Cash Management

“Solutions That Fit”
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The Role of Cash Management

Cash is one of your most important assets and should be managed efficiently to support your growth and financial strength. A successful cash management program designed by JPMorgan can help you achieve this growth and strength. At JPMorgan, our job is to translate the components of your business cash cycle into solutions that result in optimized cash flow, cost savings and investment options. You will see benefits to your bottom line when more funds are at your disposal for operations, debt management and investments.

...Facilitating efficient use of capital resources

This brochure takes you through JPMorgan's “Progressive Plan,” a process that transitions you into increasing levels of automation and enhanced service usage as your company's needs evolve and certain minimums are met. Initially, services are implemented to improve the control over cash through improved account information. Next, the improved cash inflows result through targeted products. Finally, the system can be enhanced to include electronic transaction initiation to increase payment and income efficiency.
Business Cash Cycle

Your Cash Cycle Leads to...

**JPMorgan Treasury Services**
ZERO BALANCE ACCOUNT SERVICE

Our Zero Balance Account (ZBA) Service keeps company funds concentrated in a central account while maintaining decentralized disbursement and/or collection accounts. As debits are applied to zero balance accounts, funds automatically transfer from the master account to bring the ledger balance to zero. ZBA provides efficient centralized use of available funds while retaining the appropriate disbursement authority at local units. The perfect balance between control and autonomy!

You need ZBA if your company:

- maintains multiple checking accounts
- maintains excess balances in accounts to cover expected or unexpected disbursements
- has accounts that can be affiliated and their funds commingled
- has multiple accounts that require significant administration
- frequently transfers funds between accounts
- has the need to fund a separate payroll account
- needs to set up peg balance for check cashing
CHASELINK℠

ChaseLink will help you simplify your daily cash management functions by providing timely access to a wide range of information on your JPMorgan and non-JPMorgan accounts. Additionally, you can initiate transactions directly from your personal computer.

Using a personal computer and a modem, multiple users within your organization can gain on-line access to the ChaseLink system from anywhere in the world 24 hours a day, seven days a week. Sophisticated security capabilities enable you to closely control who has access to the ChaseLink system, and the tasks they are authorized to perform.

You need ChaseLink if your company:

• requires comprehensive, fast and accurate information in an easy to use format
• requires a variety of reported information
• needs initiation features to facilitate funds transfers and investments
• maintains multiple locations that need to access balance and transaction information

**JPMorgan Accounts**

1. Each account provides Account Balance including: Ledger, Collected, Float and Summary Debit and Credit Accounts.

2. Each transaction (debit/credit) reported in detail.

3. The ChaseLink system can provide wire transfer initiation and electronic transaction monitoring.

**Other Banks**

4. Each financial institution’s file is gathered and the information is merged and provided in one report by bank, by account.
ChaseLink Funds Transfer Service

The ChaseLink Funds Transfer Service makes it possible for you to securely initiate, receive and review funds transfers on-line. The system prompts you through each step of the initiation process and includes security measures built in to each step. The system allows you to move easily between initiating payments, accessing reports and retrieving payment confirmations.

The ChaseLink Funds Transfer Service provides a comprehensive array of reports and information, in summary or detail form, on transactions entered today, yesterday or any date range within the last 60 days.

You need ChaseLink Funds Transfer if your company:
- initiates large-dollar transactions – at least five wires per month
- has multiple locations
- maintains excess cash in depository accounts
- requires same day movement of funds
- requires immediate confirmation of payments generated and received
Progressive Plan Phase II

Receivables Management

LOCKBOX SERVICE

Lockbox processing is one of the core products of an effective cash management system. JPMorgan’s Lockbox Service expedites the receipt, processing and collection of your incoming payments. Unique zip codes, around the clock mail pick-up, state-of-the-art processing and aggressive check availability are key to JPMorgan’s successful service delivery. Additional features include funds concentration, reporting of deposited funds and imaging of check items.

You need JPMorgan’s Lockbox Service if your company:

• maintains billings of $1 million per month or receives over 150 payments a month by mail
• receives high dollar payments each month
• receives more than 150 remittances each month
• needs to separate the deposit and receivables posting functions for audit purposes
• has receivables that are collected from across the country

![Diagram of Lockbox Services and Demand Deposit Accounts]
CONTROLLED DISBURSEMENT SERVICE

JPMorgan enables you to optimize the use of all account balances and maintain maximum control over your daily cash position. When you use our Controlled Disbursement Service you will be provided with the total of the disbursement items that will be charged to your account by 10:00 a.m. CT each day. This information allows you to fund your accounts every day, eliminating the need to leave idle funds sitting in your account.

You need Controlled Disbursement if your company:

- has high volume disbursement accounts of over 300 checks a month
- has clearings in excess of $750,000 each month
- wants to increase daily dollar investments to maximize return
- wants to minimize borrowing
- has payables that are nationwide
ACCOUNT RECONCILIATION SERVICES

JPMorgan's Account Reconciliation Services improve the accuracy and efficiency of manual reconcilement processes by providing you with the level of detailed information you need to efficiently manage your disbursement accounts.

Full Reconcilement Service includes listings for both outstanding and paid checks, and is reconciled against a company supplied electronic check issuance file.

Paid List Reconcilement Service offers a listing of paid checks, indicating check numbers, paid dates, dollar amounts, sequence numbers and missing check numbers.

Either service paves the way for our fraud prevention service, Positive Pay. With Positive Pay you simply provide check issue files to JPMorgan, and throughout the day the files are reviewed prior to checks being paid. JPMorgan also offers a convenient on-line Stop Pay initiation service, Quick Search,™ which acts as a great time saver if you initiate 5 or more stop payments a month.

You need Account Reconciliation Services if your company:

• clears 300 or more checks through a disbursement account
• needs to separate check issue and reconciliation functions for dual control
• wants to reduce administrative expense of reconciliations
• maintains multiple disbursement accounts
• needs fraud prevention service
• places more than five stop payments each month
CHECK SAFEKEEPING/CD-SEARCH®

The process of sorting large volumes of checks and researching paid check archives is costly, cumbersome and time-consuming. JPMorgan's CD-Search service provides a technologically advanced alternative to physically storing and serial sorting checks, using desktop PC technology.

Using required software compatible with DOS and Windows, you can view and print images of paid checks on a CD-ROM, directly from your personal computer. Your paid check research is facilitated by the software's browser capabilities, which enable you to quickly locate images of paid checks on your monthly CD-ROM document archive.

The software provides a variety of search parameters, including check number and dollar amount, as well as the ability to view both sides of the check, zoom the display, rotate the check or print. Approximately 20,000 checks can be housed on a CD-ROM.

You need CD-Search if your company:

- needs imaging of paid checks with software for easy research, retrieval and printing
- needs disaster recovery backup images of financial transactions
- requires paid check research for large numbers of checks or accounts
Progressive Plan Phase IV

Electronic Commerce

AUTOMATED CLEARING HOUSE (ACH) Collection & Concentration Service

Our ACH Service offers fast and powerful ways to improve your cash flow from both your customers and regional offices. Your customers authorize an electronic debit from their account at any participating financial institution. Then, funds are electronically transferred from your customers', or outlying offices' accounts to your account at JPMorgan on the specified dates. All you have to do is transmit your NACHA formatted file of debits to JPMorgan for processing. You benefit from reduced delinquencies, the elimination of bill preparation, late billing procedures and reduced postage expenses.

You need ACH Collection Services if your company receives:

- insurance premiums, loan payments, utility payments, subscription fees or charitable contributions of at least 300 transactions each month
- maintains significant balances in outlying depository accounts
- needs a low cost method of transferring funds
- generates any recurring payments
- has geographically dispersed branches or regional centers
- has multiple banking relationships
NOTE: Many of these services require credit lines and an annual credit review. Please discuss with your Relationship Manager.

1. Each transaction allows the client to control the timing of collections.

2. Each client will determine the level of information they are receiving.
AUTOMATED CLEARING HOUSE (ACH)

Disbursement Service

ACH Disbursement Service is one of the most efficient and cost effective ways to disburse your company's recurring payments. You can reduce the time you spend writing and processing checks with JPMorgan's ACH Disbursement Service. In addition, you maintain control of available funds until you need them to cover your disbursements. Instead of using checks, you transmit to JPMorgan an electronic NACHA file containing the pertinent disbursement information. We process the items automatically and fund the payees' accounts by a single debit to your account at JPMorgan.

You need ACH Disbursement Service if your company:
• pays annuities, dividends, interest, pensions, royalties or expense reimbursements
• uses an automated payroll system
• has employees interested in direct deposit of their pay

NOTE: Many of these services require credit lines and an annual credit review. Please discuss with your Relationship Manager.
DIRECT DEPOSIT OF PAYROLL SERVICES

JPMorgan provides comprehensive Direct Deposit of Payroll Services that eliminate many of the time consuming tasks associated with manual preparation and distribution of payroll and reimbursement checks, while offering a valuable benefit to your employees.

Direct Deposit reduces the cost and the administrative tasks associated with distributing payroll, reconciling payroll accounts and replacing lost or stolen checks. Employees benefit from the accelerated funds availability of electronic payments, and from not having to deposit their checks each payroll period. JPMorgan can process Direct Deposit files from clients and from third party payroll providers. The only requirement is that files be presented in an ACH formatted file.

You need Direct Deposit Services if your company:

• has a geographically dispersed employee base
• has a minimum 75 – 100 employees
• uses a third party vendor to initiate payroll transactions

NOTE: Many of these services require credit lines and an annual credit review. Please discuss with your Relationship Manager.
Summary

JPMorgan...a powerful, long-term partner.

When you join forces with JPMorgan, you tap into the power that moves more money for more clients than any other bank in the world. No other bank conducts more funds transfers, clears more dollars, handles more institutional payments or offers a broader range of services than JPMorgan. Operating in all major world financial markets, we also have the most extensive global correspondent banking network. JPMorgan combines global reach with a consultative approach to anticipate your demands and respond with pace-setting standards of quality, service and value.

Equally at home around the world or around the corner, JPMorgan delivers a level of expertise that leads the industry in many areas. We are leaders in:

- Cash Management
- Payment and collection systems
- U.S. dollar clearing
- ACH origination
- CHIPS, FedWire and Book Transfer volume
- Account Reconciliation volume
- Controlled Disbursement Total Checks Paid

In addition to product and market leadership, JPMorgan is a recognized leader in the industry. Call your Relationship Manager today to talk about how our solutions will fit your needs.