



# Modernizing Treasury Disbursements for the Faster Payments World

NOVEMBER 2018

# Introduction

Business never slows. It just gets faster. Every day a new innovation shakes the marketplace. Competitors change their tactics to seize an opportunity to move their business forward. The latest competitive advantage is always only a moment from being discovered.

As an industry, you are constantly tasked with delivering new value-added services for your company and clients. At the same time, these services must also drive revenue for your organization, provide increased security and differentiate yourself from your competitors. It's a large request.

And yet in an industry where expectations should always be exceeded, too many treasury professionals continue to settle for a slow and stagnant solution: the check. Despite the considerable fraud and theft concerns that using checks presents, many payment professionals still issue them and expect their clients to wait days to cash them. And that begs a question: If a payment from bank account to bank account can occur within a minute, why are businesses still delivering checks that leave their customers waiting for days?

The modern market demands a modern solution. It's time to leave traditional checks and disbursement methods behind.

# The challenges of checks

Although the traditional check has remained a mainstay of the business landscape for generations, new technologies and emerging threats have exposed complications.



Personal information, such as the signer's name and signature as well as the routing number and account number, is too valuable to be left in such a precarious position. A stolen check with this information is worth much more than its printed value in the wrong hands.



Whether a customer misplaces it accidentally or it is taken deliberately, there are few things easier to steal than a check. Recovering the funds and protecting against fraud losses once it's gone is a nightmare.



Once the check has been sent, the mystery begins. Checks offer no transparency as to their whereabouts at any point in the transaction process and the ease with which they can be forged makes it difficult to know who is sending checks in your name.



Even the fastest check payments generally take three days to arrive and this doesn't count the time associated with traveling to pick the check up and/or cash it. It is a slow process at a time when the market demands faster solutions. Customers expect a better payments experience and count upon their financial institution and the businesses they operate with to deliver it.



The checks a company writes cost it more than simply the value written on the check. Research shows issuing a check costs the company \$5.91<sup>1</sup> and as more checks are issued, the financial impact of this process grows.

Delivering an  
alternative that  
moves at the  
speed of business



In a market flush with payment solutions including ACH, wire and credit cards, the check has been commonplace. This despite the fact that its speed and security are lacking when compared to its digital counterparts. A strong practice of doing what has always been done exists in many companies. Fortunately, evidence shows, the market is changing.



Research from Visa and Aite Group shows **90 percent of companies** believe recipients want to receive their payment more quickly.<sup>2</sup>



**85 percent of small-to-medium businesses** report they would switch to a new acquirer if it meant receiving real-time payments.<sup>3</sup>



Consumers agree. **Six out of 10 consumers** report they would transition to real-time payments if they had the opportunity.<sup>3</sup>



## Accomplishing these goals in the modern market isn't only doable, it's easy. Meet Zelle®.

Disbursements with *Zelle* enables consumers to receive money using just an email or U.S. mobile number. Also, funds are delivered typically within minutes\* to the consumer's bank account, and with full transparency of the transaction.

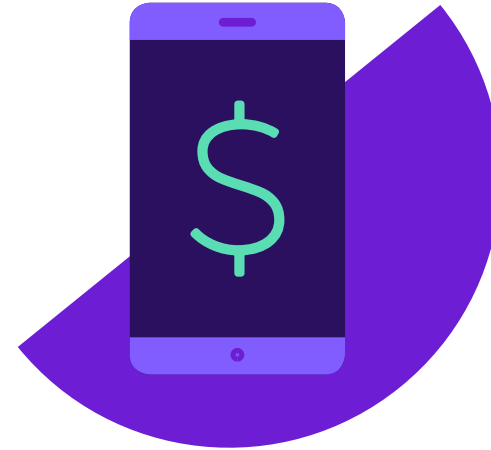
This simplicity means companies no longer need to store their customers' sensitive data simply for the purposes of a financial transaction. This protects the business and its customers should a cybersecurity concern or hack occur. A reality that is all too common in today's world.



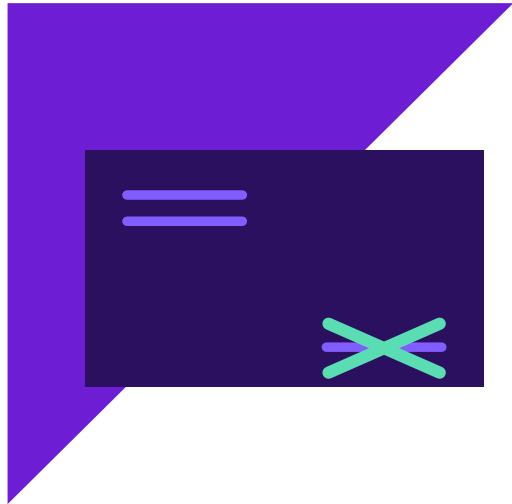
More than 100 million Americans can already access Zelle® through their mobile banking app.\*

\*Based upon Early Warning estimates.

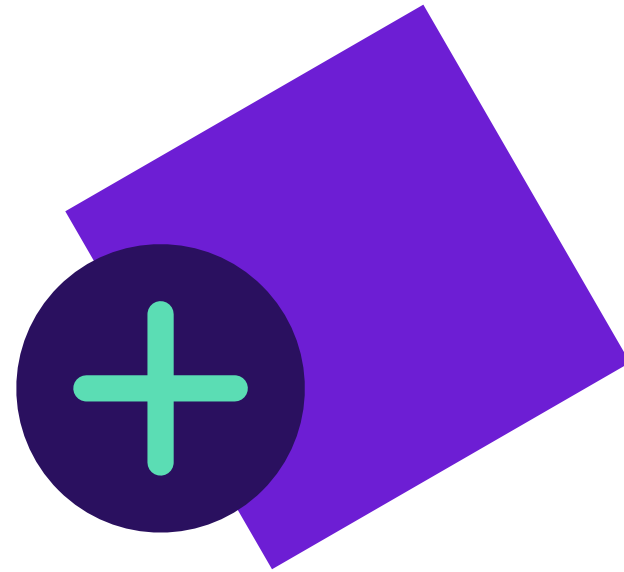
\*\*Enrollment required. Payments can arrive as quickly as minutes or may take up to three business days. Actual times may vary.



Funds are quickly delivered directly to the recipient's bank account through the Zelle Network®, typically within minutes.\*\*



*Zelle's* token-based identity verification system means there's no need for corporate disburseurs to store sensitive information including account or routing numbers.



When Hurricane Harvey struck, the American Red Cross used *Zelle* to facilitate payments to those in need.

# Zelle<sup>®</sup> solves payment concerns





Providing Insurance Disbursement Solutions at a Speed That Works



Prioritizing Payroll



Limitless Travel and a Single Reimbursement Solution



Financial Care for Healthcare Refund Requirements

## PROVIDING INSURANCE DISBURSEMENT SOLUTIONS AT A SPEED THAT WORKS

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It's a scene that strikes too many families. Be it a fire, an earthquake or a gas explosion, the home and everything in it is destroyed. The insurance adjuster arrives to support the insured family in their time of need with \$450,000 in coverage.

The value of this number can depend on the way in which the payment is provided. An ACH direct deposit, for example, can only be delivered after the adjuster has collected the victim's account number and routing number and can still take days for funds availability. If a physical check is mailed, the insurance agency has to issue a check, which is more costly than it



seems (employee resources, postage, printing, positive pay fees, manual reviews, etc.) and the customer must wait to receive the check in the mail before taking it to the bank.

With either option, the family must wait.

By leveraging Disbursements with Zelle®, however, this information is no longer needed. Instead the adjuster is supplied with the customer's email address or U.S. mobile phone number and the money transfers quickly, allowing the family to start putting their life back together and developing further loyalty to their insurance company.

## PRIORITIZING PAYROLL

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While many companies pay employees on a bi-weekly schedule, some companies maintain a weekly or even daily payroll schedule. Regardless of model, new employees are left with a choice: Obtain a physical check for their efforts or opt to have their money direct deposited.

74 percent of companies surveyed experience attempted or actual payments fraud.<sup>1</sup>



The hassles of cashing weekly or daily checks speak for themselves, but employees without access to their checkbook or an online banking option may be left with no other solution. In addition, the employee must place their trust in their employer that the sensitive information required to support the transaction will be protected.

Disbursements with *Zelle* allows the employer to secure a payment transfer solution by simply using the employee's email address or U.S. mobile number. The funds are deposited directly into the employee's account within minutes\* and the headaches associated with constantly bringing checks to the bank or protecting employees' sensitive information are gone and forgotten.





## LIMITLESS TRAVEL AND A SINGLE REIMBURSEMENT SOLUTION

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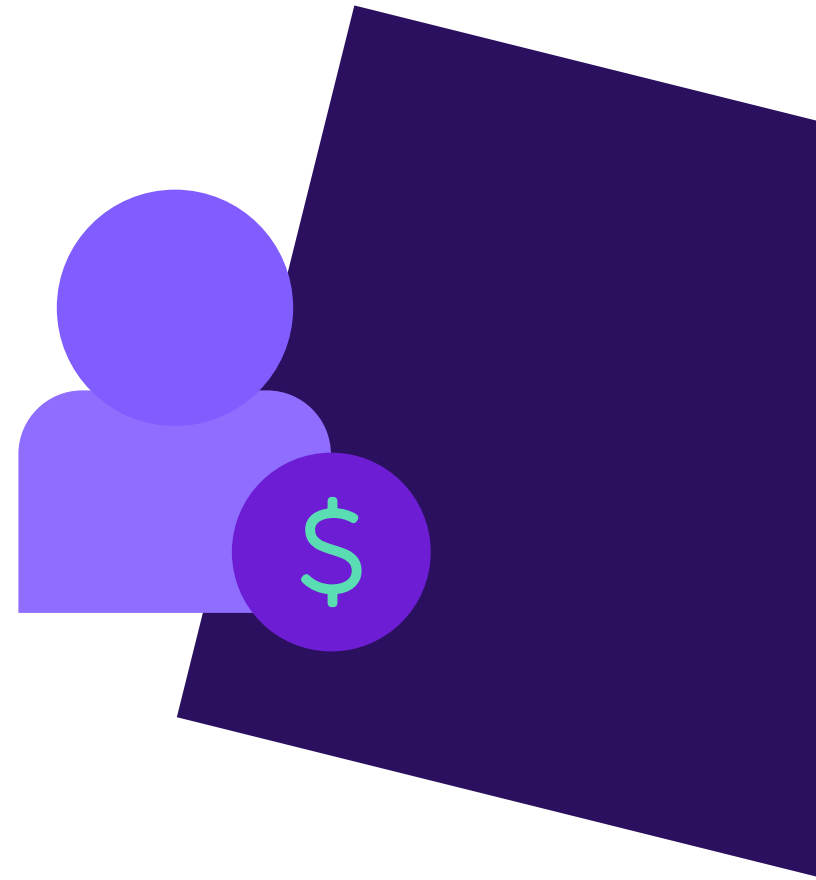
In the modern global economy, long-distance travel is becoming more common than ever before, and as more employees travel longer distances, expense reimbursement becomes a bigger consideration. From gasoline to dinner for a client, the expenses can add up quickly.

In many of today's companies, attaining this reimbursement requires the employee to submit a reimbursement request. The request is reviewed by the company and — if it is approved — the employee receives an ACH payment in 1-3 business days in their account.

Despite the fact that the employee is required to divulge sensitive information and wait days to be reimbursed for spending their own money on work expenses, this process is still widely accepted as the only way to handle travel reimbursement situations.

However, with Disbursements with Zelle®, the employee can supply a simple U.S. mobile phone number or email address and have their money reimbursed typically within minutes\* — all while still on their trip.

Back home, the employer no longer needs to acquire sensitive information from every traveling employee and guard it from external threats or potentially mischievous employees.



## FINANCIAL CARE FOR HEALTHCARE REFUND REQUIREMENTS

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Overpaying for medical procedures — with the promise of a later refund — is a common occurrence. However, when that awaited refund amounts to several hundred dollars or more, the loss of this income has the potential to be a hardship for an individual or the family.

Unfortunately, in many cases the money takes longer to arrive and the process is more expensive than it needs to be. Facilities absorb the cost of printing the checks — and even printing them again in cases where the recipient has thrown the first envelope away thinking it was junk mail. And while these checks are being printed and reprinted, the recipient has no choice but to wait, the gap left by the missing money growing wider.

Utilizing Disbursements with Zelle® instead of the check model allows the patient to enter their email address or U.S. mobile phone number at pre-registration, telling the facility where they would like their refund money sent. This reduces inherent risk in the transaction, and the speed of the process means that the patient will be reimbursed much quicker, leading to an enhanced customer experience.

\$5.91 is the average estimated cost of issuing a check, according to the Association for Financial Professionals (AFP)<sup>1</sup>.



\$5.91

# Adopting payment solutions that match the speed of business

Offering Disbursements with Zelle® to customers can help generate a competitive advantage by delivering new, innovative solutions while expediting funds availability and reducing risk. *Zelle* can help:



Reduce the hassle and expenses associated with managing and mailing paper checks



Leverage increased security and decrease check-associated fraud



Gain access to an extensive alias-based network



Improve liquidity management



Limit the storage of sensitive account information



Send disbursements using only the recipient's email address or U.S. mobile phone number



Send money to almost anyone with a bank account in the U.S.



Improve the overall customer experience

# Solutions that are fast, safe and easy

Zelle® offers a fast, safe and easy way to disburse funds from a corporate entity to consumers.



## FAST

Money is sent directly to customers' bank accounts. No need to send a costly check or prepaid card through the mail; the money will be sent directly to their existing bank account.



## SAFE

Funds are delivered using just an email address or U.S. mobile number. No need to store customers' sensitive bank account details and there is transparency of the transaction from send to receive.



## EASY

Consumers can enroll with *Zelle* in just a few simple steps. If they're already using *Zelle*, they'll only need to provide you the email address or U.S. mobile number enrolled with *Zelle*. It's that easy.



# The speed of the market has shifted. It's time to keep pace.

Are you interested in seeing how Disbursements with Zelle® can work for you? Contact your financial institution to learn more.



When Money Moves, Life Happens®

Early Warning delivers innovative payment and risk solutions to financial institutions nationwide.

For over 25 years, Early Warning has been a leader in technology that helps move money fast, safe and easy. We serve a diverse network of approximately 2,500 financial institutions, government entities and payment companies.

To learn more about Disbursements with Zelle®, visit [www.earlywarning.com](http://www.earlywarning.com).



Brought to you by Early Warning Services, LLC, an innovator in payment and risk management solutions, Zelle® makes it easy, fast and safe for money to move. The Zelle Network® connects the nation's leading financial institutions, enabling consumers to send fast person-to-person payments to friends and family with a bank account in the U.S. Funds are available directly in consumer bank accounts generally within minutes when the recipient is already enrolled with Zelle.

To learn more about Zelle and its participating financial institutions, visit [www.zellepay.com](http://www.zellepay.com).

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\*Based upon Early Warning estimates.

\*\*Enrollment required. Payments can arrive as quickly as minutes or may take up to three business days. Actual times may vary.

1 "The 2015 Payments Cost Report" AFP, 10/15

2 Visa & Aite Group, Funds Disbursements Research, Industry Executive Interviews, Q4 2017

3 Source: Visa Funds Disbursements Research, Aite Group survey of 2,378 North American consumers, Q4 2017