SunTrust Card Payment Strategies 2013

Best Practices Workshop; Reaching Your Card Program Goals

Not-for-Profit Summit

SUNTRUST

Agenda

- The Current Challenge
- Commercial Card
  - Card Types and Usage
- Expanding Your Program
  - Corporate Card
  - Purchasing Card
  - Payables
- Best Practices
  - Setting Goals
  - Program Alignment
- Additional Q&A

SUNTRUST

Market Environment- The Current Challenge

Organizations and their treasurers face common challenges in managing payables effectively

- Under pressure to reduce expenses, increase efficiency and improve working capital
- Organizations and their suppliers may be affected by credit constraints and their access to capital and liquidity
- Organizations are moving away from a silo approach to managing the procurement to payment cycle and working capital initiatives together
- Organizations are moving towards and electronic solution and automation of supply chain

Accounts Payable and Procurement focus on tangible tasks of managing supply chain

- Strong Relationships- Hard to build, easy to lose
- Operating Efficiencies- Smooth operations equal happy internal partners
- Control- Understanding and manage processes
- Compliance- Ensuring that the process follows the rules

Increasingly all corporate functions need work together to evaluate how their internal practices contribute to financial goals and determine where attention, automation or reconfiguration of processes can most effectively be applied to

- Achieve cost savings
- Find revenue opportunities
- Receive working capital benefits

SunTrust

Commercial Card Types & Usage

Commercial Card Types and Usage:
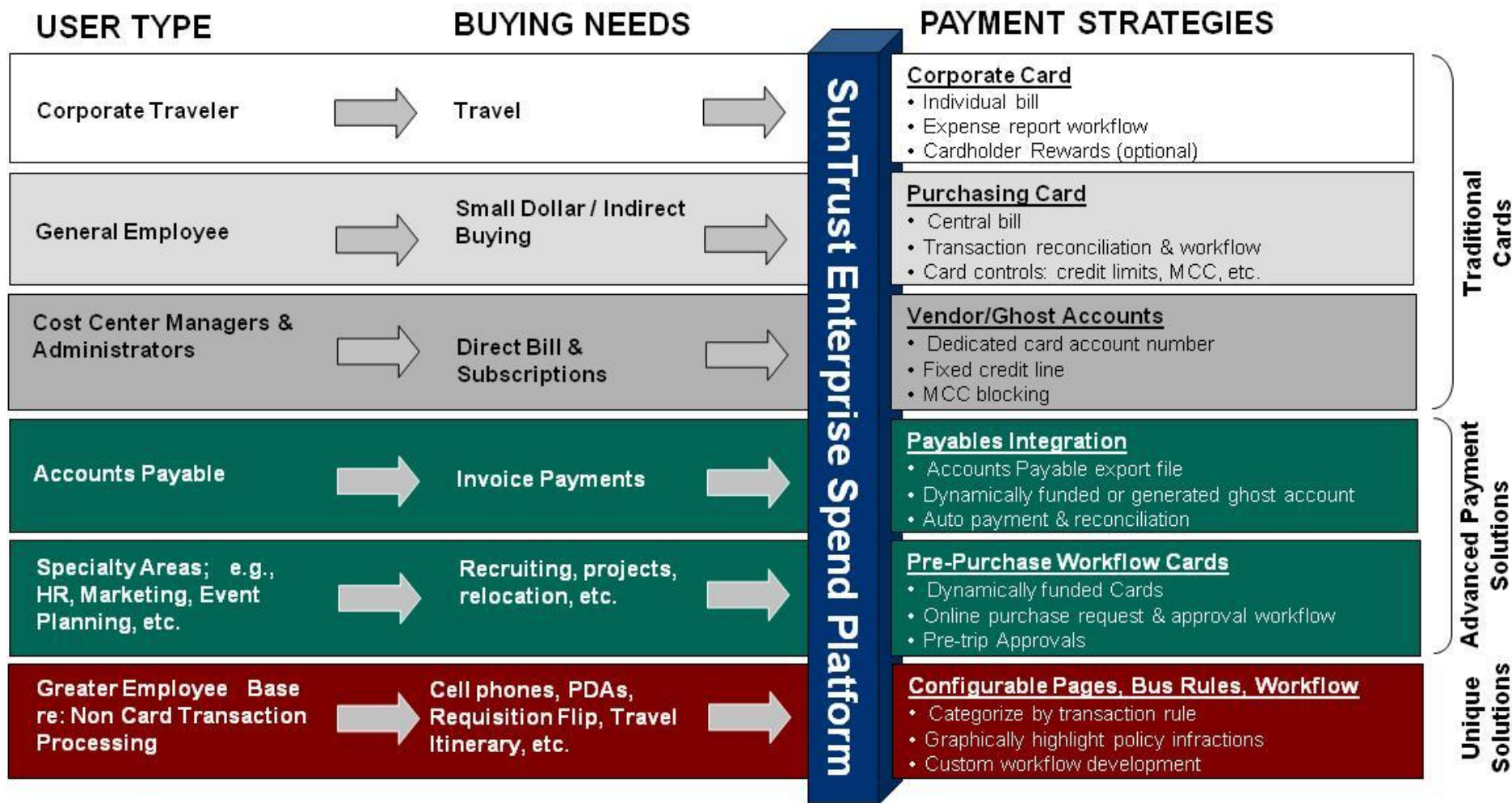
Corporate Card

- Mandating the Card throughout the Company
  - Flexible Program Controls
    - MCC (Vendor Type) restrictions
    - Spend limitations
      - By transaction
      - Monthly limit
  - Travel Accident Insurance ($500,000) worldwide
  - Maximize Spend to increase Rebate return
  - Leverage Central Travel Accounts (CTA's)

- **Benefits to Travelers**
  - **Online access to transactions**
  - **Separate business expenses from personal expenses**
  - **Employees get reimbursed faster**
  - **Don't use personal credit for business travel**

SUNTRUST

Purchase Card uses

- **Supplier Cards**
  - Card number held at Supplier (check mail for accepting suppliers)
- **Automating the invoices**
  - How do you stop the invoices from coming into AP?
    - Meet with suppliers or have a conversation to stop invoicing
    - Control from the Purchase Order
- **Department Cards**
  - Allows for the One-off purchases to be made with the card
  - Replaces Petty Cash
  - Allows for 'On Demand' payments rather than await invoices
- **Employee Cards**
  - Provides flexibility to Employees in the Field No need for reimbursement
    - Single transaction limits / Monthly limit
  - Track business expenses in a more efficient manner

SUNTRUST

101 Uses of our Purchasing Card Solutions

Purchasing Card can meet virtually any business need

- Airplane Maintenance
- Airport Fees
- Auditors
- American Express Fees
- Bearings
- Boots
- Bottled Water
- Break Rooms
- **Business Cards**
- **Business Forms**
- Business Travel Fees
- **Cafeteria Services**
- Catering
- Cellular Phones
- Cemetery
- Chemicals
- Clean Room Services
- Computer Hardware
- **Computer Peripherals**
- Computer Rentals
- **Computer Software**
- Computer Supplies
- Conference Calls
- Conference Facilities
- Consulting
- Construction

- Contract Labor/Services
- Copiers
- Corporate Housing
- **Courier Services**
- Electrical Supplies
- Employee Incentives
- Equipment Leasing
- Fax Machines
- **Fax Supplies**
- Fees
- First Aid
- Flowers
- Food Services
- Freight
- Fuel
- Furniture
- Gases
- Gift Cheques
- Grounds Keeping
- Guard Services
- Hardware
- Hazardous Materials
- Holiday Parties
- Household Moves
- Relocation Services
- **Industrial Supplies**

- Internal Moves
- Inventory
- **Janitorial Supplies**
- Kiosks
- Lab Supplies
- Legal Services
- Licenses
- **Locksmith**
- Mailboxes
- Maintenance Contracts
- Mailing Equipment
- Medical Exams
- Microfiche
- Mill Supplies
- Movies
- Nursing Services
- Office Supplies
- **Overnight Mail**
- Packaging
- Pagers
- Parking
- Passport/Travel Fees
- PC Leasing
- **Periodicals**
- Pest Control
- Photocopying

- Photographic Material
- **Postage**
- **Printing**
- Production Services
- **Promotional Items**
- Pulp
- Rail Car
- R&D Supplies
- Safety Supplies
- **Security**
- Shows
- Storerooms
- **Subscriptions**
- Temporary Services (Clerical/Technical)
- Tool Cribs
- Trade Shows
- Training
- Truck Parts
- Tuition
- **Uniforms**
- Video Conferences
- Virtual Offices
- Work Orders

SunTrust

Aligning Supplier Enrollment Goals

Business Concern

"How can SunTrust help us enroll suppliers and ramp up our program?"

SunTrust Solution

Supplier Enrollment Campaign

- How can we work together to make it a success?

    - Authorization Letter
    - Vendor Enrollment Forms
    - Manage Weekly Updates (Flag Vendors)

SUNTRUST

Best Practices

Program Alignment- Treasury, Purchasing, A/P

Treasury, Procurement and Accounts Payable Functions:	
Title:	**Function:**
• **Treasury Management Services**	• **Cash Management** • **Liquidity Planning & Control**
• **Procurement**	• **Develop & Maintain Good Buyer – Seller Relationships** • **Maintain Organizational Reputation and credibility in the market by fair dealing and prompt payment.**
• **Accounts Payable**	• **Process Vendor Invoices** • **Processing Vendor Payments** • **Handling Issues Pertaining to Payment**

The Value of Commercial Card	
Title:	**Card Value:**
• **Treasury Management Services**	• **Maintain DPO through SunTrust Billing Terms** • **Increase free cash flow through earned rebate**
• **Procurement**	• **Decrease Suppliers DSO to 10 Days** • **Supplier peace of mind through the financial strength of SunTrust**
• **Accounts Payables**	• **Improve process efficiencies** • **Reduce Lost/Stolen Checks** • **Reduce Escheatment**

SunTrust

Best Practices for Commercial Card Solutions

1. Develop and distribute a company-wide policy

2. Establish card issuance criteria and mandate the program

3. Optimize number of suppliers by selecting and monitoring vendors through a formal vendor management program
   - Evaluate current accounts payable policy (e.g: Transactions <$5,000)

4. Allow spending without multiple pre-approval level
   - Use dollar limits and MCC controls

5. Establish well-defined expense report and audit parameters

6. Standardize and automate data interfaces between expense management and account applications

7. Integrate with existing Accounts Payable activity

8. Capture, report and analyze comprehensive, company-wide data

9. Focus on commodity, category, and transaction amounts for increased use of cards

10. Set and publish goals and metrics – **measure progress!**

SUNTRUST

Additional Q&A

Thank You!