



RemitCenter

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# ••• Agenda

- Introductions
- Concept overview
  - Problem being addressed
  - Solution overview
- Payment Processes
  - Network diagram
  - Paper check payment
- Solution detail
- Financial analysis

## ⋮⋮⋮ Principal Overview - Mark Atchison

- Founder and General Manager - EDS Interactive Billing Solutions
  - B2C, B2B, Service Bureau
  - Electronic Statement Presentment and Payment: Trade Confirmations, Financial Statements, Benefit Statements
- Founder and Former General Manager - EDS eBanking Services
  - Currently process for approx. 300 financial institutions as a service bureau
  - 500,000+ active, paying interactive consumers
  - 1,000,000 payments per month
- 20 Years experience in payment systems
- Co-author of 6 college textbooks in the disciplines of Management Science and Operations Research



## ❖❖ Concept overview - problem being addressed

- Focus on consumer payments to businesses and individuals from a consumer payment processor (originator)
- Specifically addresses those payments that are originated as paper checks
- Provides a means to cost effectively convert those paper checks to electronic payments
- Target payees have low volume, and it is economically infeasible to otherwise reach these payees electronically

## ❖❖❖ Solution Overview

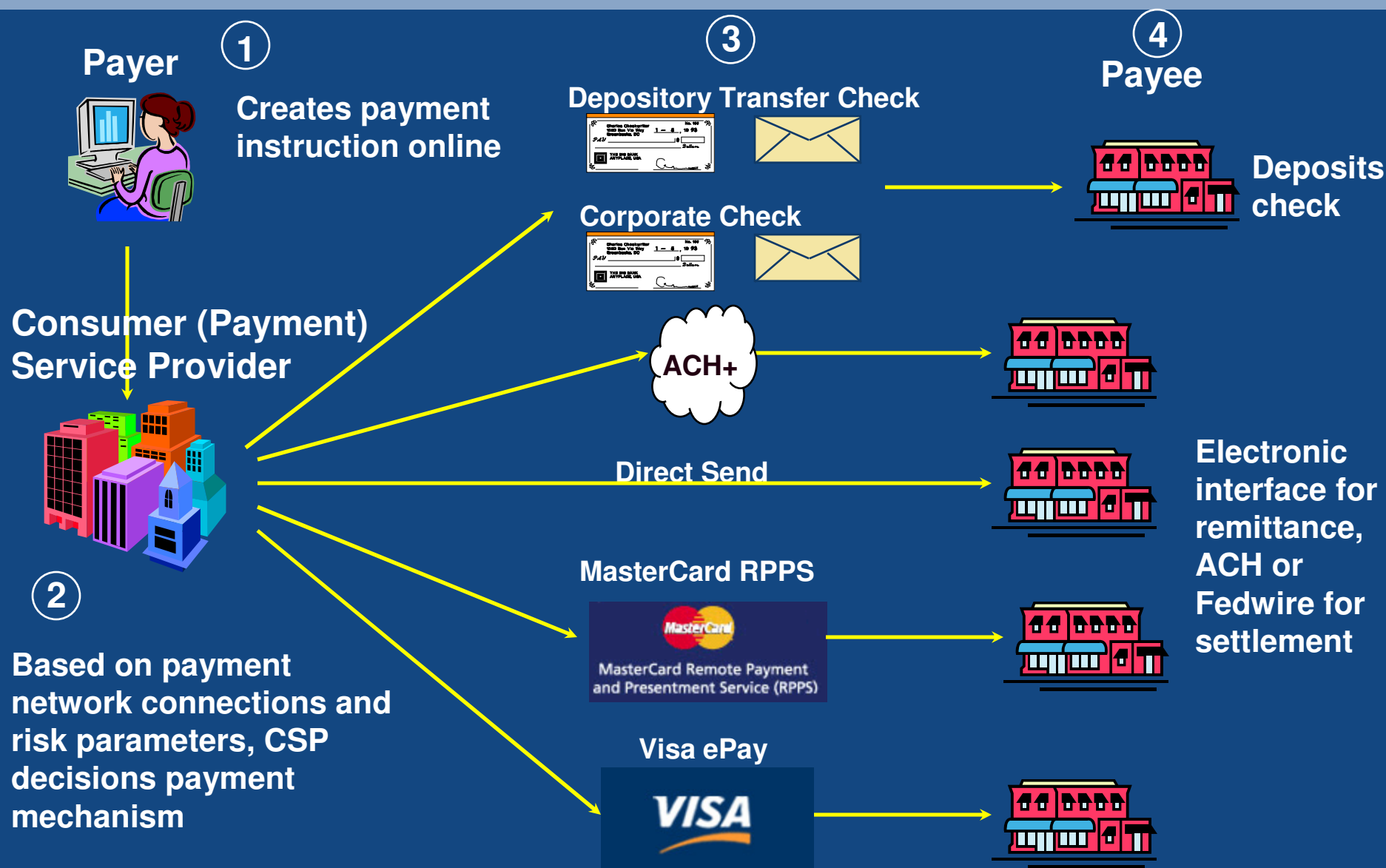
### **RemitCenter has these characteristics and benefits:**

- Provides email notification to payees
- Provides remittance advice as a secure web page
- Provides means for payees to research payment history
- Reduces processing expense
- Reduces remittance posting errors
- Reduces payment investigations
- Provides business continuity when mail delivery fails

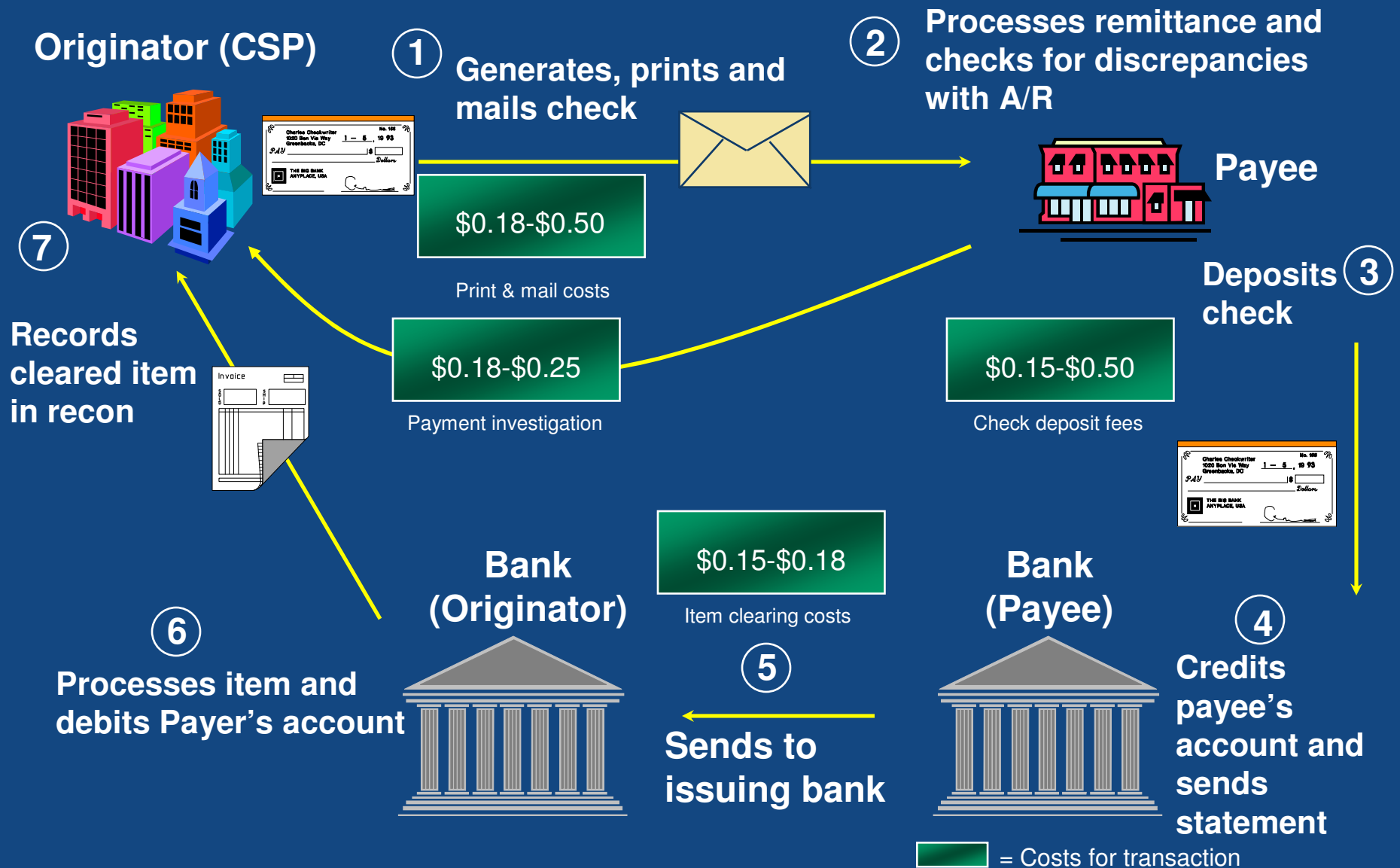


# Payment Processes

# Consumer Payment Network Diagram



# Payment and Remit Advice (Paper-Based)







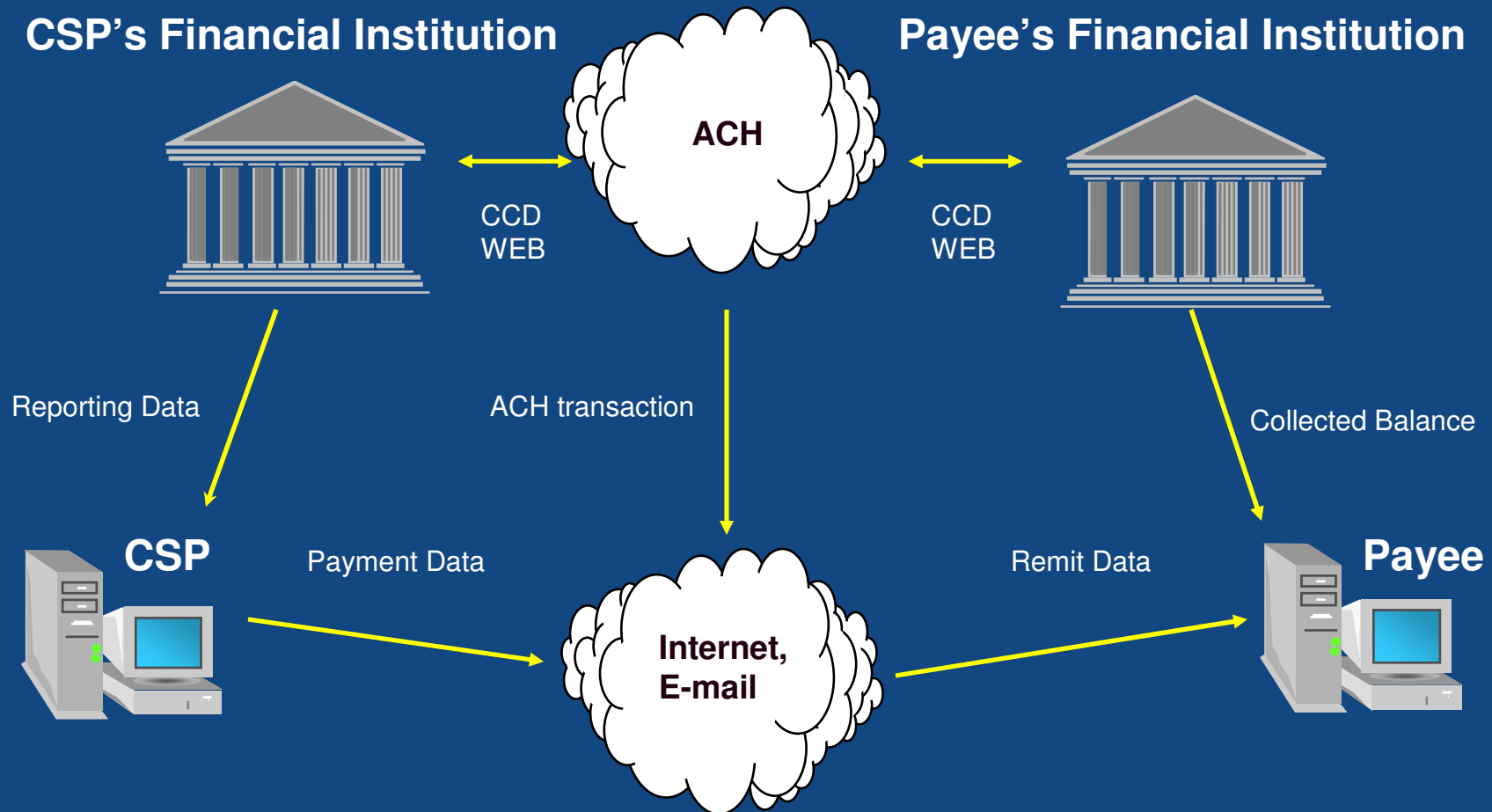
## Solution detail

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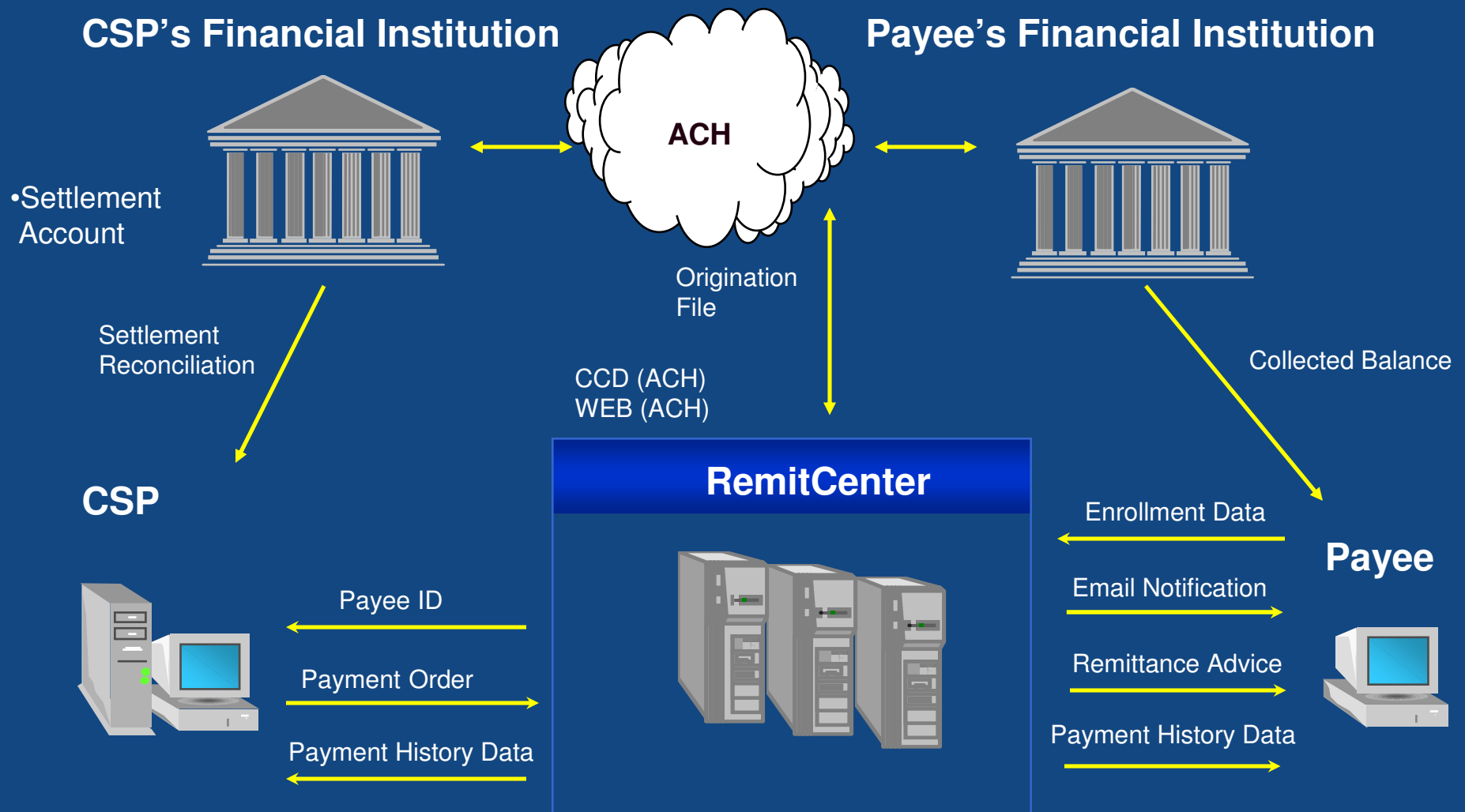
## ••• RemitCenter Features

- Electronic ACH payment
- Web-based presentment with email notifications
- Multi-payment system support
- Integrated, secure end-to-end payment processing
- Solid security framework
- 24 x 7 hosting, monitoring, and support
- No legacy development required

# ∴∴ RemitCenter Payment and Remit Advice



# RemitCenter Overview



# ⋮⋮ Enrollment



## Enrollment Methods

- Payee-initiated online enrollment/de-enrollment
- *Payee is made aware of service by messages printed on paper check, remittance advice or envelope*
- *Optimal approach is for validation code printed on remittance advice*
- Optional originator-initiated online enrollment/de-enrollment



## Enrollment Verification

- Online enrollment validated with validation code
- Validation code either originated on paper-based check -or- delivered as ACH credits
- Welcome email automatically delivered to payee
- Terms of Use acceptance/decline responses stored for audit purposes
- Account masks for account validation
- Payee ID generated and propagated to payment processors

## ✪✪✪ Email Notification

- Email Types
  - Welcome email
  - Payment made / remittance advice available email
  - Password hint email
  - Feedback email from payee



## ⋮⋮⋮ Electronic Payment

- Support for ACH WEB or CCD payments
- Batch generation of payments
- Access to six months of payment history





## Presentment

- Remittance advice displayed as web page
- Remittance advice download in CSV, QuickBooks, or Great Plains formats
- Payee account and deposit trace numbers
- Access to current activity and six months of online history
- Terms of Use
- Frequently Asked Questions (FAQ)
- Links to third-party content



## ⋮⋮ Customer Service Capabilities

- Online Screen Help
- Online Terms & Conditions
- Online FAQ
- Online Customer Support
  - Online form to request support
  - Pre-filled with user/account information
  - Request emailed to payment processor
  - Support for multiple request types, each with a unique email address for routing within customer service
- General Customer Service information
  - Phone numbers
  - Hours of operations
  - Mailing addresses





# Financial analysis

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## ❖❖❖ Originator best practice

- Of consumer 'pay anyone', 60% to 70% are electronic; the remainder are printed checks
- For non-FI processors, there is a mix of DTC and checks drawn on the originator's account
- Cost per check item averages \$0.18, assuming check and list or multiple checks per envelope
- Payment investigations for checks run approximately 1% of overall volume
- Payment investigation cost per check is \$0.18, on average
- Fully loaded average cost per check item of \$0.36 to \$0.75

## Industry Volumes

- There are approximately 500M consumer-initiated “electronic” payments originated annually
- Best practice has 70% of those payments executed electronically
- Of the remaining 150M payments, which are executed as check items, 40% are drawn on CSP accounts
- Target market is these 60M check payments; 5M checks per month
- We believe RemitCenter will capture 50% of the target market, or 2.5M payments per month



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