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The Treasury Services business of J.P. Morgan is a top-ranked, full-service provider of innovative payment, collection, liquidity management, trade finance, commercial card and information solutions. With more than 50,000 clients and a presence in 39 countries, J.P. Morgan Treasury Services is one of the world's largest providers of treasury management services.

The Top 3 Ways Remote Deposit Capture Is Revolutionizing Check & Remittance Collection

By Ron Victor

Reduced check clearing costs and faster funds availability are driving the growing popularity of remote deposit capture. With remote deposit capture, the check is only the beginning of the process. For many organizations, the information that typically accompanies a check is as important as the check itself. This information enables companies to recognize the value of accelerated information availability so crucial to improving days sales outstanding (DSO) and working capital.

J.P. Morgan's Virtual Remit – based on their market-leading Receivables EdgeSM online service - allows businesses to capture transactions directly from their desktop with a single scanning device that accepts full-size documents, checks, coupons and envelopes.

Organizations of all sizes are flocking to take advantage of the broad efficiency gains of remote deposit capture technology. Even organizations that have been waiting on the sidelines for proof of a better return on investment should have everything they need to adopt this service. Here are the top reasons why.

#1: Spend a little. Save a lot.

Let's face it. With reduced operating budgets and rising fuel and vendor costs, the time and money spent sending checks via overnight courier or depositing at a local branch is no longer a necessary cost of doing business. This is especially true if a business has multiple locations, which increases these costs exponentially.

Using Virtual Remit, transportation fees and multiple depository relationships are eliminated. Staff no longer needs to spend time keying remittance line item detail into their accounts receivable system. And resources can be redirected toward other high-priority initiatives within the organization.

#2: Expedite application of incoming payments

Businesses often hold on to customer checks and remittance documents until there is a bundle "large enough" to courier overnight or drop off at a bank or lockbox location. For larger organizations, this forwarding process can take even longer – as individual offices hold and bundle remittance items before sending them for consolidation at a central office.

In the world of remote deposit capture, payments can be processed same day. The acceleration fuels a number of improvements that benefit treasury, accounts receivable, credit, collections and other levels of the organization. While treasurers gain faster access to working capital with improved funds availability and cash posting, accounts receivable can reduce DSO and get a head start on exception processing. Credit and collection managers are able to release shipments on credit hold and prevent accounts from going into collection by recognizing receipt of payment more quickly.

#3: Consolidate and simplify cash application

Most organizations have an arrangement with their bank to handle paper and electronic payments and remittances, and have a standardized process to capture key information and report it for auto-cash posting. However, they still need to deal with payments and remittance documents received in their offices. In the past, organizations either had to pay a premium to overnight these transactions to the lockbox or process the remittance in-house and clear the check over the counter.

J.P. Morgan's Virtual Remit enables a more efficient process by streamlining the collection of these payments and associated remittance data. Deposits are made into a single lockbox/account with a consolidated daily payment transmission. All the history for these transactions is integrated with a company's lockbox, ACH, and wire items in a single repository via Receivables Edge for up to ten years.

With Virtual Remit, businesses have the ability to fully integrate all channels of receivables into one process. This unique distinction addresses a market need that previous generations of remote deposit capture solutions could not.

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