

Single-Use Accounts AP

Check-like controls with the flexibility, float and rebate potential of a purchasing card

J.P. Morgan Single-Use Accounts Accounts Payable (SUA AP) is an electronic credit card-based payment solution that acts like a check. It provides a single 16-digit virtual account number for each payment. And like a check, the credit limit on Single-Use Accounts is set to the specific payment amount.

Because SUA AP is electronic, you automate payments, reporting and reconciliation. In addition, SUA AP can be used with VISA® or MasterCard® accepting suppliers.

Why use SUA AP?

Like many organizations today, you are looking for ways to modify or leverage existing processes to reduce costs and, at the same time, transform traditional areas of expense into potential revenue generators. You want:

- A financial return, or rebate, on every dollar you spend
- To hold onto cash longer, while paying suppliers sooner
- To eliminate check payments and overcome the inherent inefficiencies of manual processes

What does SUA AP offer?

By implementing SUA AP, your organization will be able to:

- Turn cost centers, like accounts payable, into profit centers
- Integrate SUA AP directly into existing payment and ERP systems and processes and leverage those investments
- Complement other treasury programs or use SUA AP as a stand-alone solution
- Extend the reach of purchasing card programs into new spend categories

Client Features and Benefits

- **Get cash back:** Through card-based rebates, receive a financial return on every dollar spent
- **Improve control and reduce fraud:** Receive check-like control by setting a credit limit on each account to the specific payment amount
- **Pay suppliers more quickly:** Optimize capital by holding cash longer and paying suppliers sooner
- **Eliminate manual costs:** Replace check payments with an electronic payment solution while overcoming inherent inefficiencies associated with manual settlement processes
- **Increase returns:** Receive a financial return or rebate on every dollar you spend

Supplier Features and Benefits

- **Faster payment:** SUA enables you to pay suppliers more quickly without negatively impacting your cash flow.
- **Tracking and visibility:** Suppliers receive unlimited electronic remittance data, reducing buyer inquiries and improving AR forecasts and tracking
- **Process savings:** no check handling; no AR collections
- **Expert supplier enrollment support:** ongoing outreach and multi-pronged approach maximizes supplier participation

Measurable savings

SUA AP is key to any payment automation or working capital optimization strategy. It helps reduce paper inefficiencies, monetizes spend, improves days payable outstanding (DPO) and enhances both payment timing and control.

A return on investment (ROI) is possible even with a small SUA AP program. The table below shows the annual check savings, rebate and DPO benefits of a typical SUA AP program.

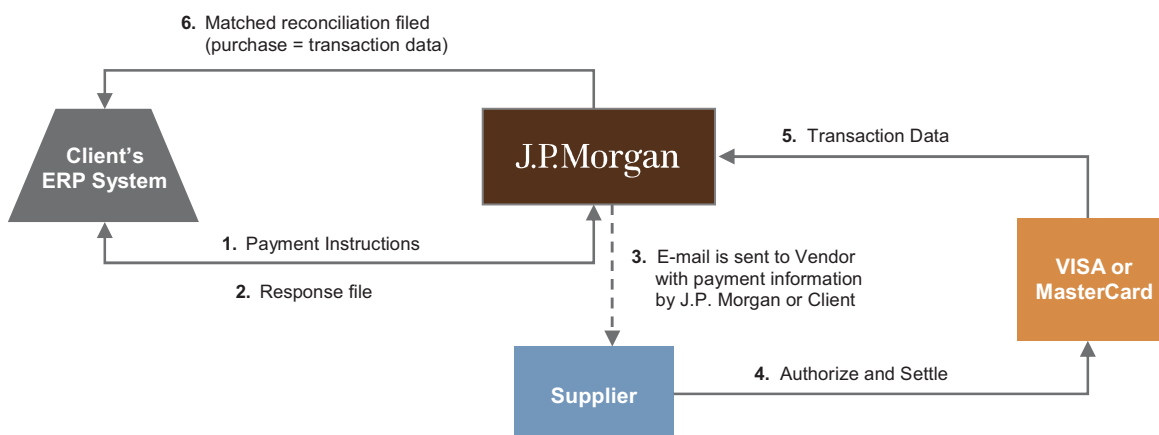
A TYPICAL SINGLE-USE ACCOUNTS PROGRAM

Volume	\$25m	\$50m	\$75m	\$100m
Check Savings	\$93,750	\$187,500	\$281,250	\$375,000
Rebate	\$250,000	\$500,000	\$750,000	\$1,000,000
DPO	\$35,959	\$71,918	\$107,877	\$143,836
Subtotal	\$379,709	\$759,418	\$1,139,127	\$1,518,836
Internal Costs	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)
Total	\$304,709	\$684,418	\$1,064,127	\$1,443,836
ROI Benefit	406%	913%	1,419%	1,925%

*Assumes average check amount of \$2000; check processing cost of \$7.50 per check; a rebate rate of 100 basis pts; DPO benefit of 15 days; cost of funds rate of 3.50%, average client integration resource costs of \$75,000 per year.

For more information on J.P. Morgan Single-Use Accounts, please call 1-800-601-9878 or visit jpmorgan.com/sua.

HOW SINGLE-USE ACCOUNTS WORKS



How it works

J.P. Morgan simply assigns a Single-Use Account number to each of your individual payments (e.g., invoice or remittance). The account credit limit is governed by the payment amount to the penny. Each account contains your operational and financial payment tracking information (e.g., payment ID or voucher ID).

Your suppliers are notified when a payment has been approved, prompting them to use SUA AP to receive payment. Suppliers process Single-Use Account payments the same way they would any other credit card payment. Payment notifications also contain necessary remittance information, helping suppliers complete their accounts receivable (AR) reconciliation.

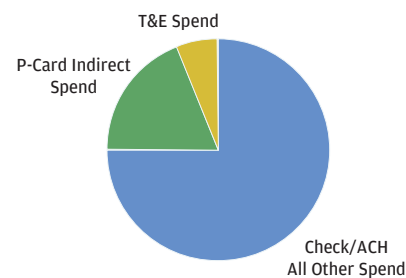
The SUA AP system then automates the matching of cleared transactions to your

payment tracking information, which enables you to easily reconcile and close out payments in your general ledger.

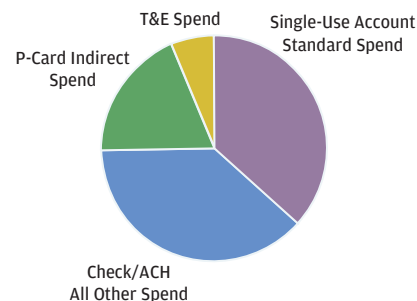
SUA AP also allows you to set specific date ranges that govern when the account is available for use. You can also assign merchant codes so only approved merchant types can authorize payments when and how you want them to.

We make it easy for you to integrate with SUA AP. Our technical implementation team assists your organization through each phase of the integration process. Our Supplier Services team works with you to identify target suppliers for the program and contacts them on your behalf. Most clients are able to realize the benefits of Single-Use Accounts within 60 to 90 days.

SPEND BEFORE SINGLE-USE ACCOUNTS



SPEND AFTER SINGLE-USE ACCOUNTS



What our clients said

“Single-Use Accounts scales to our business model, delivers real cost savings over checks and has helped Omni qualify for additional rebates.”
 – Jim Talley, assistant treasurer, OMNI Air International

“We initially undertook this project to improve our internal accounting functions. Not only did we achieve that goal, but to date we have realized a 30% increase in productivity. We are using both financial and human resources far more efficiently than before.”
 – Mike Temple, workforce manager, Houston-Galveston Area Council

“With J.P. Morgan’s Single-Use Accounts technology, National has further increased the speed at which we pay our customers, while helping to reduce the number of paper checks being issued. Customers can be paid today for work that was completed this morning. Not many businesses in any industry can achieve those results.”
 – William Speaks, CEO National Auto Care

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