

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 EFT (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 EFT (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 EFT (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% were subject to EFT (ACH) debit fraud
- 13% were subject to EFT (ACH) credit fraud

Efficiency and business savings

By incorporating a virtual or single-use solution, buyers are able to automate the payment process by combining the functionality of a check, the efficiencies of EFT (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.



Benefits



Increase Working Capital

Our no-cost credit model enables you to pay early and defer payments beyond the due date, increasing cash flow to your vendors while extending your days payable outstanding. Your vendors 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, and the printing, stuffing and mailing of checks. Now you have one platform and one payment file for all your vendor payments, whether you are sending virtual cards, EFT (ACH) and/or checks.

Vendor enrollment and management

The key to successfully implementing a virtual card program is to have a detailed method for transitioning vendors, coupled with a comprehensive vendor enrollment and communication program. We contact and enroll your vendors, completely taking the burden off your AP and purchasing staff. We target each vendor with our spend and payment acceptance analysis - then drive successful adoption through individually customized vendor transition plans. And, our Payments Help Desk manages enrollment, updates, changes and questions about payment status on a continual basis - all of this is included with the service!

Driving efficiency through virtual payables

A virtual card program has many benefits for both buyers and vendors. It streamlines the payment process, reduces costs, improves daily working capital and mitigates your organization's exposure to payment fraud. With the use of 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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