

COMPANIES CAN ADD PAYMENTS AND DOCUMENTS THAT REQUIRE SPECIAL HANDLING TO THEIR LOCKBOX FLOWS WITH VIRTUAL REMIT.

Digitizing Remittances

Whirlpool saved three days of float and added \$96,000 to cash flow.
—WHIRLPOOL'S JENKINS

MORE OF THE paper clogging payments processing—remittance documents received outside lockboxes—has gone up in smoke thanks to a new JPMorgan Chase service, Virtual Remit, that lets companies scan payments and documents and transmit them to lockboxes. Digitizing those documents has saved \$19 billion Whirlpool three days of float and added \$96,000 to cash flow, reports Teresa L. Jenkins, the company's manager of shared services. While Whirlpool uses lock-

boxes in three states to handle most incoming payments, those that require special handling are diverted to a shared services center in Knoxville, Tenn., or the accounts receivable unit at Whirlpool's headquarters in Benton Harbor, Mich. Until

recently, staff there handled the documents manually, then bundled them up for couriers to take to the lockboxes, where they were imaged and merged into JPMorgan Chase's online platform, Receivables Edge.

While these payments are exceptions, there were 2,615 of them, with a value of more than \$17 million, over a six-month period, Jenkins reports.

With Virtual Remit, Whirlpool staff use a bank-provided scanner to transmit documents, regardless of their shape and size, to JPMorgan. It deposits the checks and posts the documents in Receivables Edge for online viewing within two hours of scanning, Jenkins says.

Burns & Wilcox, an insurance brokerage and underwriter in Farmington Hills, Mich., gets 200 to 300 checks a month sent to its home office instead of its lockbox, reports Janice Picklo, controller for operations. Until recently, those payments had to be mailed to the lockbox. With Virtual Remit, they can be scanned and transmitted,

which means same-day availability on anywhere from \$10,000 to \$200,000 daily, Picklo says. And those payments can be included in that day's lockbox processing and the nightly data transmission for automatic posting.

Virtual Remit includes a feature that stops users from accidentally scanning and depositing the same check twice, says Craig Vaream, receivables product executive at JPMorgan. "We've extended what regular check scanners can do to include envelopes and a variety of remittance documents."

Companies that get payments sent to their offices can now eliminate courier costs and still maintain the integrity of the single remittance stream from the bank, explains Dan Miner, a principal at Treasury Strategies in Chicago. Banks are happy they don't have to unpack boxes of paper, Miner says, and payments that otherwise might have been deposited at local branches go into one consolidated lockbox process and reports. **RR**

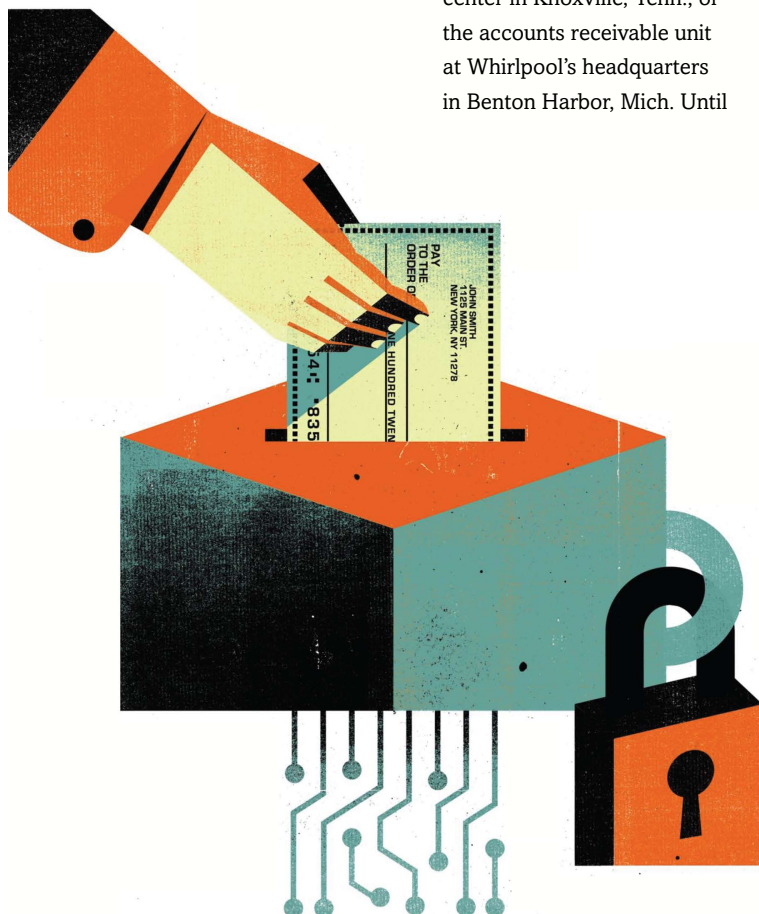


Image by Keith Negley