



## ***Payment Plus Initiative*** **Staff FAQ**

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### ***Program Strategy***

#### **1. Why has UC Merced decided to expand our commercial card program?**

- Over the past year we have been focused on optimizing our Procure-to-Pay process with an emphasis on cost reduction and streamlining operations; a key part of this effort has been working to grow our commercial card program.
- The new initiative to increase the number of suppliers paid by Visa payment solutions will allow us to continue to grow our card program and help enable us to realize the following card program benefits:
  - *Process Efficiency:* UC Merced can reduce internal processing and transaction costs by streamlining the payment process and reducing invoice processing and check payment.
  - *Working Capital Management:* We can improve our working capital position due to the longer settlement process of the card statement with the issuing bank as compared with our current payment process.
  - *Spend Visibility and Enhanced Data:* Data from the card program allows us to gain insight into spend, which can give us better control over what we buy from which suppliers and at what price.
  - *Supplier Management:* Analyses from card program data can help to facilitate negotiation with suppliers and identification of opportunities to select preferred suppliers.

#### **2. Are all of our suppliers being contacted for this program?**

- Our goal is to pay as many of our suppliers as possible using Visa payment products.
- This program is currently available for U.S.-based suppliers.
- A prioritized list of suppliers that meet a number of criteria which appear to make them a good fit for this program (e.g., commercial card acceptors, regularly used, currently paid

by check and/or EFT) is being reached out to by US Bank for participation in this program.

**3. How does this shift in payment strategy change our current purchasing and payment process?**

- The current processes for purchase requisitions and invoices will remain the same. The only change will be to the payment process.
- With the new payment process our suppliers will receive an email notification for each payment instructing them how to obtain the card account, the amount to process using their Point-of-Sale device/software, and other pertinent details of the transaction.

**4. Why should we change the current process when it is already working well?**

- UC Merced's goal is to have leading edge Procure-to-Pay capabilities and so we are updating our processes to incorporate new technology.
- The new process is simpler, more streamlined, and can provide UC Merced with additional benefits from controls, working capital, and data capture.
- The new process will allow both our suppliers and UC Merced to streamline operations.

**5. What quantifiable benefits does the commercial card program provide?**

- Compared to checks, our commercial card program can generate cost savings by:
  - Streamlining payment processing activities
  - Reducing accounts payable overhead required to process traditional payments
  - Removing risk of late payment to suppliers
  - Improving spend controls to limit maverick spend
  - Eliminating material costs such as check production, paper and postage

**6. What are the benefits to our suppliers of receiving payment by Visa payment solutions instead of check?**

- More and more, our suppliers are coming to realize that they can enjoy significant, tangible savings from accepting Visa card payments from their customers, including:
  - *Process Efficiency*: Suppliers can reduce internal processing and transaction costs by eliminating paper-based processes, including check processing and associated reconciliation efforts.
  - *Working Capital Management*: As an incentive, UC Merced is agreeing to pay card accepting suppliers on approval of invoices, which may result in a significant acceleration of payment.

- *Customer Acquisition and Retention:* By allowing UC Merced to pay by Visa card payments, our suppliers provide a valued service which may be a determining factor in becoming or remaining a preferred supplier.

**7. Are there any fees to our suppliers for receiving payment by Visa card payments instead of check?**

- The standard processing fees administered by the supplier's acquiring bank will apply. We encourage suppliers to review their merchant acquirer agreement and discuss ways to achieve the most favorable rates with their acquirer.

**8. How do I communicate these changes to members of our staff?**

- Share information with them regarding the changes in our payment strategy, such as these frequently asked questions.
- Let them know that the new changes have the potential to have a significant positive impact on UC Merced from efficiency, spend visibility, supplier management, and working capital improvement and that their compliance and support are needed.
- Instruct them to contact UC Merced Treasury Services at [treasury@ucmerced.edu](mailto:treasury@ucmerced.edu) with questions or for assistance with enrolling our suppliers.

***Supplier Management***

**9. Will I have to approach my suppliers regarding this initiative?**

- You will not be the primary person responsible for approaching suppliers. Treasury Services and US Bank are prepared to manage this activity.
- UC Merced asks for your support if suppliers come to you with questions.
- Please be prepared to discuss this initiative with your suppliers and direct them to contact UC Merced Treasury Services at [treasury@ucmerced.edu](mailto:treasury@ucmerced.edu) for questions and enrollment support.

**10. How should I communicate this change in payment strategy to my suppliers?**

- Communicate that accepting Visa Commercial Card payments is a valuable service that they can provide to UC Merced and that it is our preferred form of payment. We see this change as mutually beneficial and believe that the supplier can potentially gain cost savings from accepting Visa payments.
- See answers to question #6 above.

**11. How do suppliers get set up for this program or what do they need to do to accept Visa card payments?**

- For those **suppliers who currently accept credit card payments**, they can begin this new payment arrangement by completing the below information for each appropriate remittance address and send it to [ucmerced@supplier-services.com](mailto:ucmerced@supplier-services.com) or fax it to (866) 935-4843.

Company Name:	
Remittance Address:	
City:	
State:	
Zip:	
Contact Name:	
Contact Title:	
Contact Phone: <sup>†</sup>	
Remittance Email*:	

\*This is either a Receivable Department email or designated person to process card transaction payments.

<sup>†</sup> By providing us with a telephone number for a cellular phone or other wireless device, including a number that you later convert to a cellular number, you are expressly consenting to receiving communications — including but not limited to prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system — from us and our affiliates and agents at that number. This express consent applies to each such telephone number that you provide to us now or in the future and permits such calls for non-marketing purposes. Calls and messages may incur access fees from your cellular provider.

- The supplier will receive an automated email notification for each payment. These emails will contain a link to a secure web portal where the supplier will obtain the unique Visa credit card account number, the amount to charge, and the other pertinent details of the transaction needed to process and reconcile the payments. The credit card account number will change with each payment so suppliers will not be required to keep this information on file.
- For those **suppliers who are not currently set up with a merchant account**, to arrange for basic Visa card acceptance, have the supplier call their corporate banking service provider or contact our preferred credit card service provider, Elavon. Elavon is a bank card acquirer that specializes in business-to-business transaction processing. Suppliers can reach Elavon Account Manager Klaus Johanns at (702) 448-1281 or by

email at [klaus.johanns@elavon.com](mailto:klaus.johanns@elavon.com). Once this step is completed the supplier should contact the UC Merced Enrollment Team at (866) 935-4843 or via email at [ucmerced@supplier-services.com](mailto:ucmerced@supplier-services.com) to complete the remaining steps as noted above.

### ***Additional Help***

#### **12. Where can suppliers find more information about accepting Visa card payments?**

- Comprehensive information is available on Visa.com at <https://usa.visa.com/support/small-business/regulations-fees.html>. Merchants will find materials related to card acceptance guidelines, Visa operating regulations, and Visa interchange fees.

#### **13. Who do I contact if I have additional questions?**

- For enrollment support, please contact the UC Merced Enrollment Team at (866) 935-4843 or via email at [ucmerced@supplier-services.com](mailto:ucmerced@supplier-services.com).
- For questions about the UC Merced commercial card program, please contact our Program Administrator, UC Merced Treasury Services, at [treasury@ucmerced.edu](mailto:treasury@ucmerced.edu)