Using UPICs to Streamline Payments and Mitigate Fraud

Sharon Jablon
The Clearing House

Wendy Cole-Deardorff
State of Washington
Division of Child Support

Bob Taylor
Pitt Ohio Express

Paula Rowe
PNC Bank
Agenda

• Panel - Intros
• UPIC – Fraud protection
• UPIC - The flow
• Hear from the Panelists on their Business – 
  – Integrating UPIC into their Electronic Payment process
• Questions to Panel
• Questions from Audience
Moderator

Sharon Jablon, AAP
The Clearing House
Product Specialist, 12 years

The Clearing House (TCH)
- Oldest banking association and payments company in the US
- TCH Payments Company operates:
  - Private sector ACH network (Electronic Payments Network - EPN)
  - CHIPS High Value Payments
  - SVPCO – Image Network
- TCH Association – Advocacy Organization
- Clears almost $2 Trillion daily

Job Function
- Cross product lines
  - ACH and CHIPS (Wires)
- B2B payments
  - UPIC
  - STP 820
- Standards
  - X12, X9, X9C Remittance Coalition
- Healthcare and P2P payments
Panelist
Bob Taylor
Pitt Ohio Express
Treasurer, 30 years in various positions

Pitt Ohio Express
- Family owned trucking company established 1979
- Serving manufacturers/wholesalers/retailers
- Pitt Ohio and affiliates - ~$390M in Annual Revenue/3,050 employees
- Core Services
  - Supply Chain
  - Ground (Small Packages)
  - Less – Than- Truckload (LTL)
  - Truckload
- Issues about 12,500 invoices daily
- UPIC since 2004 Receives >1000 UPIC Trans/mo
  - Average $7,000

Job Function
- Responsible for all treasury and cash management functions
- Handles all banking relationships
Panelist
Wendy Cole-Deardorff
Washington State
Division of Child Support
EFT Program and Accounting Services Manager
16 years in position

- Wage garnishment
- ~300,000 payments/mo
- Over 60% via electronic transmission
- UPIC since 2013.
- UPIC in merchant lists for online banking
- Any ACH SEC code
- Receive >100K UPIC transactions per month
  - Average transaction $250.
- Electronic more efficient
- Meets federal requirement

Job Function
- EFT program development and implementation
- Manages division wide banking services and collection reconciliation
- Participates on several national and International EFT workgroups with the federal Office of Child Support Enforcement and NACHA
Panelist
Paula Rowe
PNC Bank
ACH Product Manager, 15 years in position

PNC Bank
- PNC is the 9th largest bank in North America (The Banker’s 2013)
- The 6th largest Treasury Management Provider (Ernst & Young 2012)
- 4th largest ACH Receiver / 5th largest ACH Origination (NACHA 2012)
- Treasury management focus on corporate, commercial, business banking and government customers
- Issued ~2000 UPICs

Job function
- Currently responsible for Quality and delivery of ACH services
- Develops features and enhancements for ACH disbursement and collection services
- Incents usage of electronic payment solutions through education and consulting
Universal Payment Identification Code (UPIC®)

Pseudo Account Number

- Masks routing and account numbers
- Credit payments only, blocks debits
- Use with any cash management or accounts payable system
- Universal routing number
- Issued and maintained by banks
- Portable

UPICs help prevent fraud
UPIC PAYMENT PROCESS

Seller communicates the R/T # and UPIC to its trading partners

Buyer obtains a UPIC for its receivables account from its bank

Seller’s Bank

Buyer’s Bank

FedACH

ACH Operator (The Clearing House)

UPIC Database
UPIC on Invoices and Websites

**Corporate Sales**

<table>
<thead>
<tr>
<th>Invoice #</th>
<th>Date</th>
<th>Order #</th>
<th>Page #</th>
<th>Customer #</th>
<th>Amount</th>
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<tbody>
<tr>
<td>123456</td>
<td>99/99/99</td>
<td>11-2222</td>
<td>1</td>
<td>333333</td>
<td>$1000.00</td>
</tr>
</tbody>
</table>

Sold to:

- **Company Name**: ATTN: Manager
- **Address**: 999 Main St. Suite A
- **City, State, Zip**: Anywhere, USA 12345-1234

Ship to:

- **Company Name**: ATTN: Manager
- **Address**: 123 Main St. Suite B
- **City, State, Zip**: Anywhere, USA 12345-1234

**QTY** | **ITEM #** | **DESCRIPTION** | **UNIT PRICE** | **TOTAL** |
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>4</td>
<td>1112222</td>
<td>TJ Cable</td>
<td>$100.00</td>
<td>$400.00</td>
</tr>
<tr>
<td>2</td>
<td>3334444</td>
<td>Network Router</td>
<td>$600.00</td>
<td>$1200.00</td>
</tr>
<tr>
<td>1</td>
<td>5556666</td>
<td>Mouse Pad</td>
<td>$20.00</td>
<td>$20.00</td>
</tr>
</tbody>
</table>

Sub Total: $1620.00

Tax: $97.20

Shipping: $16.00

**TOTAL**: $1733.20

Questions?
Call Customer Service at 888-888-8888

If you are paying by check, please return this portion with your payment.

**To pay electronically via ACH credit or EDI Payments:**

- **Any Company Inc**
- **ABA #**: 123456789
- **UPIC/Acct #**: 987654321
- **Reference #**: 123ABC*
- **Invoice No**: 123456*
  
  *Helps ensure posting to correct invoice*

**To pay via check:**

- **Any Company Inc**
- **Address**: 321 Any St.
- **City, State, Zip**: Anywhere USA 12345-1234

**Website**

**WAYS TO PAY YOUR BILL**

For your convenience, Any Company offers several ways you can pay your bill:

**By Check**

Make your check or money order payable to Any Company and mail payments to:

- **Any Company Inc**
- **Address**: 321 Any St.
- **City, State, Zip**: Anywhere USA 12345-1234

**By ACH Credit**

Use the following information to pay electronically via ACH credit from your cash management system:

- **Any Company Inc**
- **ABA #**: 123456789
- **UPIC/Acct #**: 987654321
- **Reference #**: 123ABC*
- **Invoice No**: 123456*
  
  *Helps ensure posting to correct invoice*
Specialty Foods Company  
123 West Street  
Port Washington, MA 01220  
November 19, 2013  

Payables Department  
Healthful Foods  
193 Main Street  
Any City, Any State, ZIP

Dear Payables Department:

We are in the process of implementation our electronic payments program and encourage you to send payments electronically via ACH credit to:

Bank Routing # (ABA) – 123456789 (insert Universal Routing number)  
Account # – XXXXXXXXXXX (insert UPIC)

If possible, please include the following information with your payment:  
Customer # - RJ8049  
Invoice # - 0147586342

We appreciate your compliance. This kind of payment is an immeasurable help in running our business and will aid us in keeping prices down.  
Thank you again for your patronage.

Sincerely,  

Mary Smith  

Ms. M. Smith  
Vice President - Receivables Department  
Specialty Foods Company
UPIC PAYMENT PROCESS

Buyer initiates an ACH credit using the URT # and UPIC

Buyer communicates the R/T # and UPIC to its trading partners

Seller obtains a UPIC for its receivables account from its bank

Buyer

Seller

Buyer’s Bank

Seller’s Bank

FedACH

ACH Operator (The Clearing House)

UPIC Database
A Corporates Perspective
Online Cash Manager

A Corporates Perspective
A/P Vendor Setup Screen

EFT Vendor Maintenance (Paya...)

Vendor ID: ANYINS0001
Vendor ID: Any Insurance Inc.
Account Type: Checking
Receiving Account Number: 987654321
Receiving DFI Transit Routing Number: 123456789
Termination Date: 99/99/99
Currency ID: Z-US$
Date Pre-note Sent: 00/00/00

UPIC/Acct # and Universal Routing/Transit Number
If routed to FedACH, the payment is transferred to EPN

Buyer initiates an ACH credit using the URT # and UPIC

Buyer bank processes the ACH file and routes to EPN or FedACH

If routed to FedACH, the payment is transferred to EPN

Seller obtains a UPIC for its receivables account from its bank

Seller’s Bank processes ACH file and credits the Seller

EPN routes payment to Seller’s Bank for crediting to Seller

EPN translates UPIC into Seller’s Bank R/T # and Seller Account #

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Buyer’s Bank

Buyer

Seller

Seller’s Bank

ACH Operators

FedACH

ACH Operator (The Clearing House)

UPIC Database

UPIC PAYMENT PROCESS

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Universal Payment Identification Code

Receiving industry wide adoption around the United States

- Paper Supplier
- Telecommunications
- Real Estate
- Financial Services
- Hotel Industry

- Banking Association
- Agriculture
- Fund Raising
- Education
- Computer Manufacturing

- Government Agencies
- Transportation
- Medical Technologies
- Benefits Administration
- Wholesale Distributors
## Contact Information

<table>
<thead>
<tr>
<th>Company</th>
<th>Name</th>
<th>Position</th>
<th>Phone</th>
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<tbody>
<tr>
<td>The Clearing House</td>
<td>Sharon Jablon, AAP</td>
<td>Product Specialist</td>
<td>212-613-0178</td>
<td><a href="mailto:Sharon.Jablon@theclearinghouse.org">Sharon.Jablon@theclearinghouse.org</a></td>
</tr>
<tr>
<td>State of Washington</td>
<td>Wendy Cole-Deardorff</td>
<td>EFT Program/Reconciliation Services Manager</td>
<td>(360) 664-5160</td>
<td><a href="mailto:wcoledea@dshs.wa.gov">wcoledea@dshs.wa.gov</a></td>
</tr>
<tr>
<td>Pitt Ohio Express</td>
<td>Bob Taylor</td>
<td>VP/Corporate Treasurer</td>
<td>412-232-3015 x6205</td>
<td><a href="mailto:BTaylor@pittohio.com">BTaylor@pittohio.com</a></td>
</tr>
<tr>
<td>PNC Bank</td>
<td>Paula Rowe</td>
<td>EFT Product</td>
<td>412-768-2103</td>
<td><a href="mailto:paula.rowe@pnc.com">paula.rowe@pnc.com</a></td>
</tr>
</tbody>
</table>
Partial List of Financial Institutions offering UPIC: