



VALUE OF CARD-BASED PAYMENTS

A decorative graphic consisting of a white horizontal line on the left, a dark green line that dips down and then rises to meet a horizontal dark green line on the right. Three small circles are placed at the corners where the lines meet: one at the top-right of the white line, one at the bottom of the dark green dip, and one at the top-right of the dark green rise.

Presented by:

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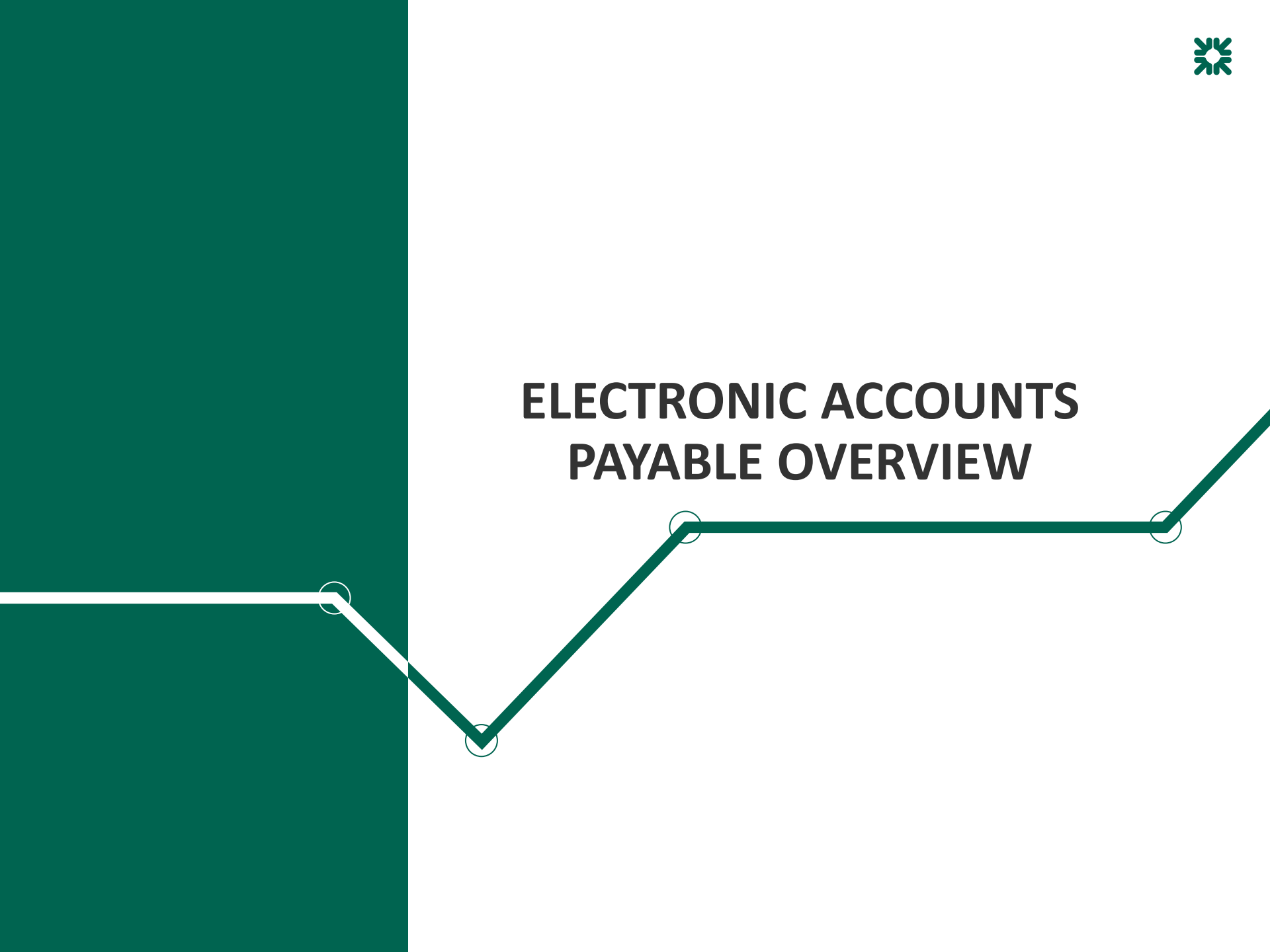


- Overview of Electronic Accounts Payable in the Market
- Intermediate Value
 - Increased Efficiencies
 - Enhanced Management Capabilities
 - Financial Benefits
 - Customized Solutions
- Commercial Card Products Overview
- Q&A





ELECTRONIC ACCOUNTS PAYABLE OVERVIEW





What is Electronic Accounts Payable (EAP)?

Electronic Accounts Payable is a broad term used to reference payments which are digitized by way of Virtual Card, ACH and WIRE. Basically, any type of payment method that is non-paper in nature.



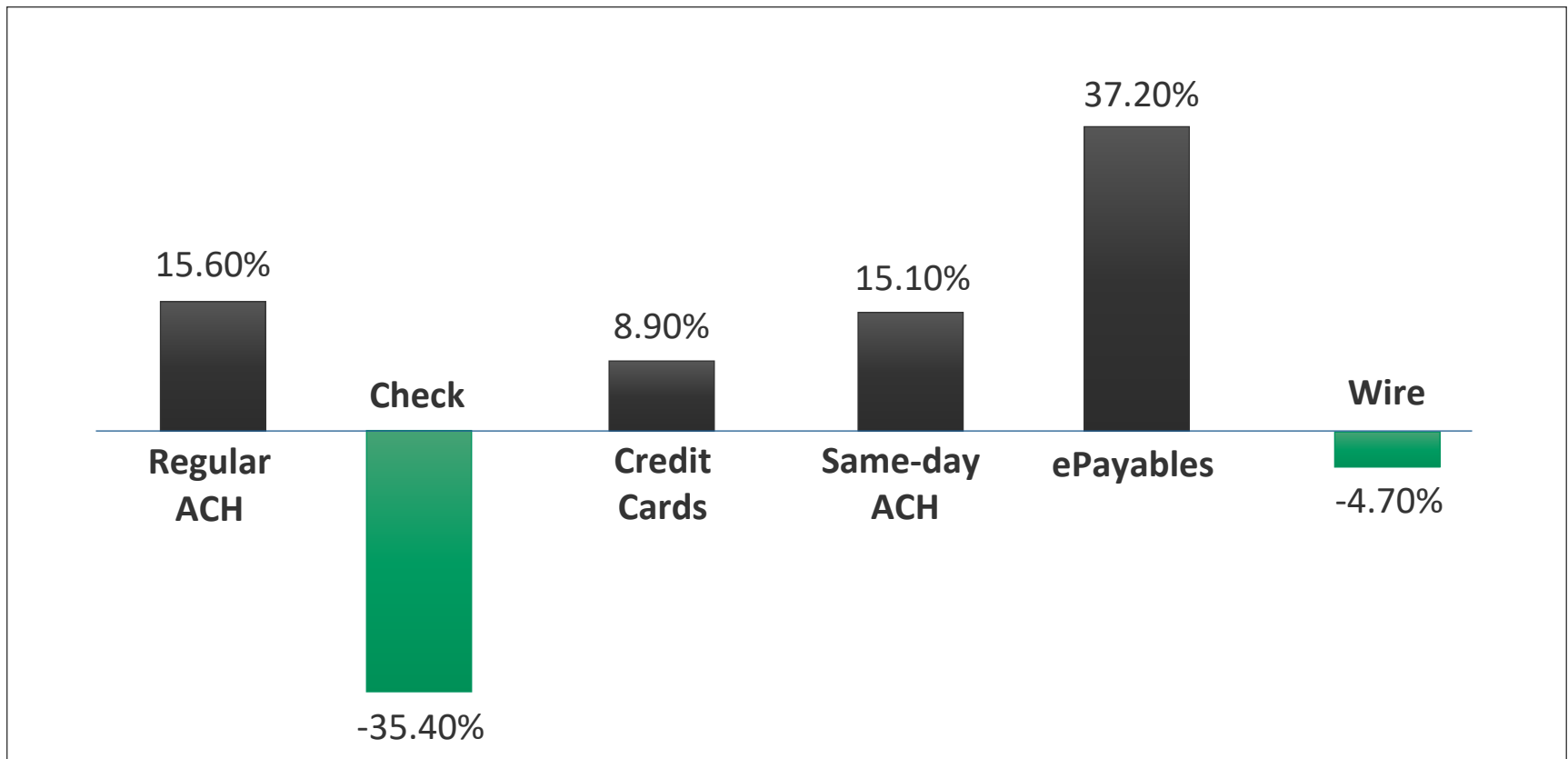
What are the benefits of EAP?

- Fraud Reduction
- Increased payment visibility
- Cost Reduction (specifically associated check printing)
- Paper Elimination
- Increased Efficiencies
- Cash Flow Improvement
 - Extended re-payment terms associated with Virtual Cards
 - Rebate potential



How do you expect your municipality's use of each payment method to increase/decrease in the next 3 years?

Expected Change in Payment Method





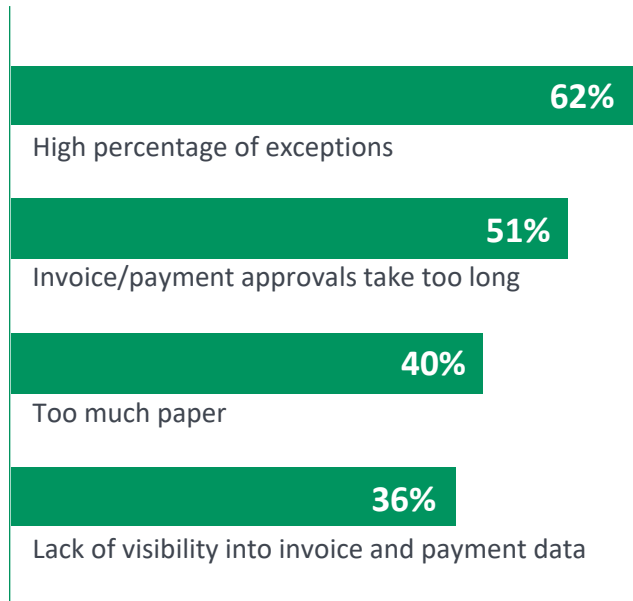
It's not just payments anymore.

Your accounts payable (AP) functions may face common challenges that can divert financial and management resources from capturing the business opportunities your payables offer.

Citizens consults with you to identify opportunities that can help make a visible difference to your bottom line.

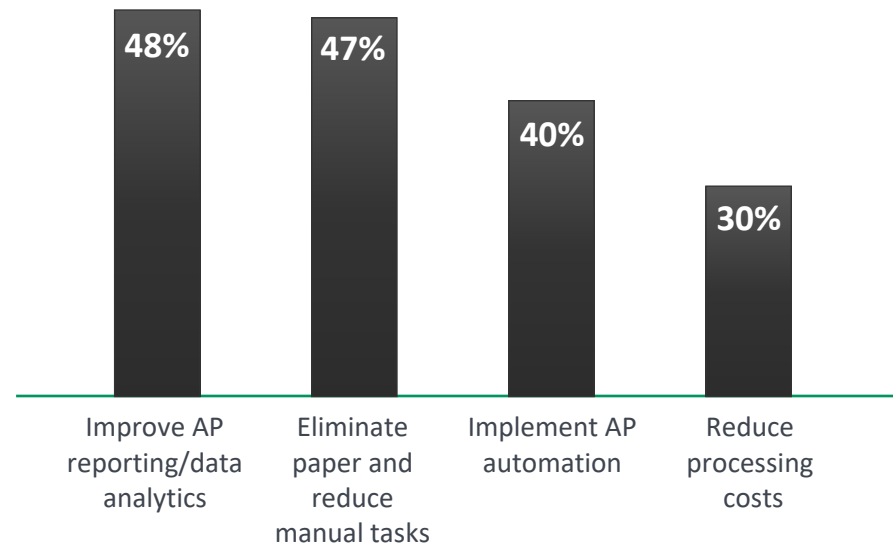
Top Challenges

faced by today's AP functions



Top Priorities

for AP functions in 2019



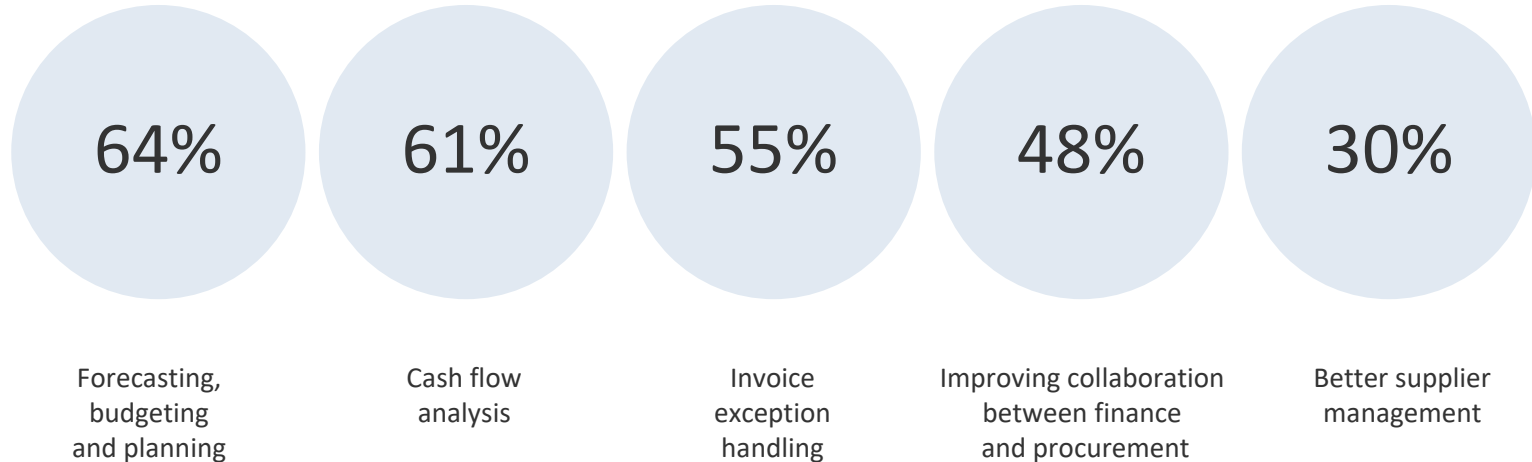


Migrating to card payments and ePayables can contribute operational and financial benefits to your municipality.

Payables management insights



AP's Top Uses of Data and Financial Intelligence



Source: Ardent Partners, The State of Payables, 2019

A consultative and solutions focused approach...



Citizens' suite of corporate payment solutions is designed to help build long term value.

Tools, methodologies and insights are provided to help you plan, track and optimize the benefits of your payments program.



Improved Deposit Balance Capacity
through better cash flow management



Improved Spend Optimization
through process and cost efficiencies, including optimization of the supplier enablement process



Increased Efficiencies and Control
with a payments program delivering both cost and time savings

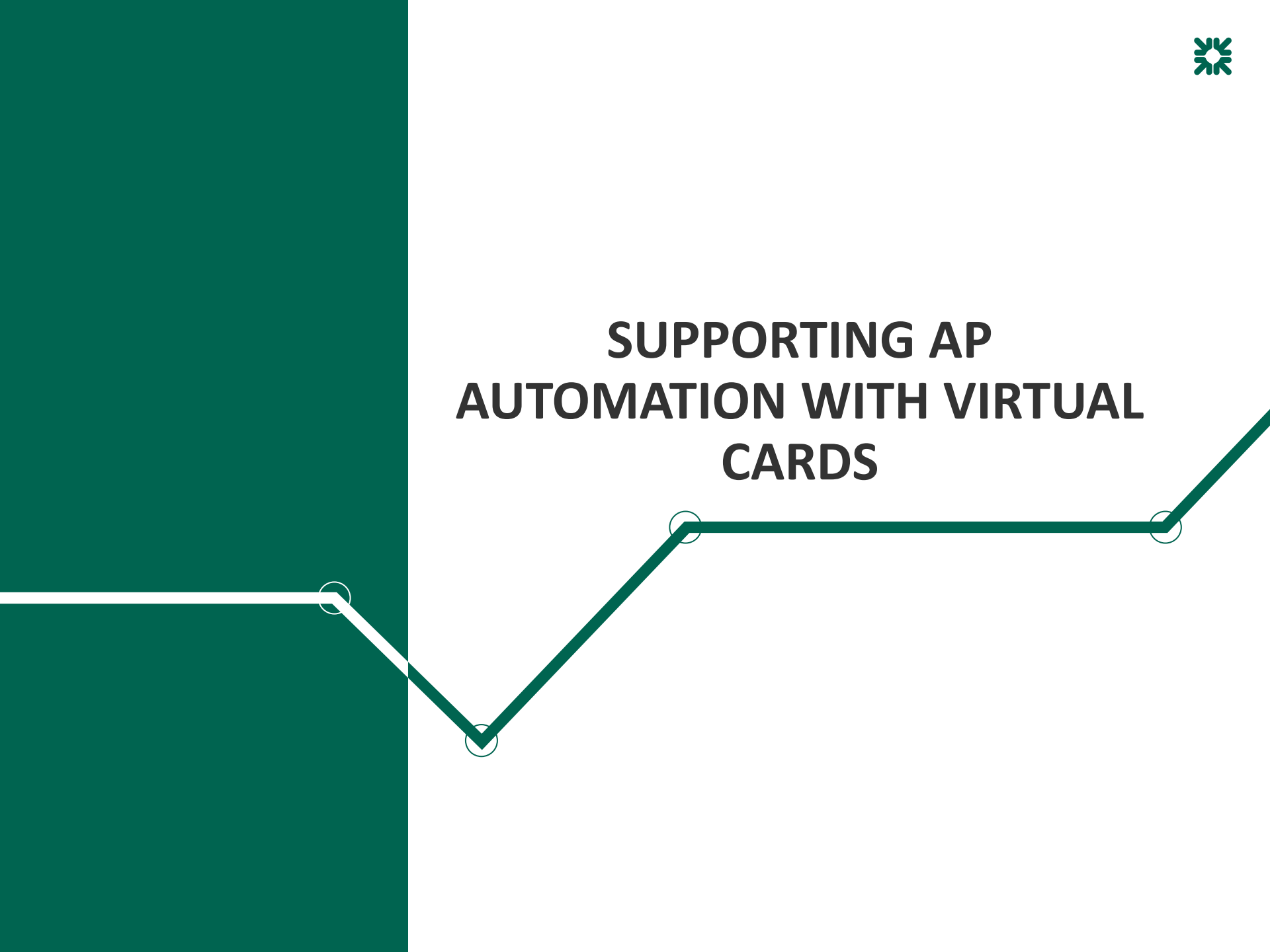


Financial Benefits
with potential savings from electronic payments and program-based revenue





SUPPORTING AP AUTOMATION WITH VIRTUAL CARDS



2022 Virtual Card Statistical Highlights



*2022 Virtual Card Spend \$314 Billion

*2024 Anticipated Virtual Card Spend \$584 Billion

*Pandemic Growth was 19% per year

*Supplier Acceptance During Pandemic Increased 31%

*Minimal Fraud, .00001692% to be exact

* Source 2022 RPMG Virtual Card Survey

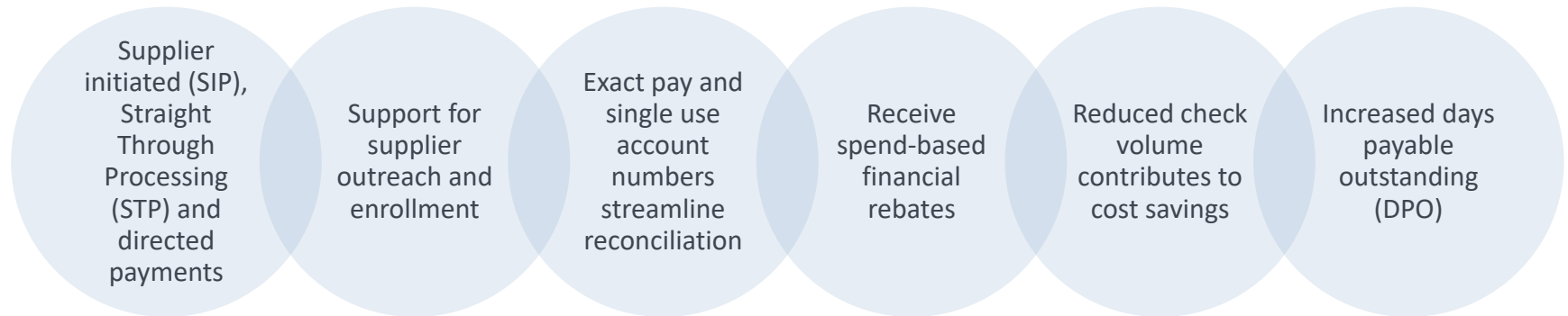


Your current AP process remains intact with accessAPcard



- Citizens remits payment based on the supplier's preferred payment method
 - Supplier Initiated Payment (SIP) – Supplier receives electronic advice with remittance details to process payment
 - Straight Through Processing (STP)– Supplier receives electronic advice with remittance details and confirmation of deposit to their merchant account
 - Directed Payment – Citizens receives electronic advice with remittance details to process payment on the buyer's behalf via web, phone, or STP.
 - On-Demand Payment – Buyers may generate one-off payments to suppliers online
- Suppliers receive automated e-mail remittance notification and up to 3 reminders to process transaction
- Suppliers may choose to receive either a static card or new card number each time
- Buyers can review payment status and reporting via online portal for reconciliation

Supports AP automation using a virtual card number to pay for goods and services after an invoice is received



Additional Benefits

- Current AP process remains intact
- Card-only or integrated payables batch file initiation
- Accelerates the migration from paper to electronic, providing increased security and fraud protection
- Facilitates ease of adoption and ERP system integration

Special Features

- Directed payment option at no added cost for suppliers requiring portal or Interactive Voice Response (IVR)
- On-demand feature for one-off requests
- Full invoice detail and payment information
- Defined expiration date, exact amount and single-use account number mitigates fraud



BUYERS

Speeds migration from paper to electronic payments

- No impact to processes for invoice/payment routing and approval
- Option to transmit payment transactions in a single integrated payables file

Reduces payment fraud risk

- With real time control over limits and purchase types

Optimizes supplier enrollment

- Comprehensive supplier enrollment support for life of program
- Custom supplier communications

Delivers financial benefits

- Reduce cost of payments — from fees associated with check payments
- Generate program rebates based on annual program spend volume

SUPPLIERS

Automates reconciliation

- Real-time controls help identify potential fraud faster than paper checks
- Full remittance details provided electronically to simplify reconciliation

Reduces check expenses

- Eliminates expense associated with processing and negotiating paper checks

Potential for faster payment

- Depending on buyer's offered terms, payment may be accelerated, improving working capital

Improves cash forecasting

- Removes variable mail and collection float
- Provides certainty regarding availability of funds

Enhances buyer relationship

- Potential for supplier to become a "preferred supplier" and grow the relationship with the buyer



COMMERCIAL CARD PRODUCTS

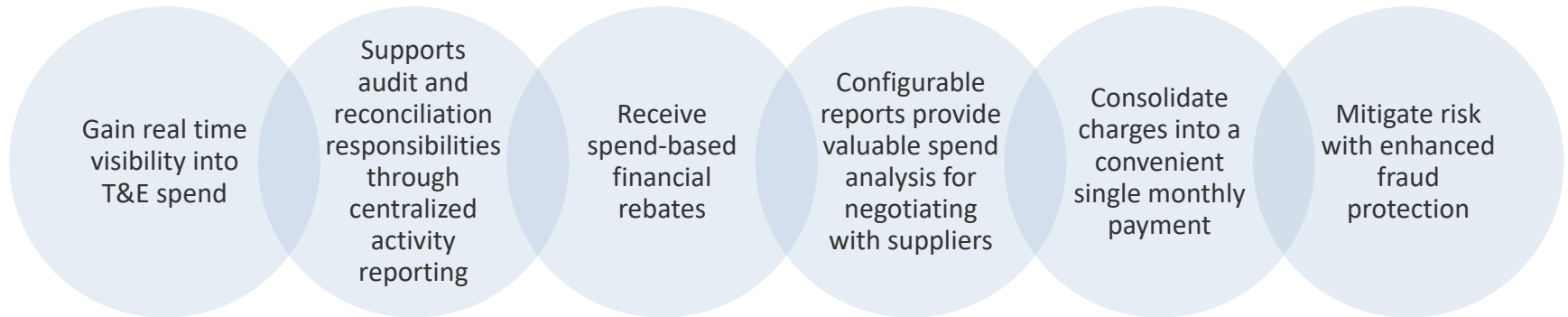




Corporate travel and expense (T&E) card



Helps your municipality manage business travel spend and get more value from your corporate card program



Additional Benefits

- Online management and reporting tool
- Integrates easily with third-party expense management systems
- Flexibility to choose from a range of account and billing options
- Security enhanced chip and PIN cards

Special Features

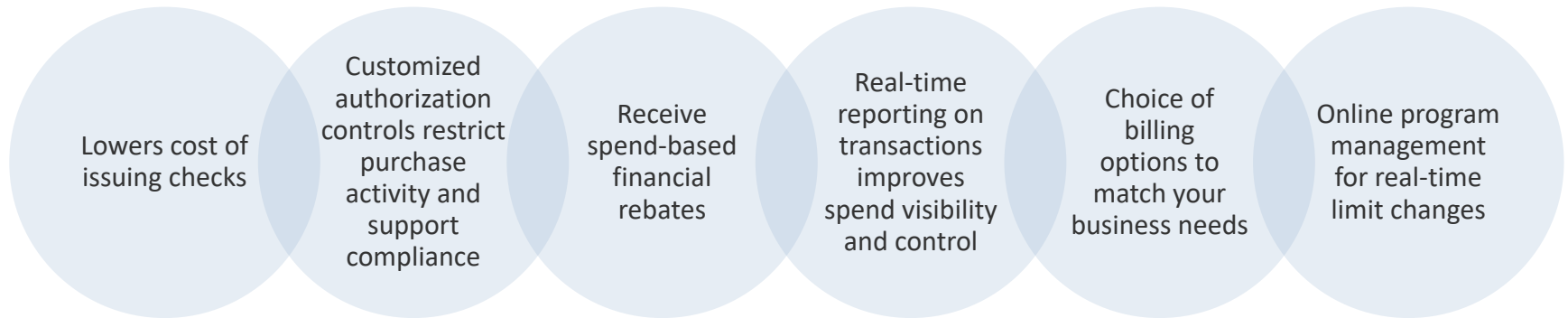
- Dedicated program administrator services and 24/7 cardholder support
- Acceptance at 49+ million locations worldwide
- Purchase Assurance and Extended Warranty Protection
- \$500,000 travel accident insurance and \$300 delayed baggage insurance
- MasterCoverage® Liability Protection Program
- MasterAssist® travel assistance services
- MasterRental® car insurance coverage



Purchasing card



Helps accelerate the procurement process and improve cash flow, while dramatically reducing paperwork and administrative costs



Additional Benefits

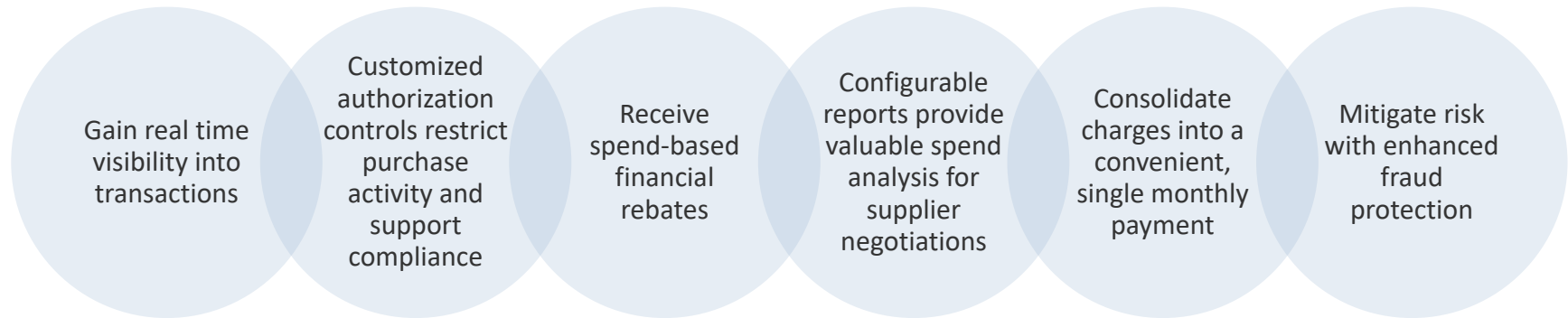
- Configurable reports provide spend analysis for negotiating price and terms with suppliers
- Leverage ghost and department cards to reduce purchase order volume and streamline AP processes
- Integrates easily with most third-party expense management systems
- Security enhanced chip and PIN cards

Special Features

- Dedicated program administrator services and 24/7 cardholder support
- Acceptance at 49+ million locations worldwide
- Purchase Assurance and Extended Warranty Protection
- MasterCoverage® liability protection program
- MasterAssist® travel assistance services
- MasterRental® car insurance coverage



Supports purchasing and business T&E transactions in a single card program with a spend-based cash rebate



Additional Benefits

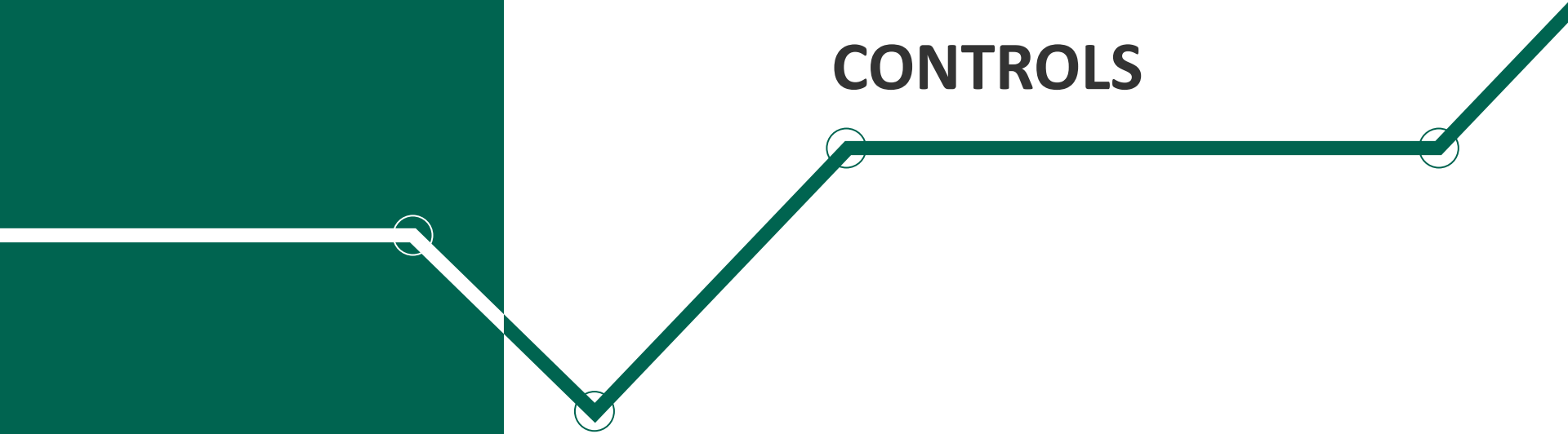
- Integrates easily with most third-party expense management systems
- Leverage ghost and department cards to reduce purchase order volume and streamline AP processes
- Increased float with various billing and payment options
- Online management and reporting tool
- A single process for expense reporting with oneCard
- Security enhanced chip and PIN cards

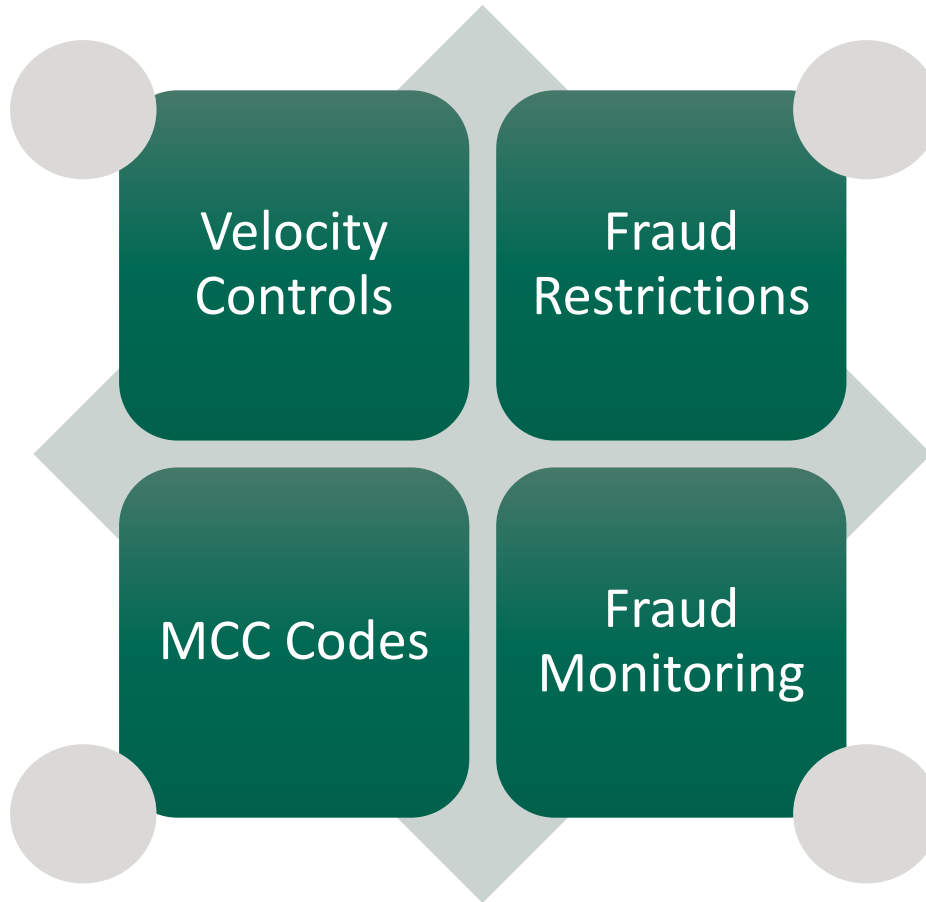
Special Features

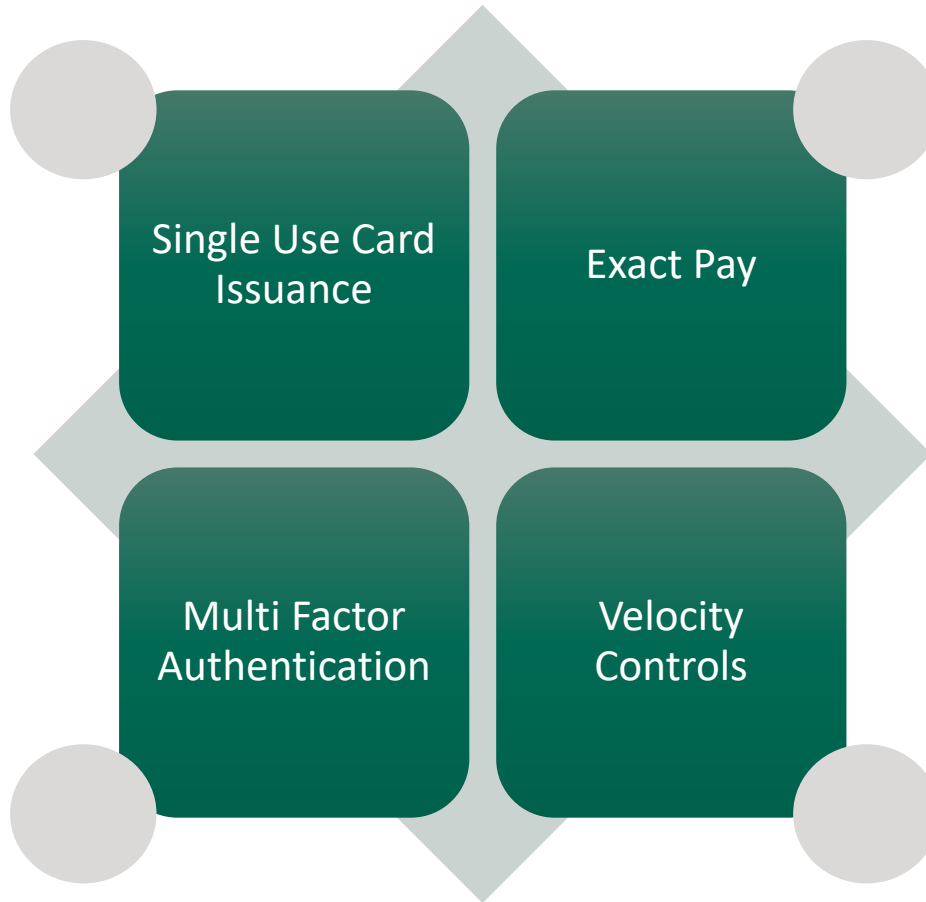
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CONTROLS

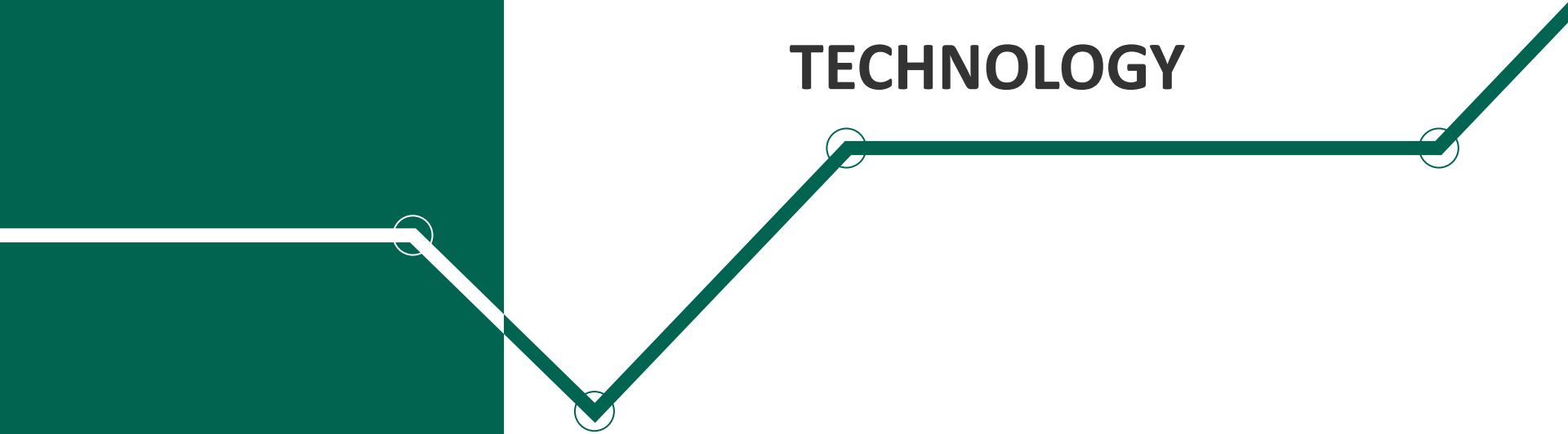








TECHNOLOGY

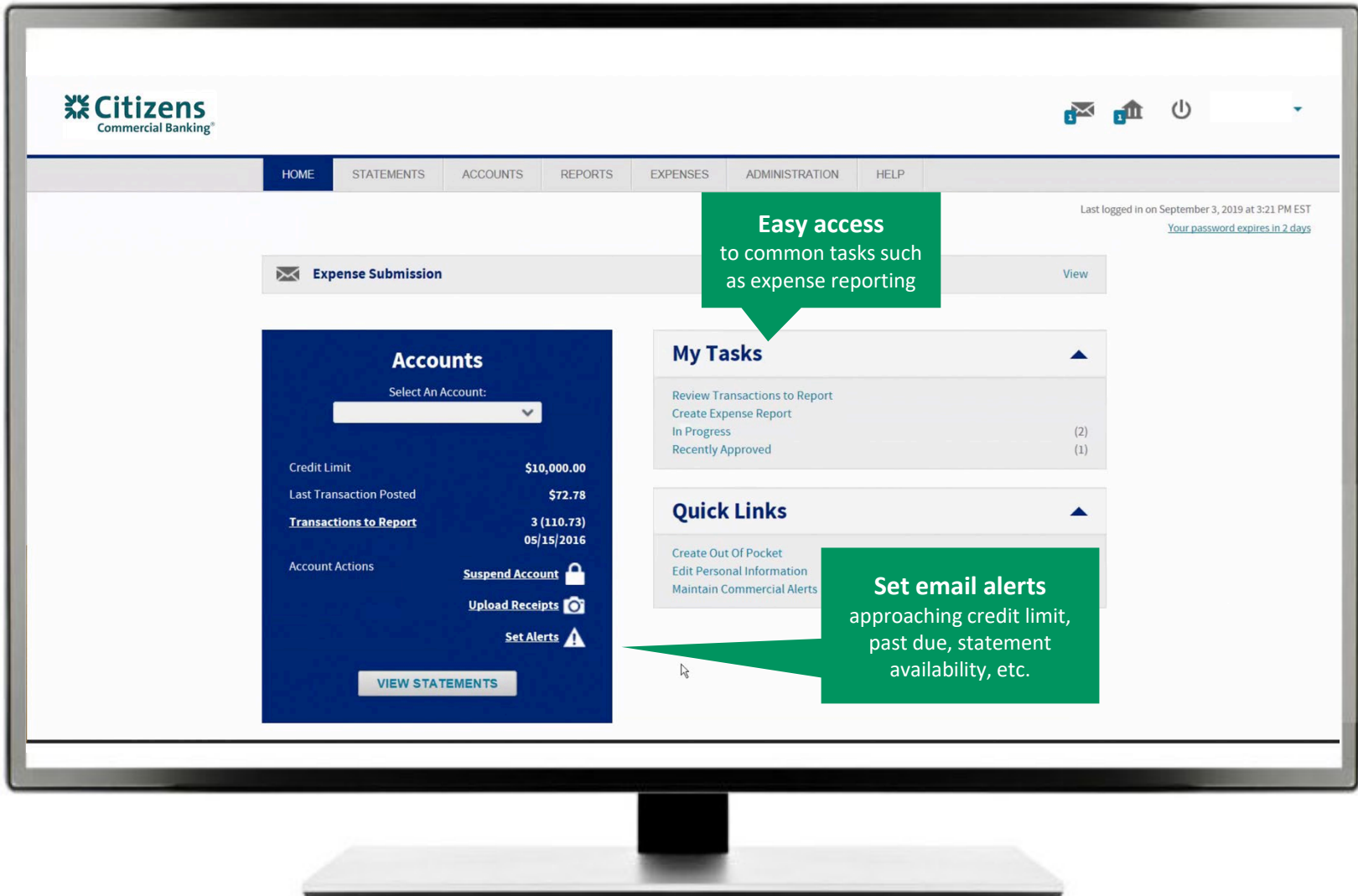


Flexible online program management modules



CentreSuite® delivers a streamlined user experience that can be customized to your municipality's needs





Easy access to common tasks such as expense reporting

Set email alerts approaching credit limit, past due, statement availability, etc.



Account Reports

- Allocation Analysis
- Cardholder Profile
- Program Change Request Audit
- Statement of Account
- Statement of Account with Fuel Purchase Detail

User Reports

- Site Settings Audit
- User Audit
- User Profile



Transaction Reports

- Cardholder Dispute
- Declined Authorization
- Transaction
- Merchant

Expense Reports

- Expense
- Expense Summary
- Expense Unassigned Transactions
- Multiple Transaction Exception



1

Online efficiencies

- Robust expense reporting tool
- Data feeds to your ERP system
- Customizable card restrictions
- Real-time reporting and monitoring of corporate credit limit and spend
- Improved decision making
- Receipt imaging



2

Risk management

- Centrally manage cards, maintenance and controls online
- Leverage standard and customized reporting capabilities
- Evaluate cardholder transaction activity to monitor policy compliance
- Manage, view and set-up expense reporting with multiple electronic approval levels



3

Employee benefits

- Mastercard acceptance at more than 49 million locations, worldwide, as of September 2019
- Automated expense reporting
- View and pay bills online
- Personal credit is not impacted
- Mastercard provided insurances and benefits



4

Added value incentives

- Lower cost per transaction
- Reduce number of traditional payments
- Generate revenue through a cash rebate
- Extend days payable outstanding (DPO) by an average of 25 days
- Customizable cards
- Enhanced fraud controls





A line graph with a dark green background on the left and a white background on the right. The graph features a white line that transitions into a dark green line. The dark green line starts with a downward slope, followed by an upward slope, then a horizontal segment, and finally an upward slope. The text 'Q&A' is positioned above the horizontal segment. Four small circles mark the vertices of the line.

Q&A

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We're ready to help you rise to the challenges you face today and in the future.

If you have any questions, please contact your corporate payment sales specialist.

 citizenscommercialbanking.com/card

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