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▶▶▶ **Streamline Payables Process and Mitigate Fraud Risk with Consolidated Payables**

A challenging economy has many companies looking to gain efficiencies and cut costs by migrating to more electronic payments for business-to-business transactions. U.S. Bank Consolidated Payables can help ease the transition and mitigate fraud risk.

▶▶▶ ***The Power of Green*** **10 Mistakes People Make With Heat**

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Secure Vault Payments Offer Cost-Effective, Safe Online Collections Alternative

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Looking for a safe, cost-effective way to accept consumer payments electronically? U.S. Bank will soon become the first major bank to implement Secure Vault Payments™ (SVP), a new “good funds” Automated Clearing House (ACH) capability that allows consumers to pay for goods and services without having to provide their bank account information to merchants and billers.

To initiate payments, consumers visit your organization’s Web site, select SVP as the payment method, and choose their banking partner from a dropdown menu. Consumers are then redirected to their bank’s online platform, where they authenticate their identity using their Internet banking ID and password.

Consumers confirm the payment amount and select the account from which payments will originate (e.g., savings, checking or other eligible account). Users must select accounts with sufficient funds or the transaction will not be allowed.

The verification process occurs in real time. Once consumers authorize payment, they are directed back to the merchant/biller’s Web site to view a confirmation statement and print a receipt.

“Consumers can participate in SVP as long as they’re enrolled in online banking with a participating institution like U.S. Bank,” explains Eric Lim, a Senior Product Manager. “Secure Vault Payments addresses the concerns of increasingly security-conscious consumers by providing an online payment option from a trusted source, their financial institution.”

Consumer accounts are debited in real time, which eliminates the chance of transactions being returned for non-sufficient funds. U.S. Bank funds the merchant/biller’s account the next day using the ACH network.



Additionally, because merchants and billers don’t actually store consumers’ banking information, they don’t need to take special steps to comply with the Payment Card Industry Data Security Standard (PCI DSS), a set of rules developed by the major card associations to help prevent credit card fraud.

“Consumers never divulge bank account information to you, so this new ACH payment option doesn’t require organizations to maintain the security infrastructures that typically protect cardholders’ information,” Lim says. “Real-time authorization and guaranteed payment are added bonuses.”

Who’s an SVP candidate?

Many organizations can benefit from offering the SVP payment option, including those in the education, non-profit, government and utility sectors.

For example, colleges and universities have sometimes shied away from accepting credit card payments for tuition bills because of high transaction fees assessed by card companies. Institutions that do offer a credit card payment option often pass these costs on to bill payers as convenience fees to cover their expenses, which students and their parents don’t appreciate.

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“Why would consumers pay convenience fees to shop with their credit cards?” Lim asks. “SVP eliminates such fees and gives consumers a safe, familiar environment in which to transact business.”

Highly regulated utilities can also use SVP as a payment alternative. Currently, the utilities industry faces difficulties passing on credit card transaction fees without enduring the arduous regulatory repeal process; SVP removes this burden. Furthermore, government agencies can use SVP to collect property taxes, fines or licensing fees from consumers.

“For any business, SVP’s main benefit is that it’s a good-funds model that guarantees payment,” Lim says. “SVP also allows you to reduce paper processing and helps you collect timely consumer payments.”

Perhaps the biggest reason to implement SVP is simply to offer an alternative payment method at costs typically lower than other methods. But a CyberSource Merchant Survey¹ also indicates that merchants who offer three or more payment types (as compared to multiple card brands) realize a 14% lift in sales over those that offer two or fewer types, Lim says.

SVP provides value to all stakeholders in the payments chain, and U.S. Bank hopes its participation will encourage other larger banks to follow suit. Contact your Treasury Management Consultant to learn how your organization can benefit from using SVP.

¹The CyberSource Merchant Survey was conducted by Quality Research Associates and data was derived from 147 telephone interviews with some of North America’s top eCommerce websites. To qualify for the survey, companies needed a minimum of \$10 million in annual online revenues.

Streamline Payables Process and Mitigate Fraud Risk with Consolidated Payables

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A challenging economy has many companies looking to gain efficiencies and cut costs by migrating to more electronic payments for business-to-business transactions. U.S. Bank Consolidated Payables can help ease the transition and mitigate fraud risk.

Consolidated Payables enables a company to send U.S. Bank a single electronic file combining instructions for up to four different payment types — checks, wire transfers (both domestic and foreign currency), Automated Clearing House (ACH) payments and cardless payment account transactions.

“In the file, our customer dictates the payment type for each transaction, as well as the payment amount and the day they want to pay, and U.S. Bank handles the processing and payment delivery,” explains Judy Grussing, Vice President of Data Integration Services, Global Treasury Management.

A key feature of the service is that U.S. Bank’s robust data translation facility enables companies to submit their payment instructions in whatever format their financial system generates, including ANSI X12 and proprietary formats. “We don’t force our customers to conform to any particular banking standard,” Grussing says. “We’ll take the file their system generates, split it apart by payment type, and move the money on the dates they request.”

The service allows a company to maintain a single payment process instead of a separate process for each payment type, Grussing says. “This reduces payables paperwork and inefficiencies, as well as errors when companies manually issue checks.”

Flexibility supports transition

Consolidated Payables allows a company to convert to electronic payments at its own pace without having to alter its payment process along the way. “It gives



the customer flexibility,” Grussing says. “They can choose to migrate a payment they typically make by check to any of three different electronic methods, and we’ll support it.

“On the other hand, if they need to continue to pay certain suppliers or other beneficiaries by check, Consolidated Payables supports check issuance within the same payment process.”

Mitigate fraud risk

Consolidated Payables also helps mitigate payment fraud risk. When you outsource payment creation to U.S. Bank, you eliminate many of the opportunities for employee fraud and benefit from the bank’s highly controlled payment environment.

On the check issuance side, you reduce risk because the check stock resides with the bank and not at your office location. Furthermore, the service incorporates several state-of-the-art check stock security features, including copy resistant watermarks, invisible fibers and Revolutionary TonerGrip™ fusing of toner to paper. You can also choose to utilize Positive Pay, the best tool to prevent check fraud. Positive Pay matches

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checks presented for payment against a list of the checks you issued, providing any mismatched items for you to make pay or return decisions on. You can also choose Payee Positive Pay, which ensures that all checks presented against your account bear a valid payee name.

The ease of converting to electronic payments also helps reduce risk. "As an alternative to paper checks, electronic payments are more efficient and reduce the exposure of customers' account information," Grussing says. "U.S. Bank solutions help protect against fraud throughout the payment cycle by detecting attempted fraud and reducing exposure to financial loss when fraud occurs."

"For instance, Consolidated Payables also enables you to utilize Positive Pay for ACH payments," she says. "The bank offers a range of options to suit business needs that vary by account and payment type."

Reduce the need for IT resources

Consolidating all payment instructions into one file also addresses the Information Technology (IT) resources challenge that many treasury managers face. "When you only need to maintain a single transmission, instead of three or four, you need a lot less support from your company's IT professionals in order to streamline the payment process," Grussing says.

The fact that users of Consolidated Payables can submit files to U.S. Bank in their own preferred format further reduces the need for IT assistance, she says.

Other payment-specific features

Consolidated Payables allows you to include in one payment file a mixture of repetitive, semi-repetitive and/or non-repetitive wire transfers. Your file also can include both domestic and international wires.

Additionally, the service supports U.S. Bank Access[®] Online Payment Plus, which allows you to increase control over spending and reduce your risk through the use of pre-authorized limits and single-use accounts. Such cardless payment account transactions are sometimes referred to as "ghost card" payments. They can be combined in your Consolidated Payables file along with your check, ACH and wire payment instructions.

In addition, for ACH payments, the bank can deliver payee remittance information separate from the electronic payment. "If your supplier is not able to read a NACHA-formatted file or receive remittance data electronically in a transmission, we can send the remittance by email or fax," Grussing says.

Review your disbursement strategies

Now is indeed a wise time to re-evaluate your company's disbursement strategies and discover what savings and efficiencies you might be able to generate. Ask your U.S. Bank Treasury Management Consultant for advice on how you can streamline your payables process.

The Power of Green

10 mistakes people make with heat

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By Steve Graham, Networx

Even with a constant flow of information about energy efficiency, homeowners make major heating mistakes that end in higher electric bills and larger environmental footprints.

Here are 10 of those errors, with the cause and effect of each decision.

1. Maintaining a constant temperature

Cause: A persistent myth suggests that you can save energy by leaving the house at a comfortable 68 degrees (a widely recommended winter setting), even when you are sleeping or away at work.

The idea is that it takes more energy for the furnace to reach a comfortable temperature than to maintain that temperature.

Effect: You could miss out on significant potential energy savings by not using a programmable thermostat and adjusting the temperature overnight and during the workday.

Though the impacts of adjusting the thermostat vary based on your climate and other factors, studies show that knocking the temperature down by 10 degrees for eight hours per day can cut heating bills by 5 to 15 percent. Sure, the furnace will cycle on for a longer period to return to the more comfortable temperature, but it will be far outweighed by hours of savings when it didn't have to work as hard.

2. Cranking up the temperature to warm up the house

Cause: You come home in the middle of the day to a cold house. You want to warm back up to 68 ASAP, so you crank the dial up to 78 to get the furnace working harder and faster.

Effect: No time is saved in reheating the house. Most furnaces pump out heat at the same rate no matter the temperature. They just cycle on for a longer period to reach a higher temperature.



The furnace will take the same amount of time to return to 68 degrees regardless of the thermostat setting. By cranking up the thermostat, you are likely to overheat the house past 68 degrees and waste energy. Just reset the thermostat to 68, make some hot chocolate, and wait.

3. Closing off vents in unused rooms

Cause: You don't want to waste energy heating rooms you aren't using.

Effect: Again, this just wastes energy and makes your furnace run inefficiently because it changes the air pressure in the whole system.

Experts recommend never shutting off more than 10 percent of vents. Sealing your ducts is a more efficient way to save energy.

4. Using the fireplace

Cause: You found some free firewood and think you can burn up some free heating energy while enjoying a romantic fire.

Effect: An open fireplace flue may suck more cold air into the house than the fire can radiate into the living space.

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5. Using electric room heaters

Cause: You spend most of your time in a couple of rooms, so you figure you will just heat them with space heaters.

Effect: This could lead to higher energy bills and greater fire risks. Generally, a central gas heating system is cheaper and more efficient than a set of electric room heaters. Electric heaters also can be a fire hazard.

There are exceptions. A single energy-efficient space heater in a small, well-insulated room can save energy if the central heater is switched off.

6. Switching to electric heating

Cause: Electric heaters are more efficient than fuel-based systems, so they must be cheaper and better for the environment, according to this popular idea.

Effect: In most areas, simply switching to electric heat leads to higher energy bills and a bigger carbon footprint. Your heater may be more efficient, but most U.S. homes are still linked to coal-fired power plants. These coal plants and their transmission systems are extremely inefficient.

Of course, it's a different story if you have a large photovoltaic solar array or your utility company uses renewable energy.

7. Replacing the windows

Cause: Those big pieces of glass get so cold. They must be the reason your house is so drafty.

Effect: You could spend a lot of money to only take care of part of the problem. Windows must be installed properly to avoid drafts, gaps, and leaks.

Moreover, more heat is typically lost through poorly insulated walls and ceilings than through windows.

8. Replacing the furnace first

Cause: You blame high energy bills on an old, inefficient furnace.

Effect: Your energy bills will still be higher than necessary if you don't start with cheaper, smaller upgrades to improve the energy efficiency of your home, such as caulking around windows and doors and adding insulation.

9. Upgrading to the most efficient furnace on the market

Cause: You want the sleekest, most energy-efficient furnace available because it will be the most cost effective as well.

Effect: You may end up replacing an over-sized furnace with another (albeit more efficient) over-sized furnace. The U.S. Department of Energy reports that most U.S. homes have over-sized HVAC systems.

Again, insulate and weatherize to maximize efficiency, then get the smallest system that will comfortably meet your heating needs, which will be substantially reduced. Also make sure it is professionally installed.

10. Using incandescent light bulbs for heating

Cause: Incandescent bulbs give off more heat than light, so they must be warming up the house.

Effect: It is hard to see this logic as anything but a weak excuse for holding on to the Edison bulbs rather than switching to CFL and LED lighting.

In fact, one German entrepreneur is marketing incandescent bulbs as "heat balls" to skirt EU laws against the old-style bulbs.

Source: www.green.yahoo.com