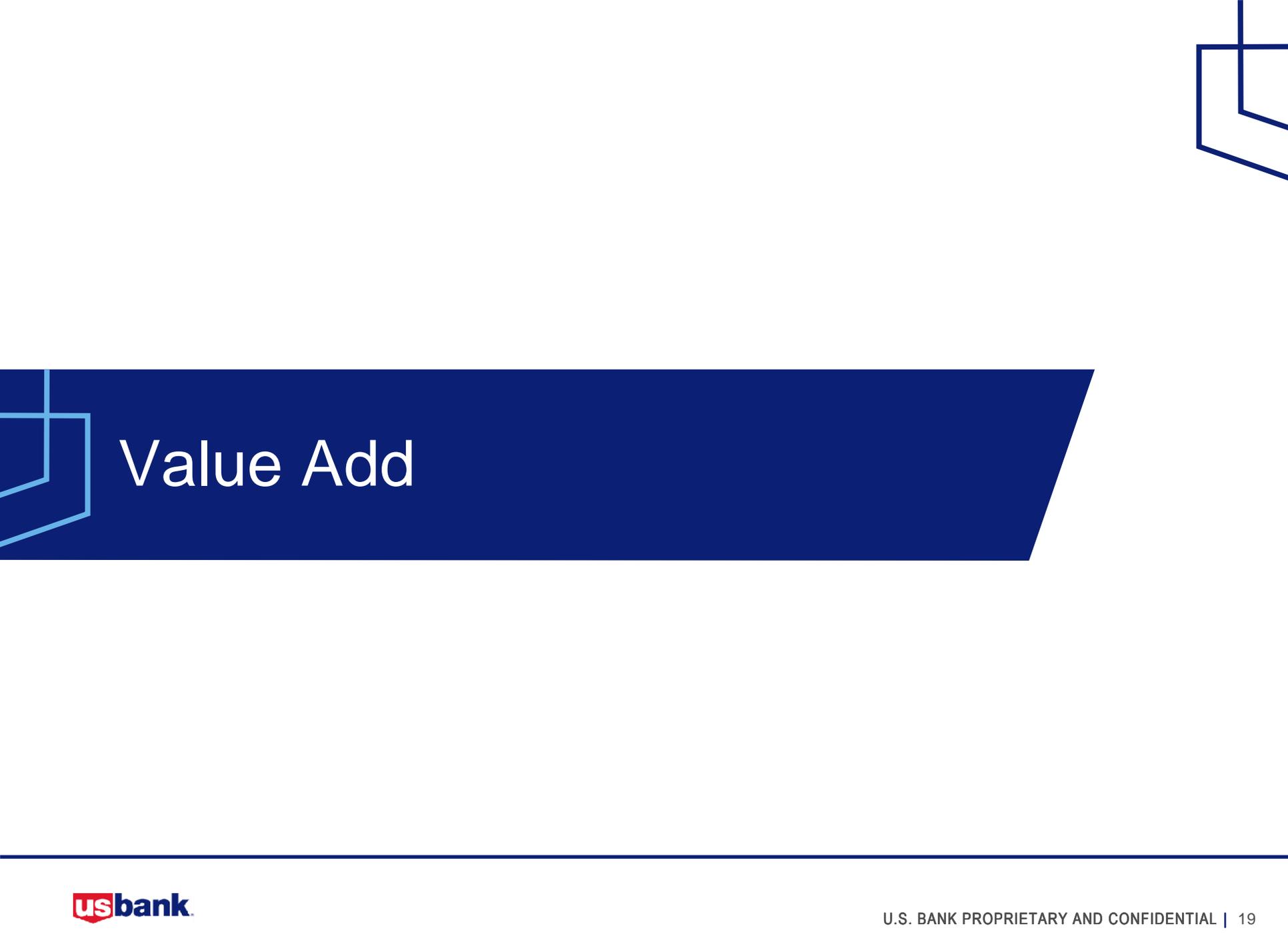
Value Add

Program Optimization

Achieve best practice results

Benchmark
1

- Discover client needs
- Utilize benchmark data
- Leverage best practices

Analyze Data
2

- Analyze client data
- Locate opportunities
- Review findings

Execute Plan
3

- Aim for optimal results
- Develop and execute plan
- Measure results

Best Practice Payment Program

Virtual Pay Process and Benefits

YOUR CURRENT PROCESSES REMAIN

Invoice Receipt → Financial System → Coding → Approval → Payment
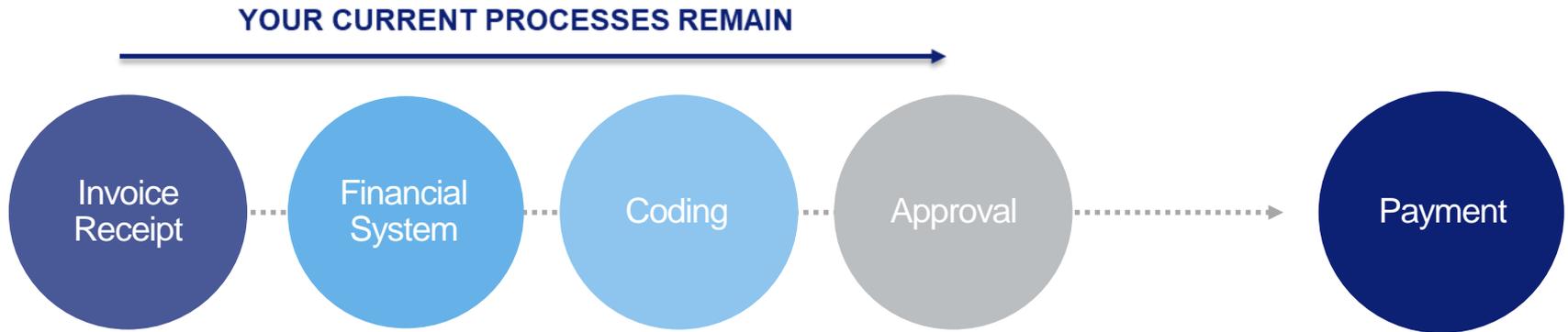
Buyer Benefits

- Lowers acquisition costs due to rebate and 1099 elimination
- Fully automated payment and reconciliation
- Eliminates check processing costs & fraud risks
- Potentially increase cash float 15-25 days

Supplier Benefits

- Improves cash management by reducing Days Sales Outstanding
- Electronic payment/Reduce paper
- Improved reconciliation
- Strengthens customer relationships

Virtual Pay Process Flow

High Level Process Flow

PAYMENT REQUEST
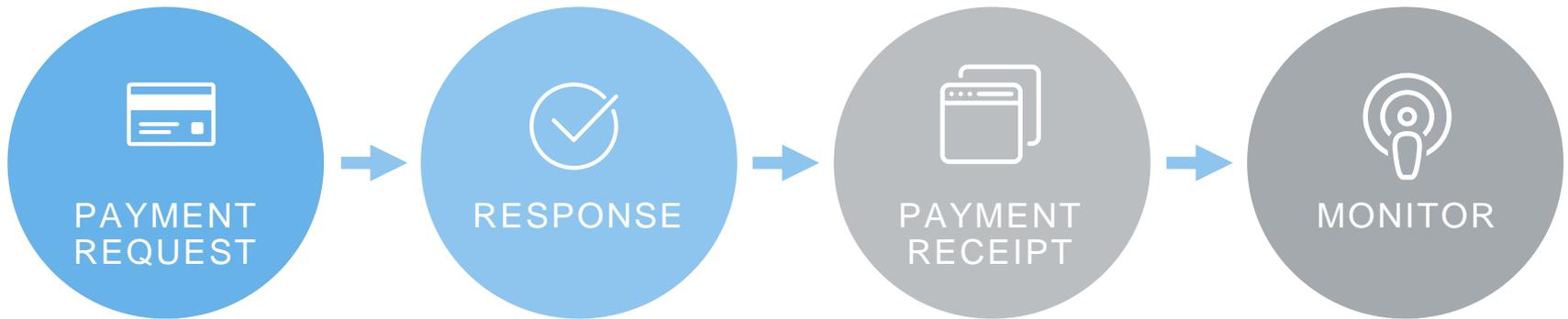
- Client's system sends a virtual card payment instruction file/API to U.S. Bank

RESPONSE

- U.S. Bank opens accounts and sets credit limits

- Emails payment notification to the organization being paid (suppliers/vendors) or back to Client to process

PAYMENT RECEIPT

- Supplier receives payment notification email containing virtual account number and remittance information

- Supplier processes the payment

MONITOR

- Transaction posts to U.S. Bank payment management system and auto-matches to Client's payment request

- Client reviews transactions using online reporting and/or file extract

Supplier Enablement

U.S. Bank owns and manages the process from beginning to end

AP Analysis

Program Optimization

Enrollment Strategy

U.S. Bank
Supplier Enablement
Team Methodology

Review Program Success
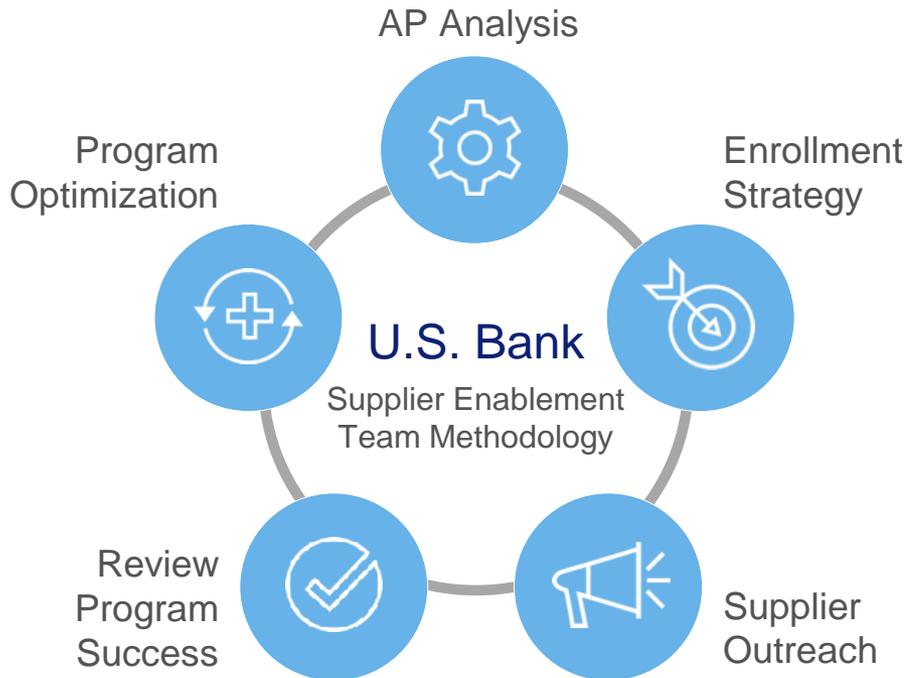
Supplier Outreach

Preparation
- Data Collection
- Communication Campaign

Execute
- Supplier Outreach
- Activate Suppliers

Reporting
- Track Progress of Suppliers Enrolled
- Track Dollars of Spend Enabled

Virtual Pay Differentiators

- First commercial card issuer to **dedicate** a supplier enablement team to enroll vendors

- Combines a wealth of experience and capabilities, delivering increased program participation and profitability.

Supplier Support Team

Manage Transaction Processing

Technical Support

100% Dedicated to Suppliers

U.S. Bank Supplier Enablement

- Visa Supplier Enablement Resources
- Supplier Enrollment Portal
- Proxy Pay
- Straight-through Processing
- U.S. Bank Payment Solutions (Elavon)
- Preferred Supplier Program

Fraud Protection

Near time rules – Card Guard

Real time rules – ADS I/II

Fraud risk score models

Industry leading fraud tools

Fraud alerts

Travel Tag for authorizations

Mass compromise automation

3D secure authentication

Voice print technology in our call centers

Fraud Alerts – Email and/or Text
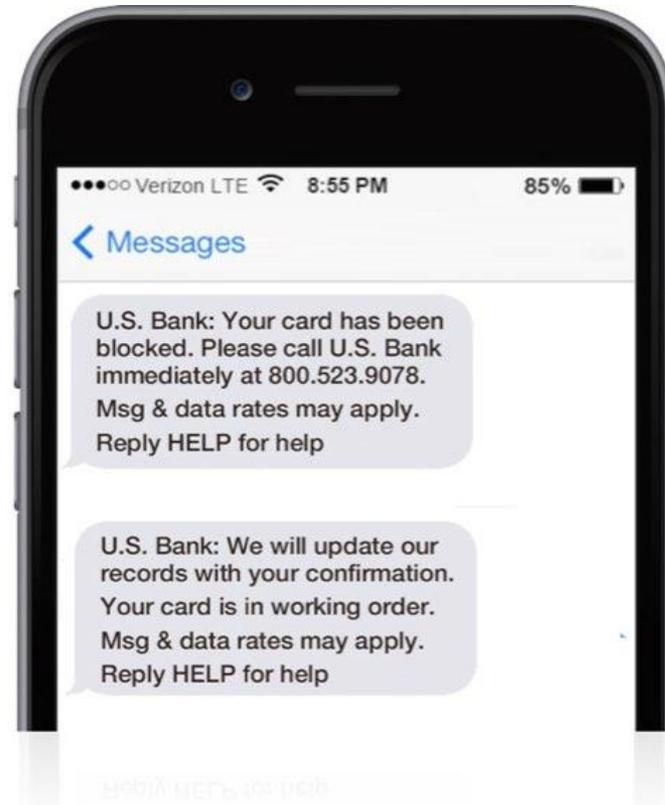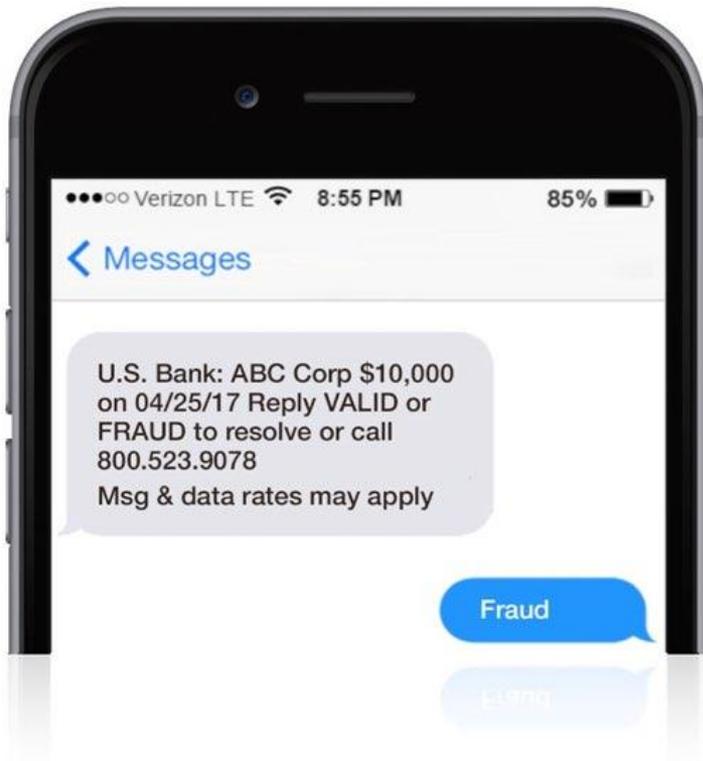
Visa Travel Tag for authorizations

How it works

- Cardholder travel itineraries stored

- Transactions analyzed geographically

- If transaction near travel destination, Travel Authorization Tag populated

- Information used to authorize transaction

- First to market

Travel Virtual Pay

- Replaces traditional central billing methods
  - CTA/ghost accounts
  - Hotel direct bill
  - Travel agency invoice
- Centralizes management of:
  - Large expenses such as air and hotel
  - Travel expenses for individuals who are not eligible for a card
    - Infrequent travelers
    - Job applicants
    - Contractors

Payment Analytics Misuse and Compliance Tool

Allows for expansion opportunities endorsed by entity auditors

Transaction   Payment Analytics   Rules   Alerts
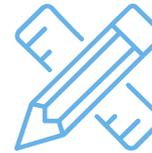
Payment Analytics - Sample Rule Templates
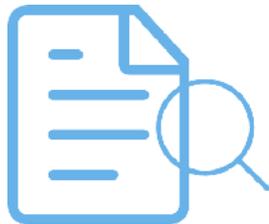
- Merchant Watch List

- Transaction Outside Spending Guidelines

- Split Transaction

- Transaction Close to Single Purchase Limit

- Large Spend Increase over Average Spend

- Non-Standard Purchase Items
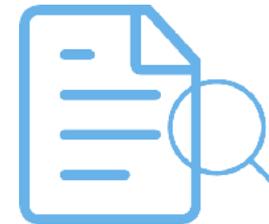
- Airline Travel Purchase Exception

- Hotel Room Purchase Exceptions

- Travel Card Purchase in Cardholder's Postal Code

- Account Opened/Maintained with Limits Exceeding Standards

- Account Balance Monitor

Access® Online Mobile

- Allows cardholders to quickly manage their business expenses on the go

- View and dispute transactions

- Receipt attachment

- Online bill payment

- Request and receive a virtual account in the app

- Available for download from the Apple App Store or for Android via Google Play
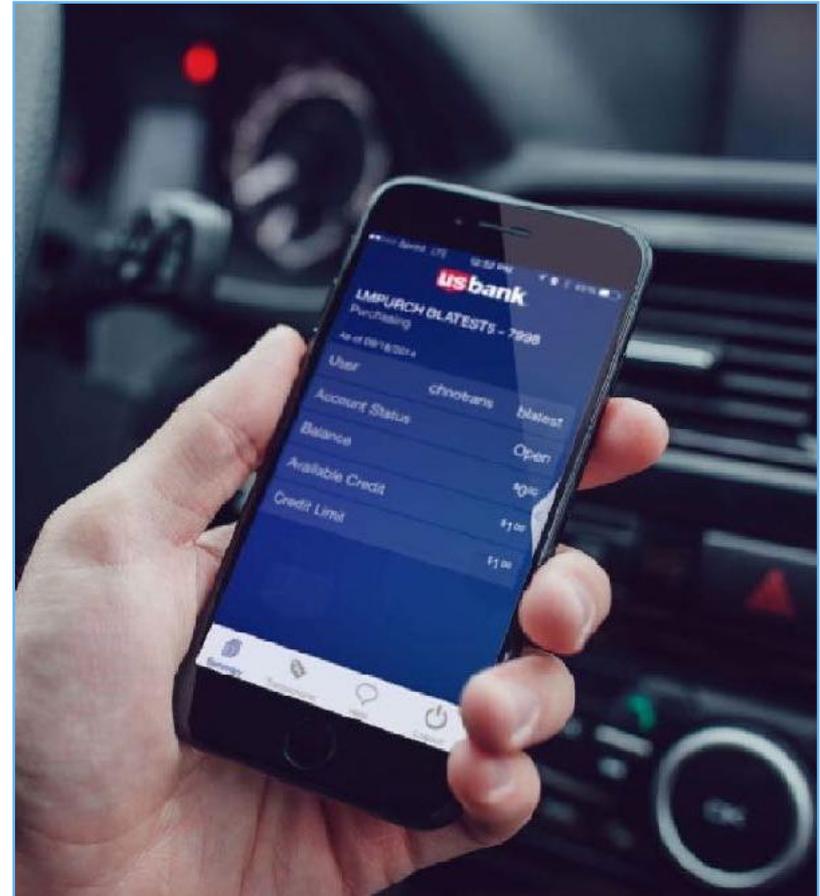
U.S. Bank Mobile Payments
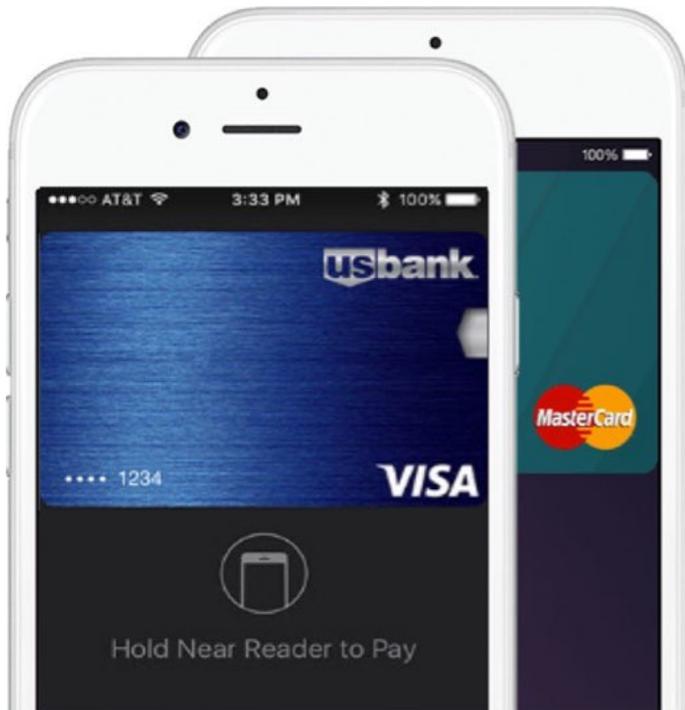
- One-touch checkout
- No card number entry
- No need to type addresses
- No card information shared with merchant

Access® Online Alerts

- Event alerts
  - PIN maintenance occurred
  - Card Activation
  - Personal Information Changed
  - Card Requested
  - Credit Limit Updated
  - Payment Transaction
  - Balance on a daily basis

- Purchase alerts
  - Purchase Declined
  - Purchase/credit amount exceeds $X
  - Account balance reaches $X
  - Payment due in XX days
  - Cash Withdrawal
  - Available Credit $X or less
  - Purchase Merchant State
  - Purchase Merchant Country
  - Purchase Merchant Type
  - Mail/Telephone Order Purchase
  - Internet Purchase
  - Distance from pre-defined location (postal code/zip)
  - Percentage of credit limit
  - Multiple percent of credit limit

Technology - Access® Online

- $100+ million 5 year strategic investment in technology

- Ongoing modernization of the system

  – User experience

  – Self-service empowerment

  – Automation and control

  – User feedback and usability studies

- 46 new projects resulting in 77 new features in the last two years across
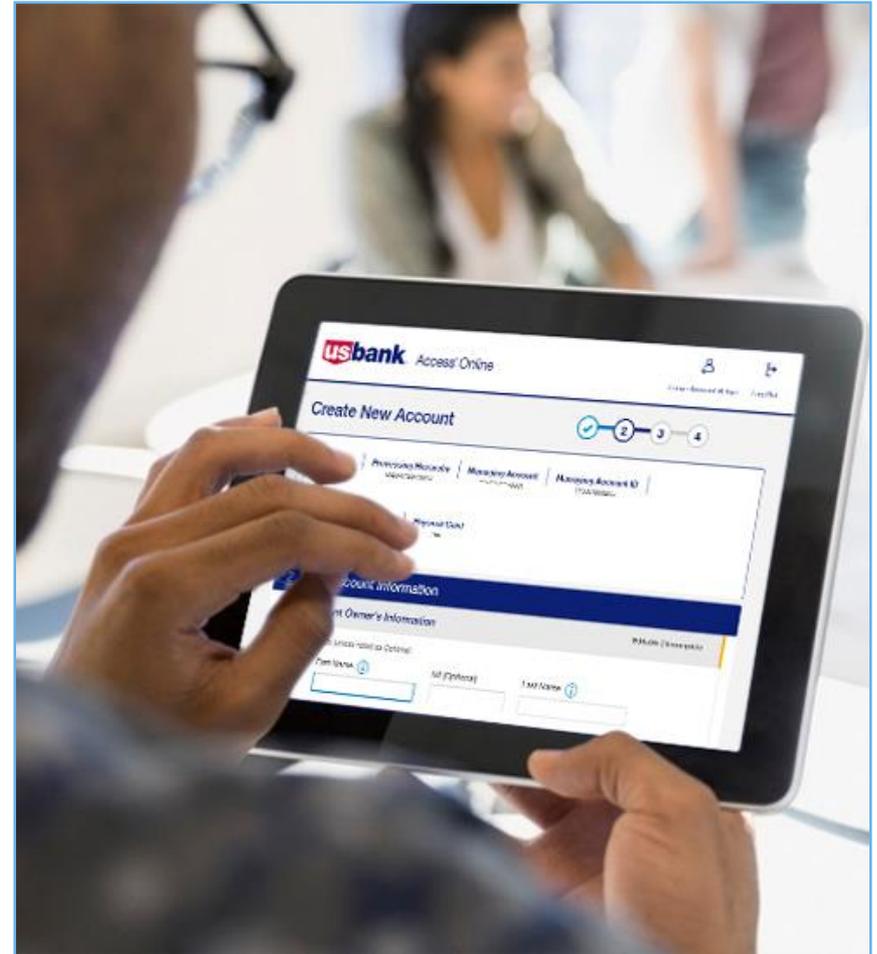
Access Online Roadmap

Seamless System, Process & Data Integration

– Single Sign-on

- User authentication between Access Online and customer internal systems

- Web Services/APIs

- Cardholder Account Setup & Maintenance

- User ID Setup & Maintenance

- Client Side Cardholder Initiated Setup

- Cardholder application hosted on customer's Intranet

- Manager workflow and approval — non-Access Online users
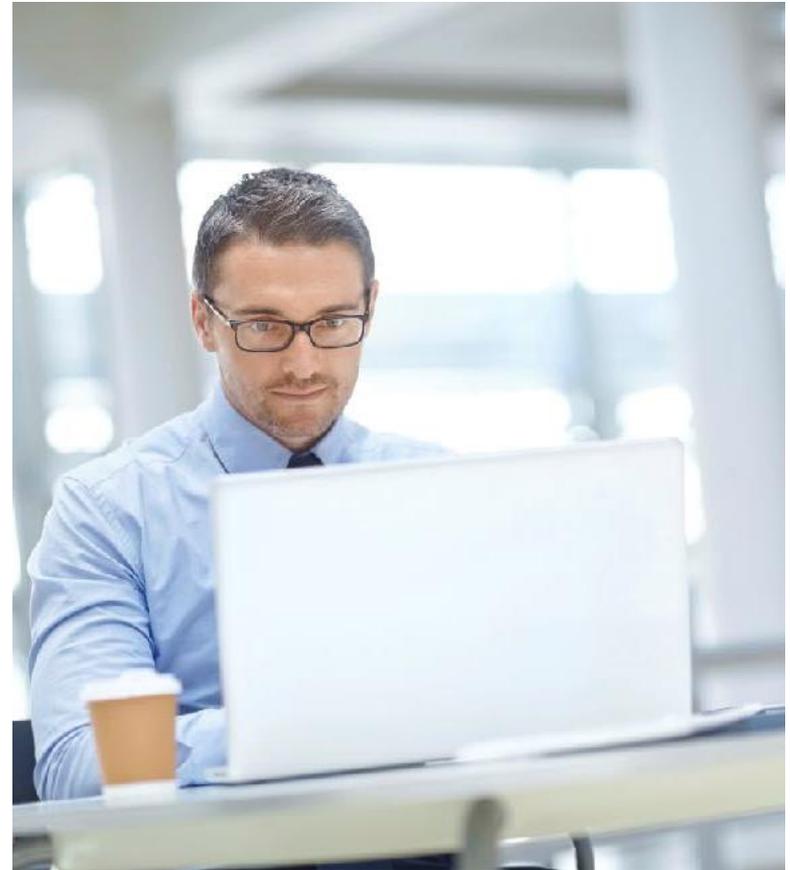
Access Online Roadmap

Data Analytics & Dashboards

- Tableau Integration

  - Interactive Data Exploration – forecasting & benchmarking

  - Merchant spend & delinquency data

Enhanced Authentication

- Multifactor Authentication

  - SMS text & email

- Biometric

  - Facial recognition & touch ID

Access Online Roadmap

User Alerts
- Auto enrollment for Fraud Alerts
- Mass enrollment – 25+ real-time alerts

Mobile Technology
- Program Administrator App
  - View and maintain accounts
    - Credit limits & MCCs
    - Account status
  - View authorizations & transactions
- Cardholder App
  - Geolocation
  - Account activation
  - PIN self-select
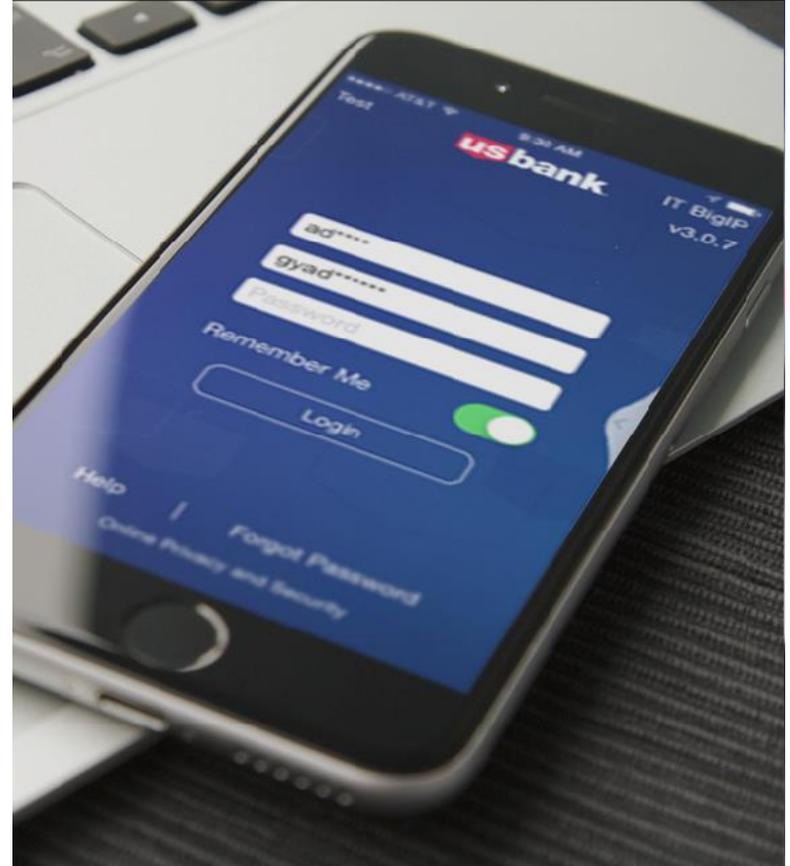
Deviations

- Please identify and explain any deviations US Bank took in response to the RFP.
  - Based on secondary review U.S. Bank didn't take any deviations from RFP.
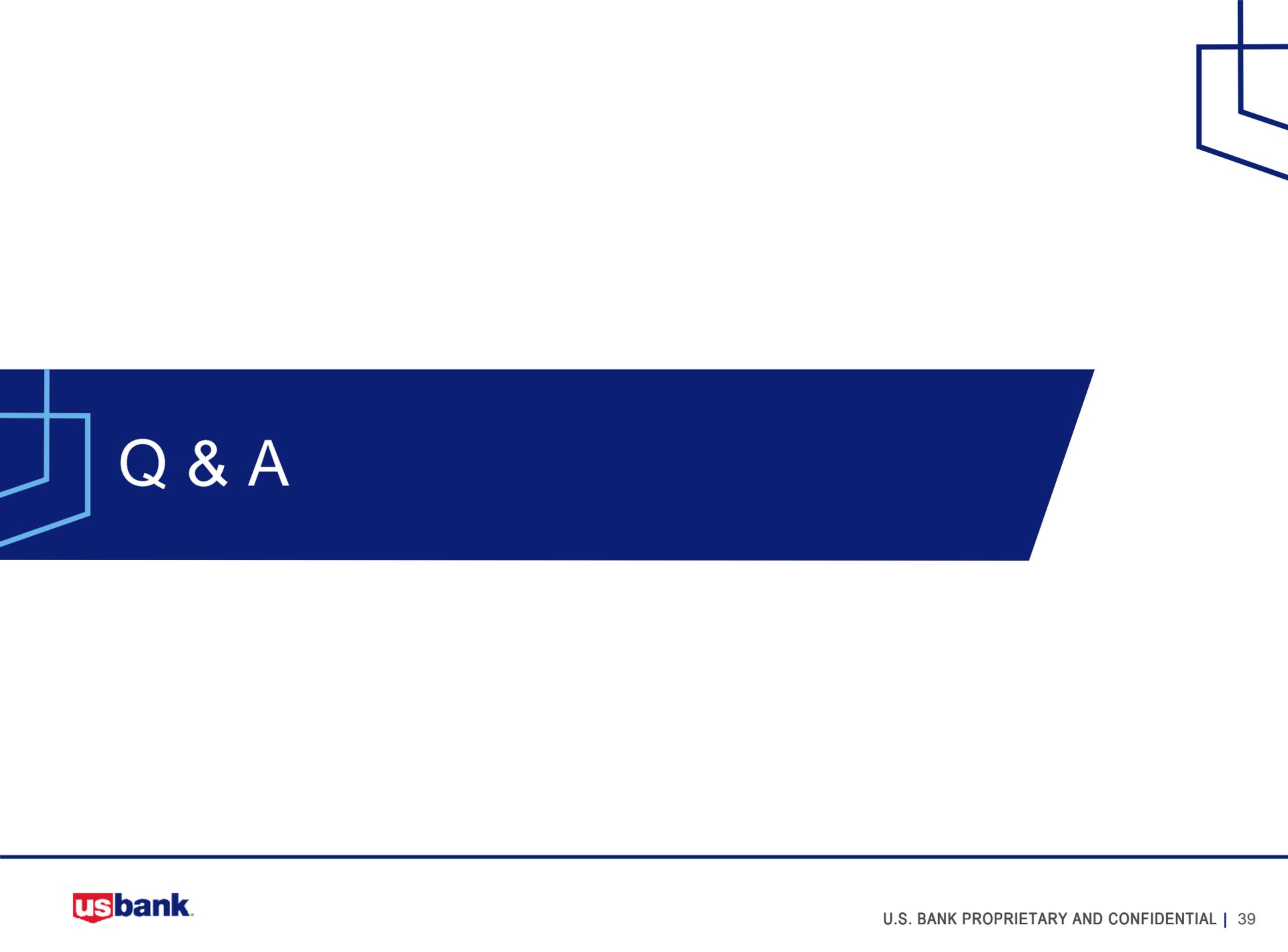
Q & A

Why U.S. Bank?

Strength and Reputation
In U.S. Bank, the State will be partnering with the highest rated financial institution in terms of safety, security and ethical behavior

Experience in Public Sector
30 years of commercial card experience. We support diverse portfolio of public sector clients from Federal Government, State and local government and Higher Education

Scale
Over $60 billion of commercial card payment volume in 2018
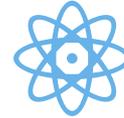
Innovation
Over $100 million invested into our program management tool, Access Online, in 3rd year of 5 year plan

Service and Implementation
U.S. based and Public Sector and Higher Education Specific multi-tiered service team

Program Optimization
Best-in-class growth result in an optimized return
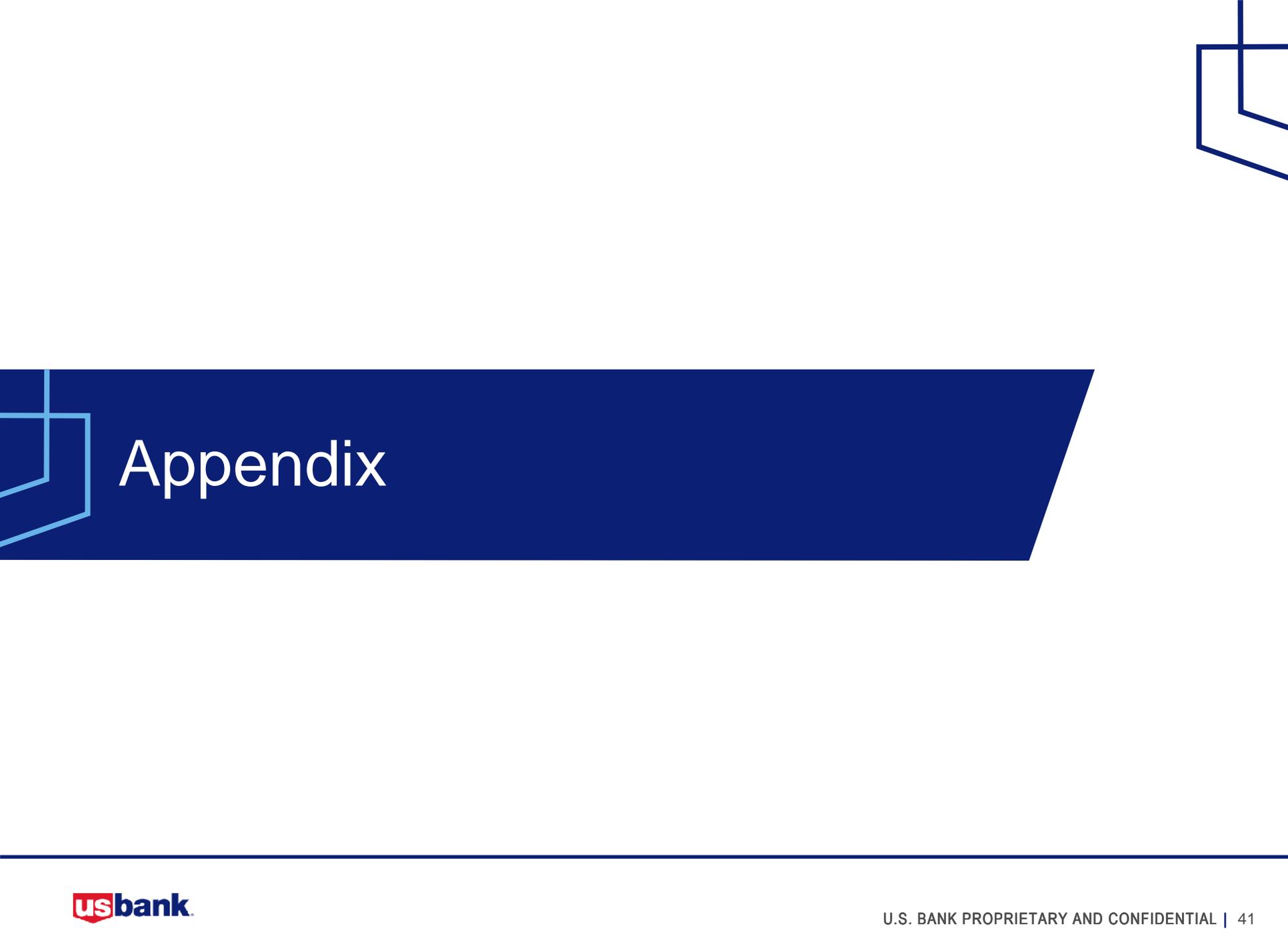
Appendix

Logging In and Menu of Options
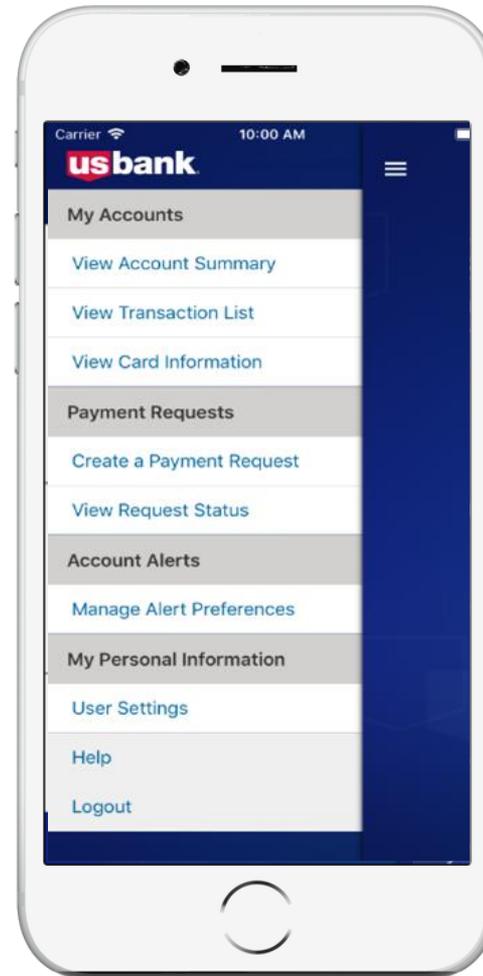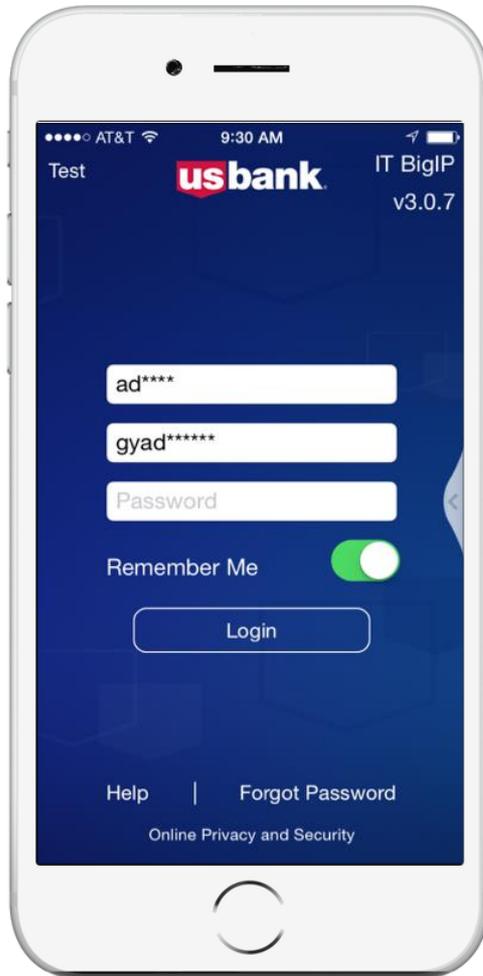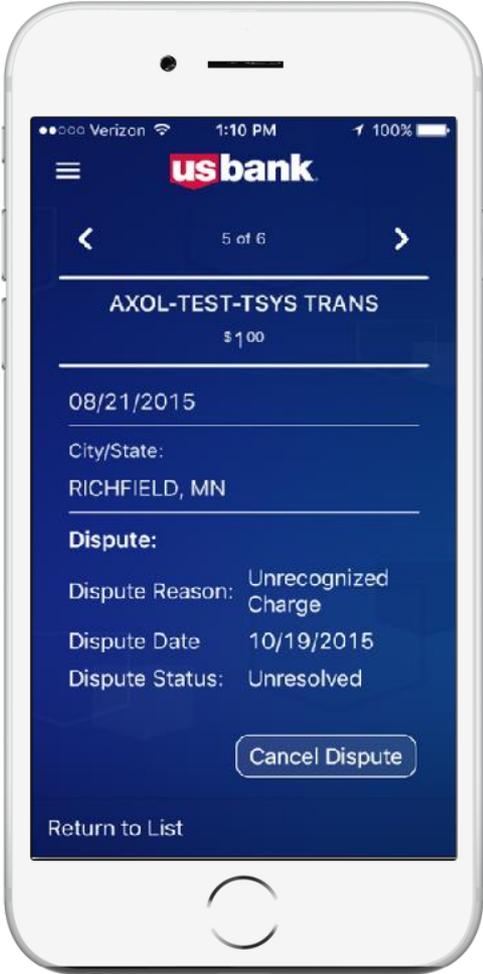
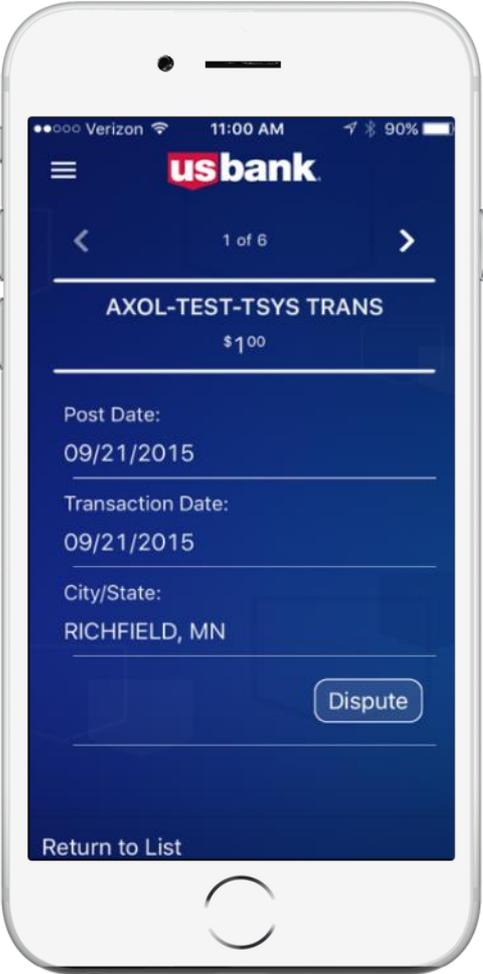# Overview and General Information
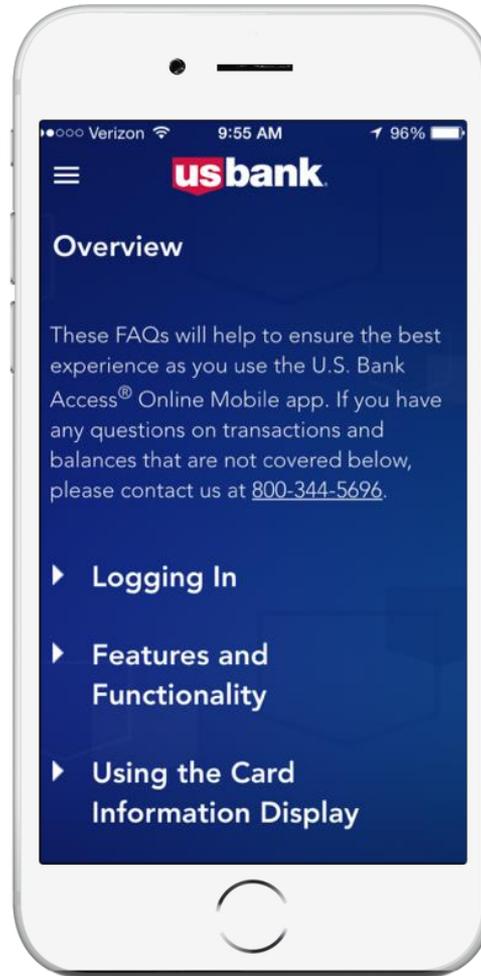
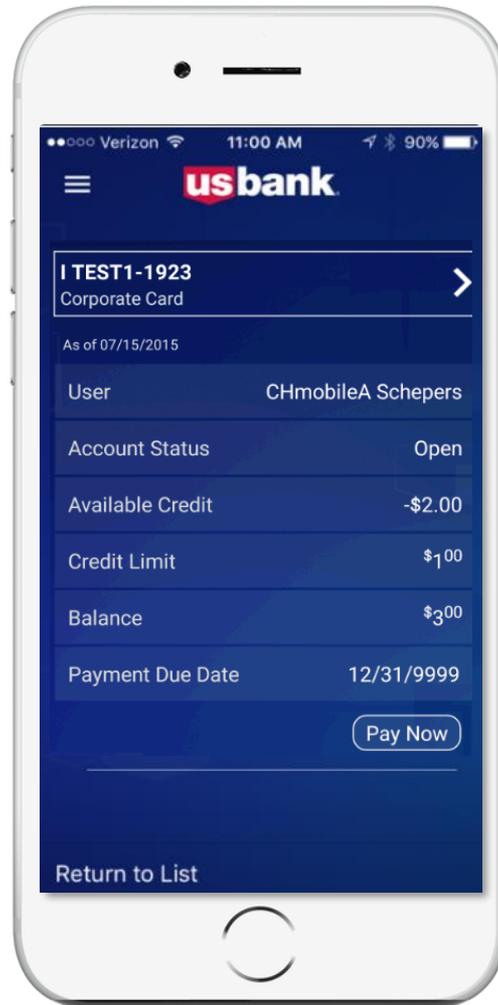# Accessing Digital Card
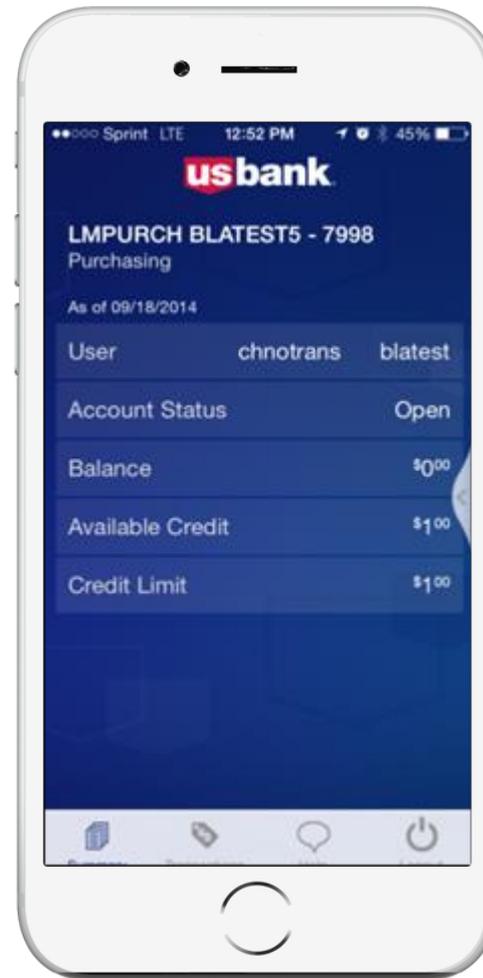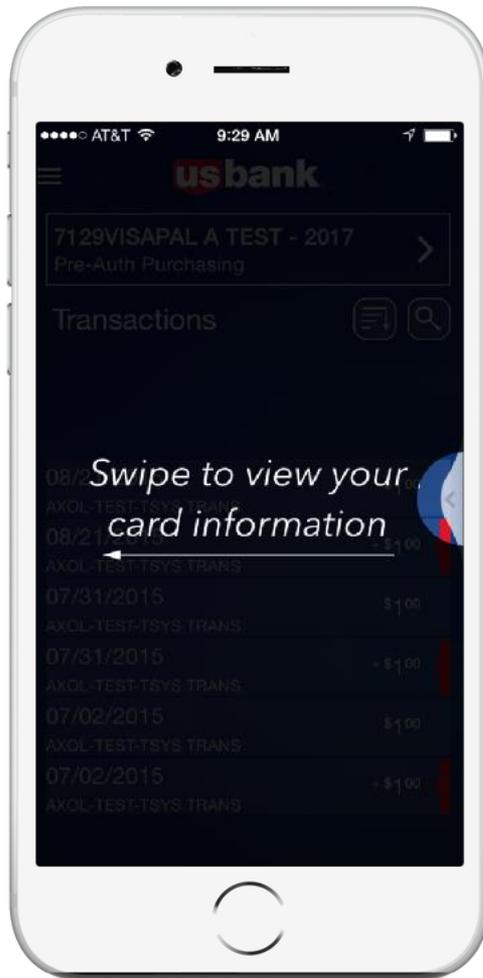
Accessing Digital Card
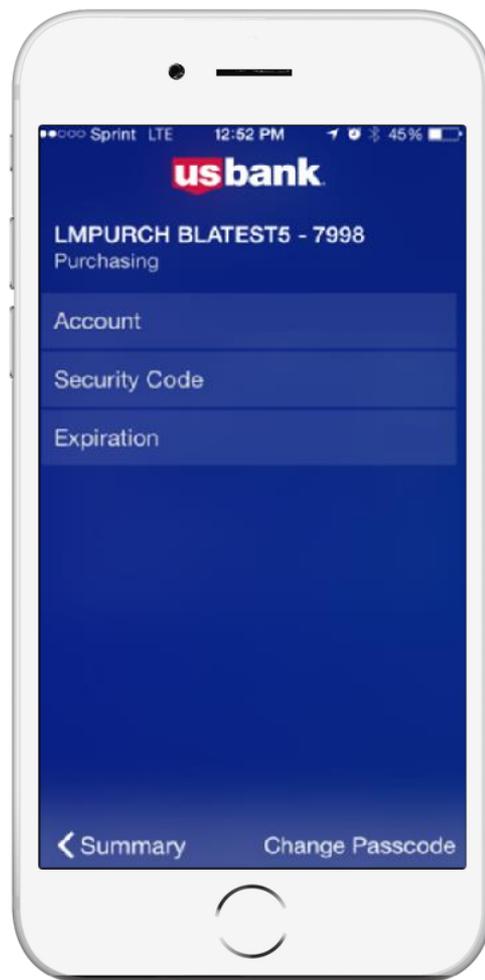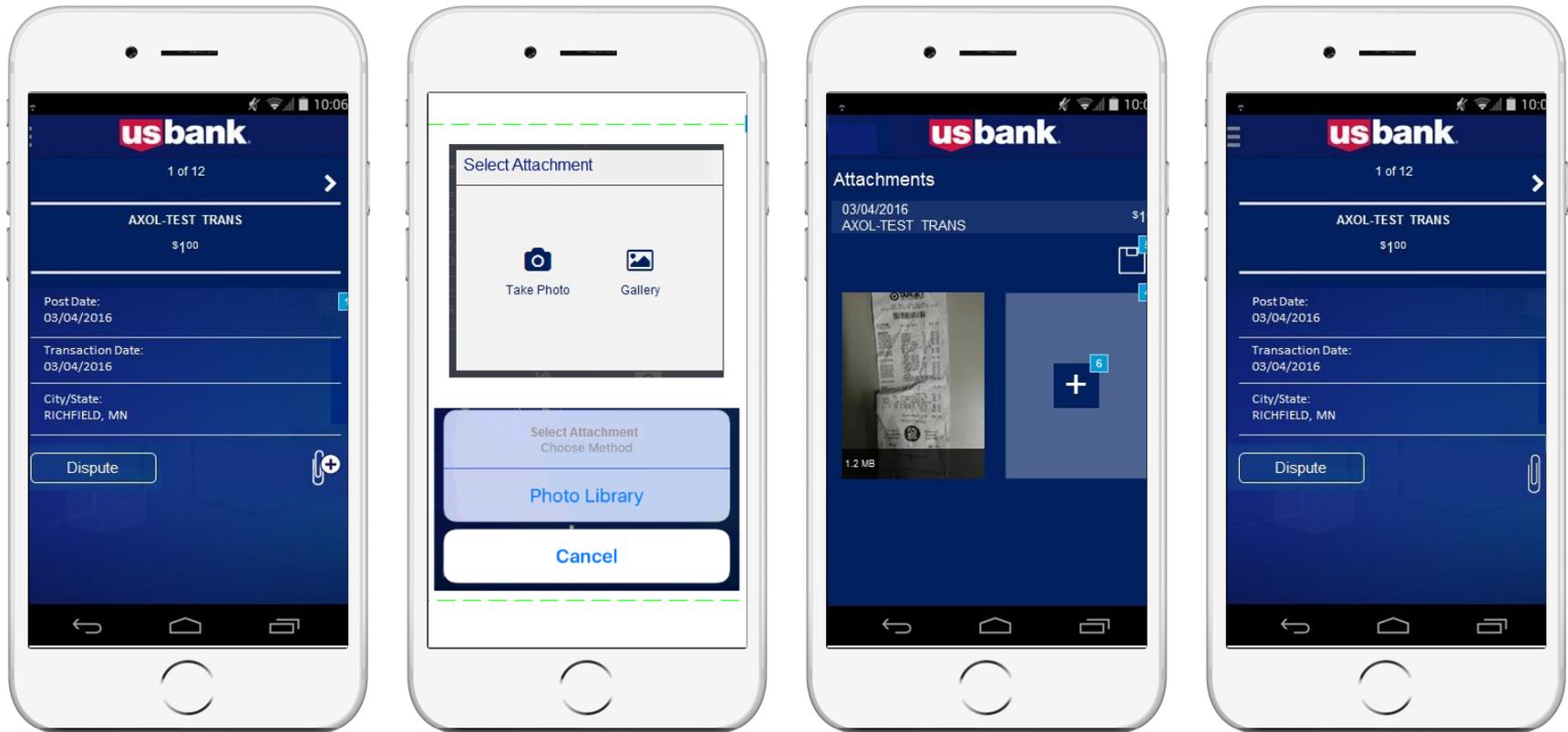
Viewing Transactions
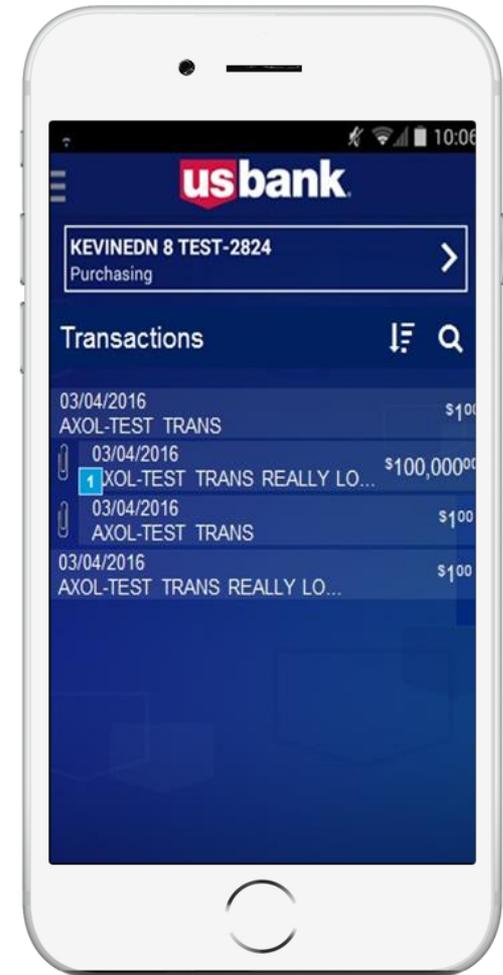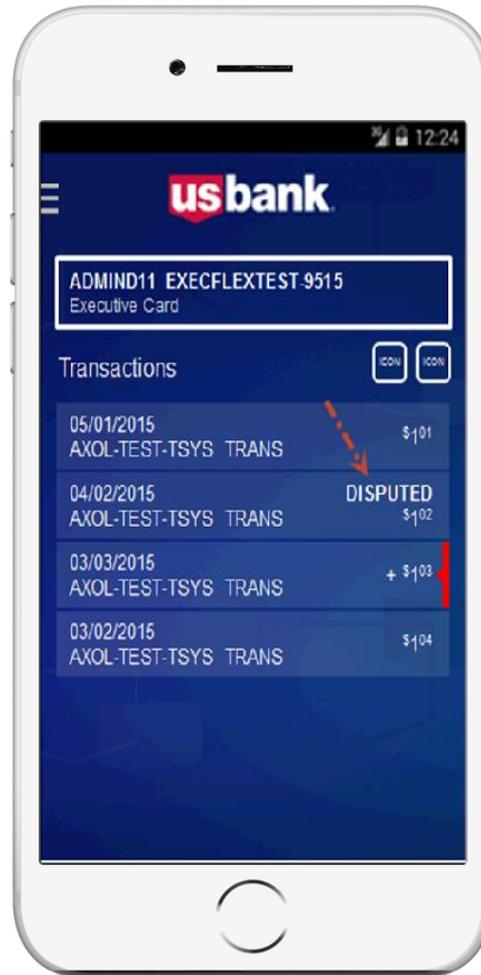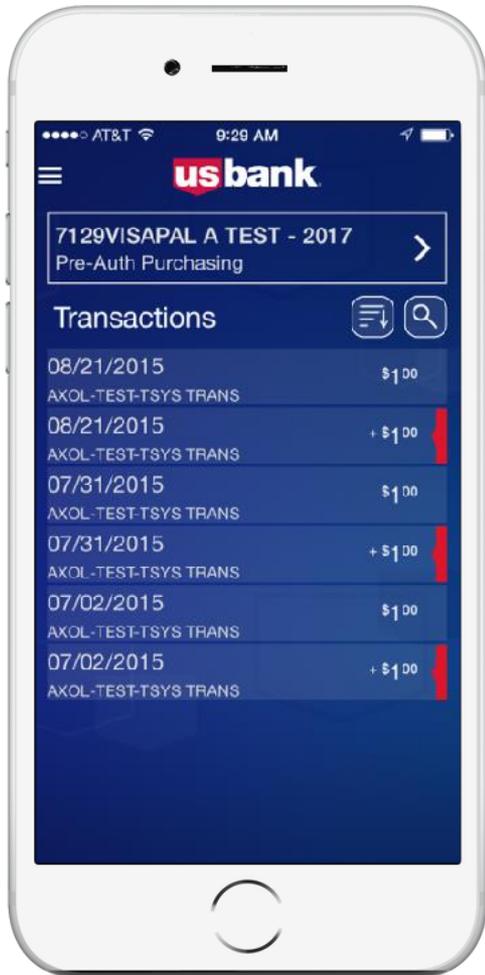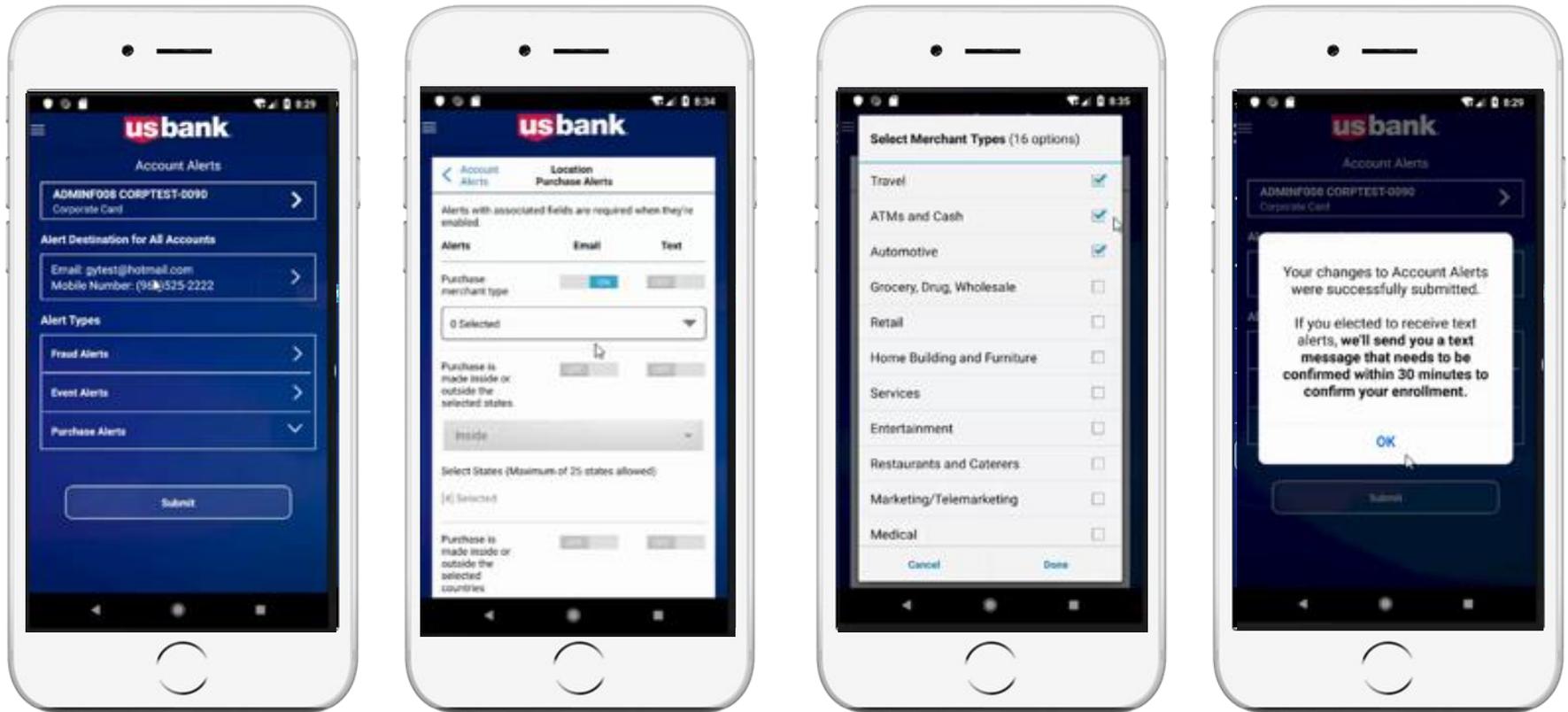
Dispute a Transaction

ePay

Transaction Receipt Attachment

Registration for Account Alerts

Virtual Card Request