

FIS INTEGRATED PAYABLES

Kings County Office of Education Leaving the Check Behind with Move to Virtual Cards

Kings County Office of Education oversees 13 school districts which operate their own accounts payable (AP) departments. Each of these departments keys their payment information into a central accounts payable system.

Kings County Office of Education's central accounts payable team then executes payments weekly. Kings County Office of Education is generating over \$100,000 in rebates annually on payments made through virtual cards. The rebates are earned each time a virtual card is used to make a payment versus a check. The funds go directly back into the operational budget to cover expenses for the county. For example, the rebates are used to offset internal IT costs for each of their school districts. Each school district pays a price per pupil and they were able to help lower that cost through the application of the rebate funds.

The county has also reduced annual check printing and mailing costs by \$2,300 by migrating 17 percent of its payments to virtual card. Other benefits include a reduction in the time the AP staff spends on printing and mailing checks, freeing the staff to focus more of their time on strategic projects. The county was able to recoup the cost of programming for the virtual card system for use with their financial management system within a few months of the conversion. The number of calls they receive from vendors has also been reduced to one to two calls per week.

“Paying vendors via paper check can be a strain on our budget and resources. By moving some of our vendors to the virtual card system, we have improved efficiencies and reduced overhead costs.

FIS' bank-agnostic Integrated Payables solution met those requirements and afforded us with a strategic vendor enrollment program that included an enrollment team and integrated campaigns.”

**JAMIE DIAL, DIRECTOR, BUSINESS SERVICE,
KINGS COUNTY OFFICE OF EDUCATION**

These improvements were achieved through the use of the FIS™ Integrated Payables program, which allows organizations to send a payment (or payments) to a central hub for execution as checks, cards, wires, SWIFT or EFT. FIS also offers a vendor enrollment team that will call the vendor file in order to take the necessary steps to convert the vendor from getting checks to getting virtual card payments.

“By migrating checks to virtual cards via Integrated Payables payments platform, we have been able to migrate 17 percent of the checks we targeted for conversion to virtual card.

We have also been able to reduce our payment processing costs and are earning on average of \$100,000 in annual rebates.”

JAMIE DIAL, DIRECTOR, BUSINESS SERVICE,
KINGS COUNTY OFFICE OF EDUCATION

Improving Operational Efficiencies

The Kings County Office of Education’s AP team was processing checks on a weekly basis from their accounts payable system. This was an operational burden from a check inventory, printing and mailing cost standpoint as well as on staffing. The AP team wanted to eliminate some of that burden by migrating checks to electronic payments; however, many of their vendors were not keen on providing their bank account information in order to receive payments via ACH.

Kings County Office of Education learned that there was an alternative to ACH payments — virtual cards. Virtual cards are single-use, unique card numbers with fixed credit limits that are set based on a given company’s payment instructions. Companies can use virtual cards in lieu of paper checks to securely pay invoices and AP disbursements either online or over the phone.

In the end, they settled on the bank-agnostic integrated payments platform, FIS Integrated Payables, because it offered them the ability to convert checks to virtual cards through a comprehensive vendor enrollment program. It also provided them with the ability to make a card payment for the exact amount so they wouldn’t run into any reconciliation issues.

ABOUT KINGS COUNTY OFFICE OF EDUCATION

Kings County Office of Education provides leadership and promotes the most relevant educational programs for 13 K-12 school districts throughout Kings County, California.

The Move to Virtual Card and Driving Vendor Adoption

The move to virtual cards was going to require a dedicated team to reach out to vendors and encourage them to accept virtual cards. Kings County Office of Education did not have the staff or expertise to take on this initiative. One of the major benefits Kings County Office of Education saw in FIS was their vendor enrollment program comprised of integrated campaigns and staff who contact vendors and manage the entire enrollment process.

After the initial planning meetings, FIS helped Kings County Office of Education's AP team incorporate the option for invoices to be flagged for virtual card payments within their AP system. It proved to be relatively simple after testing.

The Kings County Office of Education's AP team then worked closely with FIS to strategize which vendors to target for enrollment. The AP department reviewed the list of vendors from each school district and omitted vendors that they knew wouldn't accept cards. They also worked with FIS to overcome the challenge that some districts utilize the same vendors but code each of those vendors differently. Kings County Office of Education didn't want FIS reaching out to the same vendor multiple times.

FIS then matched the vendors with the vendors in their database that were already accepting virtual card payments from other entities. Those vendors were flagged and contacted separately to request enrollment. FIS contacted the remaining vendor list via integrated calling and email campaigns. New vendors are automatically checked against the database to determine if they are already accepting virtual cards. If not, they are offered the option to enroll in the virtual card program.

For Kings County Office of Education's AP department, processing the virtual card payments is easy. The team currently processes payments every Friday and flags invoices meant for virtual card payments and sends FIS one payment file via an FTP server.

KINGS COUNTY OFFICE OF EDUCATION

INDUSTRY: Education

ENVIRONMENT: Centralized

LOCATION: Kings County, California

SOLUTION BENEFITS DERIVED

- Reduced payment processing costs
 - Migrated approximately 17 percent of targeted payments to virtual card
 - Reduced annual check printing and mailing costs by \$2,300
 - Reduced number of inbound calls from vendors to one to two calls per week
 - Generating over \$100,000 in rebates annually
 - Improved reconciliation
 - Improved security, control and risk migration
 - Streamlined processes
 - Improved operational efficiencies
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About FIS' Corporate Solutions

FIS offers a leading liquidity and risk management solution for corporations, insurance companies and the public sector. The solution suite includes credit risk modeling, collections management, treasury risk analysis, cash management, payments system integration and payments execution delivered directly to corporations or via banking partners. The solutions help consolidate data from multiple in-house systems, drive workflow and provide connectivity to a broad range of trading partners including banks, SWIFT, credit data providers, FX platforms, money markets and market data. The technology is supported by a full range of services delivered by domain experts, including managed cloud services, treasury operations management, SWIFT administration, managed bank connectivity, bank onboarding and vendor enrollment. For more information, visit www.fisglobal.com.

About FIS

FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Florida, FIS employs more than 55,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of Standard & Poor's 500® Index. For more information about FIS, visit www.fisglobal.com.

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