



WHITEPAPER

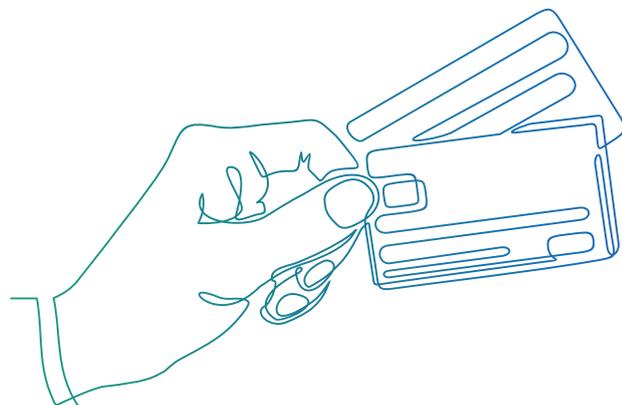
# FLEXIBILITY IN PREPAID SOLUTIONS

FIS Prepaid Solutions

## Introduction

FIS® understands that prepaid card programs are not one-size-fits-all propositions. Your business requirements are unique. With FIS Prepaid Solutions, you have two prepaid program models to choose from – each offering distinct levels of service, capabilities and features.

- 1. Program Management**
- 2. Direct Processing**





# HOW IT WORKS

Let's start from the beginning. Knowing the prepaid ecosystem can help understand what you need.



**Program Manager**

## Program Manager

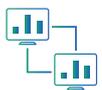
Defines, promotes and monitors the program (product and compliance)



**Sponsor Bank**

## Sponsor Bank

Owns BIN for settlement, responsible for Program Manager oversight



**Network**

## Network

The brand on the card, settles from merchant to issuer

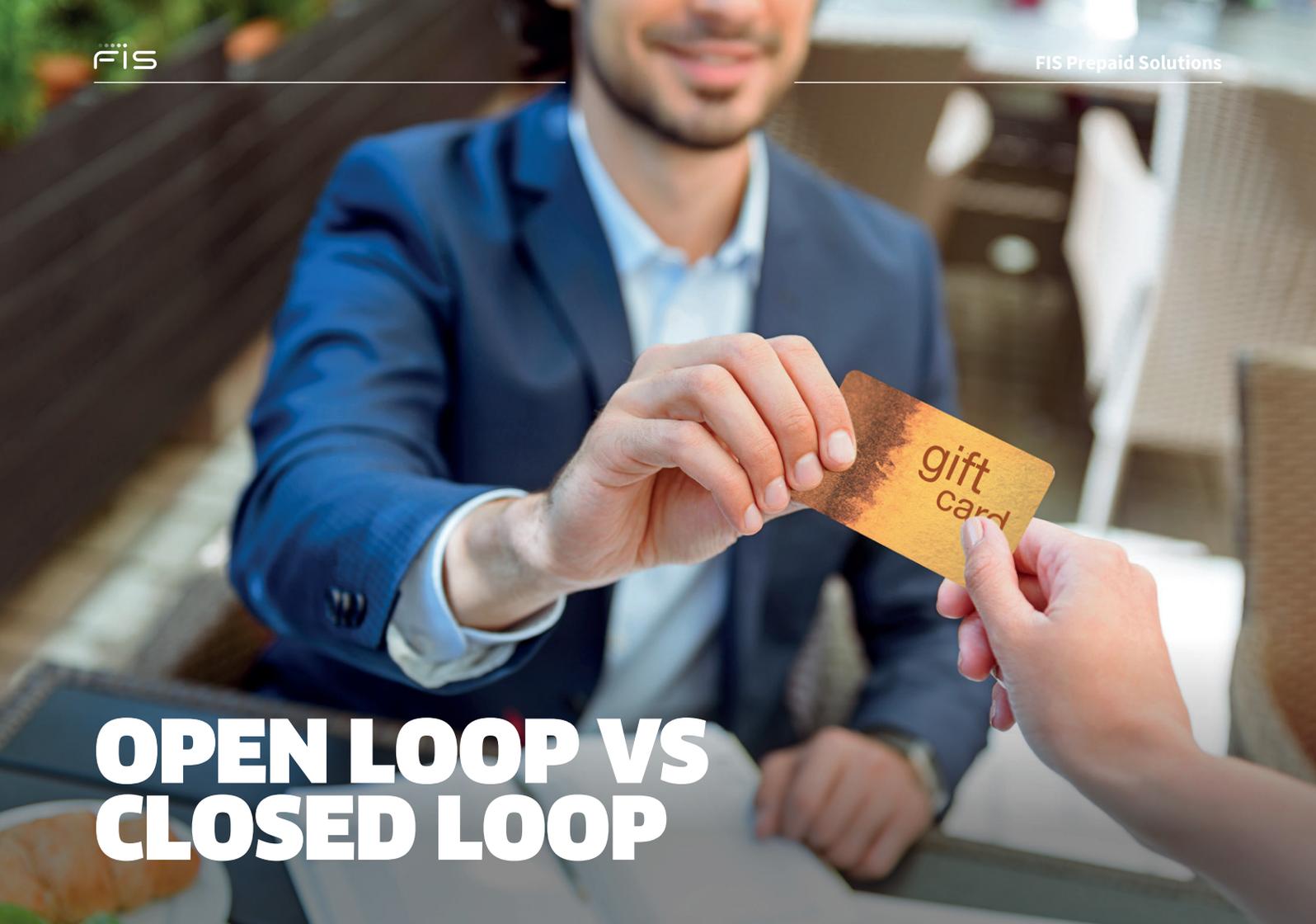


**Processor**

## Processor

Technical enabler and balance of record for individual Prepaid Cards

Every card solution in the market today leverages this general structure, though some entities can play multiple roles.



# OPEN LOOP VS CLOSED LOOP

## Closed-Loop Prepaid Programs

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- Person-to-person gift cards
- Merchant-specific acceptance
- Tied to cash register and POS system
- Non-bank issued

A closed-loop prepaid card is a card you can only use at certain locations. For example, a closed-loop card might be good only at a specific store or affiliated group of stores or on your public transportation system. Most closed-loop cards do not have a network logo on them. Many gift cards are closed-loop cards.

## Open-Loop Prepaid Programs

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- Corporate/government, GPR and gift card uses
- Reloadable and reusable
- Issued by a bank
- Accepted on global payment networks
- Visa, Mastercard, Discover, American Express

An open-loop prepaid card is a card with a network logo on it. They function similarly to Debit products. Consumers can use these cards at any location that accepts that card type. Most prepaid cards are open-loop cards, meaning consumers can spend them. General purpose, payroll cards, benefits cards, and single-use incentives are all good examples.

# COMMON USES FOR PREPAID

Comprehensive solutions for every opportunity in every vertical and industry.



Insurance



Teen/youth



Rebate/incentive



International



Loan



Student/campus



Payroll/GPR



Government



Tax refunds



Corporate T&E



Travel



Health care



Convenience



Gift



Virtual/Mobile



Petroleum

FIS supports a wide variety of programs, which include both general-purpose reloadable and single-load cards. FIS can offer flexible solutions based on the organization's needs.

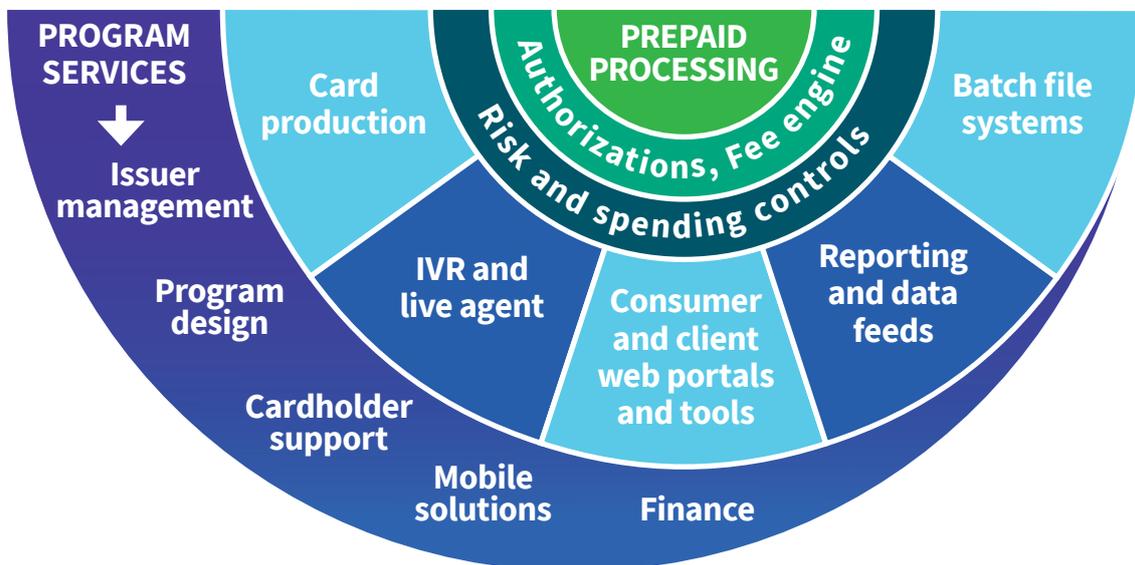
# PREPAID PROGRAM MANAGEMENT

The program management model allows organizations to launch a prepaid program without prepaid expertise or sponsor bank while focusing on their core business.

Key advantages of FIS Prepaid Program Management include lowering upfront investment and reducing time to market compared to Direct Processing. FIS has created an adaptable foundation to meet the pace of change and life's financial needs. Whether you need a prepaid card solution for business or consumer use, FIS will provide you with an end-to-end, easy-to-implement prepaid card program that can start producing results quickly.

- Program definition
- Program implementation
- Regulatory and compliance oversight
- Risk and fraud management, including
  - Reg E dispute and error resolution

- Platform system of record and authorization engine
  - Settlement and reconciliation of payment transactions
  - Reporting
  - Cardholder alerts
  - Cardholder on/off
  - Network management, including primary and NYCE network
  - ID verification and OFAC check
- Cardholder website (depending on program type)
  - Spend analyzer
  - Secondary and companion card
- Card production inventory management and fulfillment
- Live agent and customer service
- EMV and contactless support



# FIS BUSINESS SUITE

Prepaid is a solution for a broad spectrum of needs in today's market. FIS continues to lead with the latest technology and options to help organizations solve endless payment challenges and support tomorrow's innovation. All Business Suite solutions can be fully client-branded experiences designed for your success. As an added benefit, Business Suite solutions are fully Program Managed, meaning your business can focus on what you do best.



## Modern Pay Platform

Payroll cards enable employers to reduce a long list of expenses and risks associated with traditional payroll checks. Employers can use payroll cards for regular payroll, per diem, tip payouts, final pay, reimbursements and earned wage access.



## WorkStride

Channel Incentive & Loyalty programs help large OEMs reach and engage indirect channel partners (dealers, distributors, contractors) to win mindshare and compete for loyalty to drive performance. FIS also supports Consumer and Employee Recognition & Engagement programs through Rebates, Service Awards, Spot Rewards, and Social Recognition.



## SpendIt SendIt

Instant delivery via dashVirtual or dashDisbursement (physical), seamless activation and customized redemption flows via a simple UX and flexible access for the recipient. Perfect for replacing checks in any industry or outdated physical card distribution solutions.



## BizNOW

A web and mobile payment/expense management solution for business customers. This provides a comprehensive purchasing solution that delivers complete visibility and control over expenses and access to funds across all participating parties. Used for Purchasing, Branded Expense Management Solutions, 1099 Pay and University Per Diem.



# PREPAID FILTERED SPEND FROM FIS

## A filtered spend solution for every need

Filtered Spend takes spend control to the next level, offering UPC-level adjudication through FIS' proprietary merchant participation network, which is growing to approximately 63,000+ locations in 2023\*. With Filtered Spend, you can direct funds toward products or habits your organization wants to encourage. For example, insurance plans may want members to eat healthy, or purchase medical supplies not otherwise covered by their plan. As with other FIS solutions, there is no one size fits all approach. FIS allows our partner to control what gets approved, down to the UPC level.

Achieve additional flexibility by assigning multiple benefit types, amounts, and timeframes in which 'purses' can be spent or expire. We also offer the ability to add your own merchants to the approved list or add broad categories in which your cardholders can use funds, for example, to purchase a gym membership.

Whatever the need, Filtered Spend can help maximize the return on your investment, whether the goal is deferring health care costs, or encouraging your consumer to buy a new product. Popular use cases for enhanced spend control with Filtered Spend include:

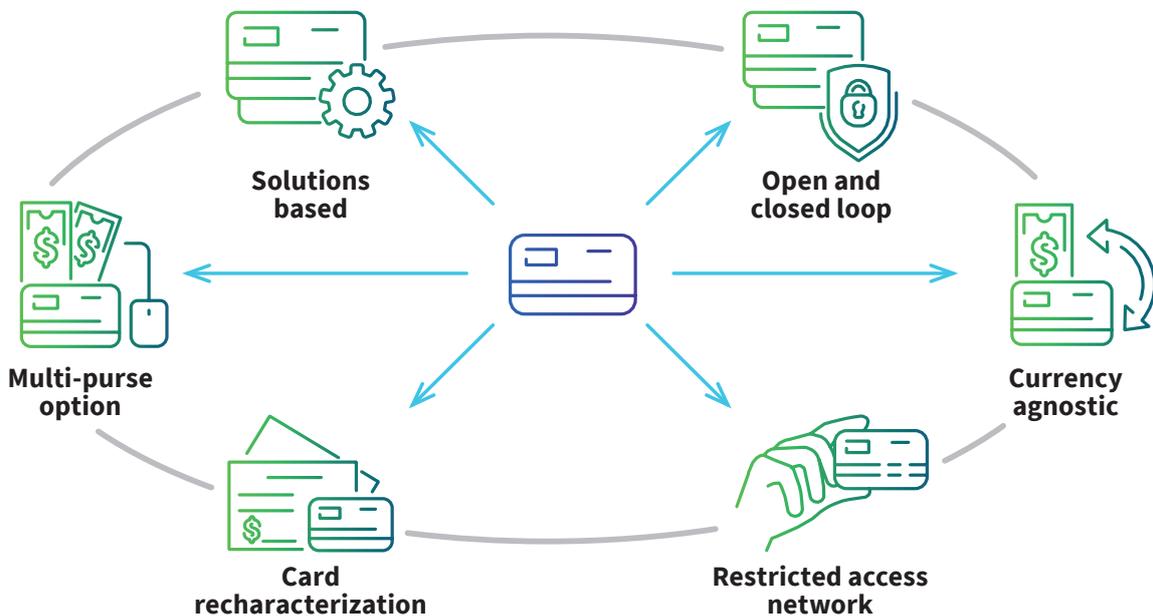
- Corporate Benefits Programs
- Insurance Companies
- Healthcare Aggregators
- Supplemental Plan Providers
- Government Programs
- Social Programs
- Manufacturers
- Retailers/Consumer Brand Incentives
- Disaster Relief Agencies and Nonprofits

*\*Estimate only, subject to change*



# DIRECT PROCESSING

Direct Processing offers organizations to own the full product life cycle and select the network, issuing bank, fulfillment house and other vendors. FIS Direct Processing for Prepaid provides many features on the platform and can be designed in a 'plug and play' manner. This allows the creation of a wide range of use cases or program types to fit the desired needs of the organization.



## Core competencies

- Solutions based
- Open and closed loop
- Segmented multi-purse options
- Proprietary restricted access network
- Card recharacterization
- Currency agnostic

## Card issuance and processing

- Digital card issuance
- Tokenization ready
- EMV certified
- Proxy issuance (Avoid PCI)
- Direct access (ACH Deposit)
- Visa, MC, Discover, CUP Certified

**Built on flexibility, direct processing can be hosted by the organization or FIS.**

## Flexibility and scalability

- Significant range of use cases and program types
- Migration and launch support
- Proven reliability and scale
- In house expertise and consultation

## Integration methods

- REST APIs – integrate more than 500 APIs to create, customize and host your solution end-to-end
- FIS-hosted – use FIS tools to launch your program quickly with little-to-no development
- Batch processing – performs actions in bulk

**Using FIS-hosted tools and interfaces, you can perform card orders, card funding and more, including:**

- Self managed program configuration
- Card creation client interface
- Card issuing interface and inventory system
- Cardholder service interfaces
- User security management

**Manage or waive cardholder fees with the agility and control you need, including:**

- Real-time and batch cardholder fee capabilities
- No fee configuration capabilities
- Ability to change on an ad-hoc basis
- Freebies or fees waivers are configurable by terminal, merchant or network





# PREPAID CARDS

**Uses are endless, an application for everyone.**



**Create frictionless user experiences for your customers**



**Safer than cash and more convenient than checks**



**Convert AP from a Cost to Revenue**

As the largest and most comprehensive provider of prepaid card services, FIS has been at the forefront of the prepaid industry for over 20 years, providing robust, end-to-end solutions for development, processing and administration of prepaid programs.

FIS Prepaid is also the only processor offering a proprietary merchant network, powered by Worldpay from FIS®, capable of authorizing purchases at the UPC level, offering more control than any other solution in the industry.

# PARTNER WHO BUILDS BOLD TECHNOLOGY



The prepaid card industry is diversifying. Emerging Fintechs and banks are utilizing prepaid across new customer segments in response to market demand. Growth in spending volume has remained strong, adding dynamism and many new innovations in the market.

The continuing evolution of the prepaid card has turned it into a viable product for any consumer or business user – often as a cardholder’s preferred payment mechanism and as the preferred funds distribution method for businesses. Prepaid can drive a radical shift from cash and checks, and has even driven growth in new segments such as banking alternatives and lending. It will continue to challenge or complement these traditional approaches to banking and payments in the years ahead.

## About FIS

FIS is a leading provider of technology solutions for financial institutions and businesses of all sizes and across any industry globally. We enable the movement of commerce by unlocking the financial technology that powers the world’s economy. Our employees are dedicated to advancing the way the world pays, banks and invests through our trusted innovation, system performance and flexible architecture. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a member of the Fortune 500® and the Standard & Poor’s 500® Index.

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