Virtual Card Payments
SINGLE-USE CREDIT CARDS FOR BUSINESS

Automate and protect vendor payments with a virtual payment solution

The shift toward banking digitally has gained serious momentum for consumers in the last several years. This is clearly indicated by the sharp rise in ACH check and credit card usage, and now through virtual payment technology. Companies are quickly following suit, especially in the area of virtual cards; also referred to as single-use credit cards. Virtual cards provide much more security than traditional credit cards and ACH payments; a higher priority among businesses. This makes perfect sense, considering the larger size of business payment transactions and the account balances required to support the volume of purchases.

What are virtual cards?

Virtual cards allow companies to generate a 16-digit virtual card number (no need for a physical plastic card that can be lost or stolen) along with a unique CVV code and expiration date. Each virtual card can include restrictions, including limits on specific dollar amounts, the time period it may be used and the particular vendor/supplier to be paid. Designed as a more secure alternative to ACH, check payments and physical cards, virtual cards are essentially "card-less" credit card payments. Virtual cards can be processed by anyone who accepts traditional credit card payments, which typically includes the vast majority of your vendor community.

Security and control

According to the 2018 AFP and J.P. Morgan Payments Fraud and Control Survey report, the level of payments fraud activity in 2017 was 78%. This is the highest on record, rising at a greater pace than in 2016. Among companies reporting:

- 74% shared that check fraud was the most frequent
- Wire & EFT payments followed at 54%
- 28 percent were subject to ACH debit fraud
- 13 percent were subject to ACH credit fraud

Efficiency and business savings

By incorporating a virtual or single-use account solution, buyers are able to automate the payment process by combining the functionality of a check, the efficiencies of ACH and the benefits of a purchasing card. Although credit card statement cycles may vary, they provide buyers with the ability to extend payments beyond invoice due dates. This enables companies to maximize their working capital gains by extending DPO (days payable outstanding) and holding onto their cash longer.

According to the *2018 RPMG EAP Benchmark Survey*, 80% of businesses had a net increase in suppliers paid with virtual cards in the past year. In the same survey, they report an average administrative cost savings of $26 per virtual card transaction over traditional check payments. This is business savings performance that further validates the increased interest and move to virtual payments.

Benefits

Generate Revenue From Your AP Spend

Virtual payments not only deliver efficiencies to accounts payable, but they can provide revenue back to your organization through rebates you receive from your accounts payable spend.

Increase Accounts Payable Working Capital

Our no-cost credit facility enables you to pay early & defer payments beyond the due date, increasing cash flow to your suppliers while extending your days payable outstanding. Your suppliers will love it and you can increase your balance sheet liquidity.

Mitigate Financial Risk

Since there is no plastic card, virtual cards can't be stolen - and you avoid sharing important company account information. Even if the number is compromised, virtual cards are related to single specific transactions and expire right after use.

Reduce Payment Processing Costs

Eliminate manual payment processing, printing, stuffing & mailing checks and handling payment inquiries. Now you have one platform and one payment file for all of your vendor payments - for virtual cards and in every way you pay, regardles or payment type.

Vendor on-boarding and management

The key to successfully implementing a virtual card program is to have a detailed vendor on-boarding plan coupled with a comprehensive vendor enrollment and communication program. With Enhanced Electronic Payments, we contact and enroll your vendors and suppliers, completely taking the burden from you AP and purchasing staff.

We target each vendor with our spend and payment acceptance analysis - then drive successful adoption through individually customized supplier transition plans. And, our Payments Help Desk manages onboarding, updates, changes and questions about payment status on a continual basis - all as part of the sevice!

Driving efficiency through virtual payables

A virtual card program has many benefits for both buyers and suppliers. It streamlines the payment process, reduces costs, improves daily working capital and mitigates your organization's exposure to payment fraud. Using Mekorma Enhanced Electronic Payments, virtual card processing is safe, bank-level secure, and the easiest way to process your vendor payables within Microsoft Dynamics GP. Talk with us today and find out how you can make the move to more efficient and cost effective real-time payment processing.

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