



Leveraging the POWER in YOUR PAYMENTS

Access millions of dollars in working capital and get paid to use it

VIRTUAL PAYABLE BENEFITS

1. Earn rebates on vendor spend
2. Improve working capital
3. Automate vendor payments

VIRTUAL PAYABLES

Process Overview

Lets start with what it is NOT

Virtual Payables does NOT impact the accounts payable workflow, coding, OCR or any other process used with getting the vendor invoice approved and entered into the ERP system.

VIRTUAL PAYABLES

Process Overview

Virtual Payables does impact how the vendor is paid. Once the invoice is entered into the ERP system, a payment file (similar to positive pay) is sent by the buyer to the bank. The bank then makes a payment to the vendor via a “virtual card”. The bank then issues rebates for the vendor spend to the buyer. It’s that simple!

VIRTUAL PAYABLES

Process Overview

And...

Virtual Payables is meant to augment your purchasing card (P-card) program. A P-card does not inherently have the same controls and workflow in place as Virtual Payables. Both can earn rebates and improve working capital. Each buyer needs to determine how those payment methods are allocated to the buyer organization based the respective risk profile and internal control structure.

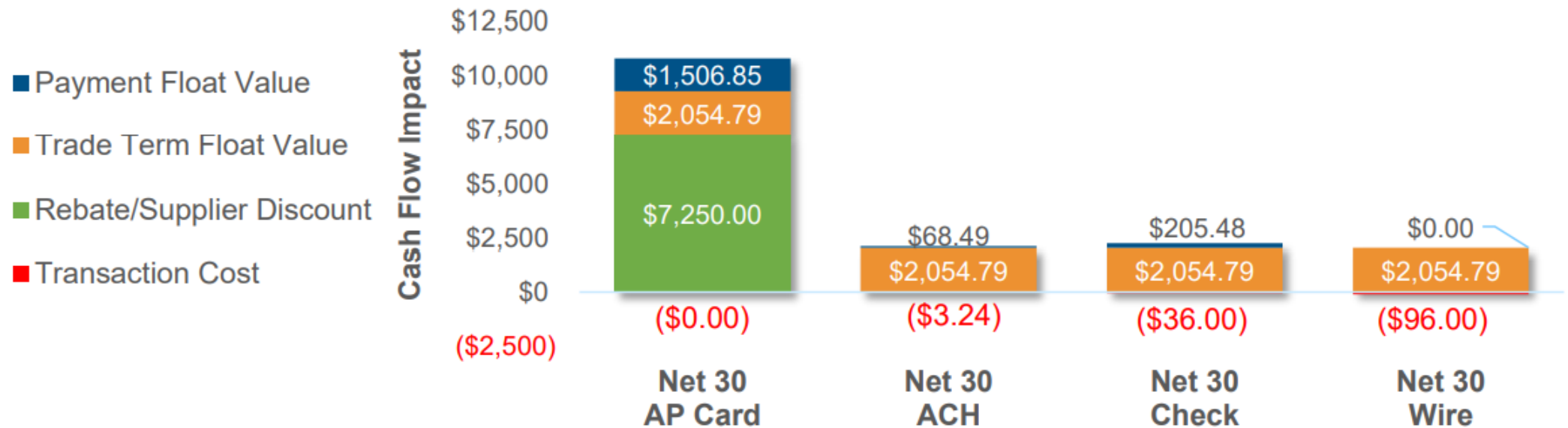
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Illustrations in the he following slides were reproduced from Bank of America and PNC virtual payable sales slides

With *pay-PACT*, Buyers can earn rebates on vendor spend

Total Cash Flow Impact¹



¹ Annual spend of \$600,000. Working capital benefit based on 5% cost of capital.

² 2015 AFP Payments Cost Benchmarking Survey. (estimated median costs). Based on 12 annual transactions.

³ Rebate based on rate of 145 bps.

This example is provided for illustrative purposes only. Results may vary by organization and we cannot guarantee a particular level of results for your organization.

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VIRTUAL PAYMENTS BENEFITS Buyers and your vendors



REDUCE COSTS AND PAPER

Virtual credit cards eliminate the need for paper checks. Loading, printing and disbursing checks can add up to a significant expense, particularly when the costs for labor and tracking lost or stolen checks are built in.



EARN REBATES

Virtual credit cards give your business the opportunity to earn rebates based on your business spend, thus effectively turning your accounts payable department into a revenue generator.



EASIER ADMINISTRATION

Virtual cards are easier and faster to process than paper checks thanks to automated processing and reconciliation – similar to ACH



CONTROL RISKS

A virtual credit card program allows you to process all of your vendor payments via a safe and secure platform. This reduces the possibility of lost or stolen checks getting into the hands of unauthorized users.



STREAMLINE PAYMENTS

Virtual credit cards automate the payment and reconciliation process by integrating into your financial or ERP system. This integration releases your business from the manual work associated with vendor payments and frees your employees to perform higher value activities.

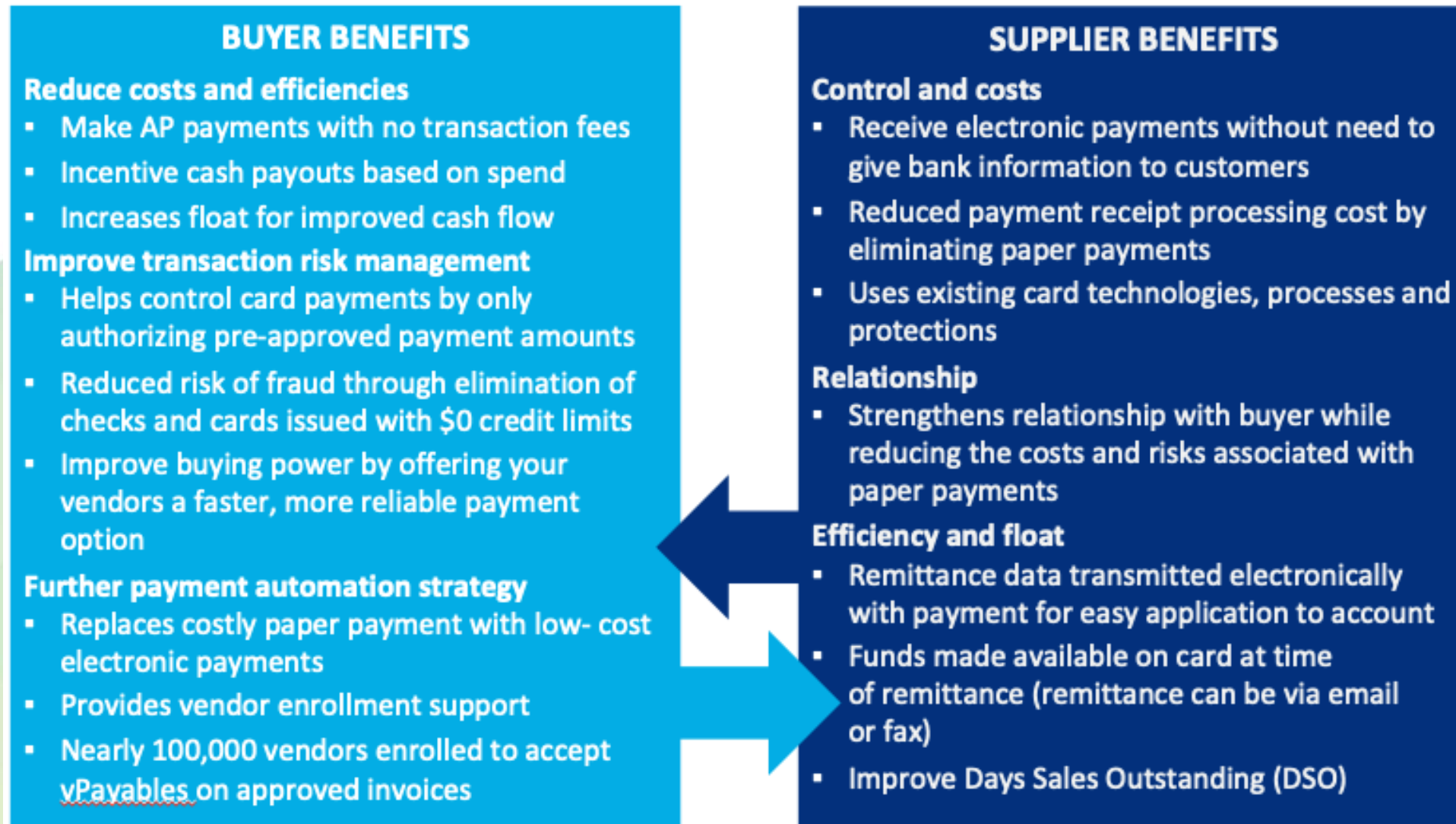


Buyers
can improve cash
flow



Buyers vendors
will have
predictable
payments

There are benefits to both the Buyers and its Suppliers. Pay-Pact will work to help maximize Supplier adoption to unlock the full potential of working capital improvements and rebates:



**CHOOSE pay-PACT
AS YOUR TRUSTED
PARTNER**

HOW **pay-PACT** CAN HELP YOU

- You have other priorities and don't have time for another project
- Recognizing a good idea doesn't get the work done.
- How much time can be devoted to doing it right and right now?
 - And next year ?
 - And the year after that?
- This is what we do, every year, **for YOU!**



pay-PACT SERVICES

Year 1, pay-PACT services:

- Help select a Virtual Payables Provider
- Negotiate rebate rates with the Provider
- Perform Vendor Rebate Analysis
- Review results with Buyers
- Develop plan to implement
- Implement
 - Work-Flow with Buyers
 - Signing up Vendors
- Review Process with Buyers (Quarterly)

In subsequent years, pay-PACT will:

- Suggest quarterly spend / vendor analysis
- Review spend / vendor analysis results with Buyers
- Continue signing up vendors
- Review for potential improvements to work-flow
- Request meeting to discuss prior year progress
 - Satisfaction with Virtual Payables provider
 - Comment on process. What could be better?
 - What is pay-Pact seeing in the payments space
 - Comments and feedback
- Inquire of business changes
 - Acquisitions
 - New strategic vendor opportunities
- Other new vendor opportunities
- Develop plan to add new vendors

What does it cost?

pay-PACT is results-oriented so our fee is based on Buyers success. We simply charge a fee based on the rebates Buyers earn. Any improvements in working capital process savings are free and incremental to Buyers's savings.

Other opportunities include:

- Developing card related requirements in supplier selection RFP's and RFQ's
- Incorporate card-related terms and conditions within supplier contracts
- Educate suppliers on the benefits of virtual payables
- Improve supplier understanding of opportunities to reduce transaction fees by passing accurate Level 3 data to qualify for lower large ticket transaction interchange rates
- Utilize Level 3 data for auditing, reconciliation , supplier management, strategic sourcing, tax purposes and paper receipt replacement

Conversely, are you a supplier that needs to get paid faster?

- pay-PACT will reach to your Buyers to initiate that conversation
- pay-PACT can tailor Buyer / Supplier payment programs that meet the needs of both parties

Need to contact us?

Please visit www.pay-pact.com and click on the dialogue box in the bottom right hand corner



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