



How Can I Use Virtual Card

2018 State of Texas Conference

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How Can I Use Virtual Card

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Overview

Citi Virtual Card Accounts Overview

Clients can gain financial benefits, process improvements, and greater security & control by leveraging Citi Virtual Card Accounts (VCA) for supplier payments.



Virtual Card Numbers (VCNs)

- Unique, non-plastic account numbers used for secure purchasing
- Secure VCN delivery via encrypted email to suppliers

Increased Transaction-Level Control

- Define authorization controls for each VCN:
 - Number of transactions (single- or multi- use)
 - Transaction amount limit (exact, maximum, or range)
 - Validity Period
 - Suppliers and Merchant Category Codes

Enhanced Client-Supplied Data

- Capture up to 29 client-specified data elements with each VCN for enriched data analysis, allocation, and reconciliation


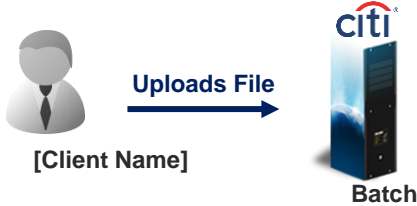
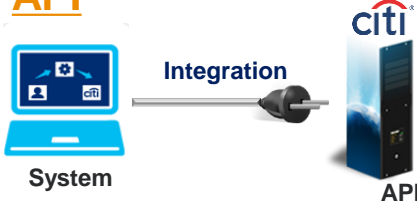
Three Interface Options

- Request website with customizable approval workflows
- Batch File Interface
- Real-time API

Virtual Card Accounts Technology

Virtual Card Accounts Technology

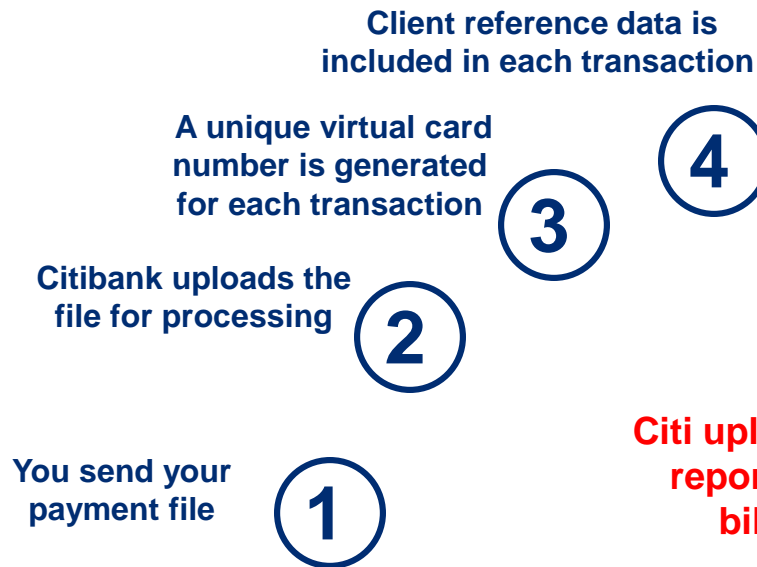
VCN requests can be completed using one of three interfaces: Web, Batch, or API.

Interface	Description
<p>WEB</p>  <p>The diagram shows a person icon labeled "[Client Name]" on the left. An arrow labeled "Request VCN" points from the person to a laptop icon labeled "Web" on the right. The laptop screen displays the Citi logo.</p>	<p>A web-based application that allows a user to login and request a virtual card number (VCN). Additionally, approval flows can be configured to have a requestor and approver review prior to receiving a card account</p>
<p>BATCH</p>  <p>The diagram shows a person icon labeled "[Client Name]" on the left. An arrow labeled "Uploads File" points from the person to a server rack icon labeled "Batch" on the right. The server rack has the Citi logo on top.</p>	<p>[Client Name] can request a batch of virtual card numbers for payments via file transfer. Web portal upload returns the payments file with VCNs</p>
<p>API</p>  <p>The diagram shows a laptop icon labeled "System" on the left. An arrow labeled "Integration" with a plug icon at its tip points from the laptop to a server rack icon labeled "API" on the right. The server rack has the Citi logo on top.</p>	<p>Leverage [Client Name]'s system using a real-time web service to generate VCN's from its eProcurement system or any other payment system</p>

High Level Virtual Card Accounts Process

Process at a glance

Initiating Your Payment

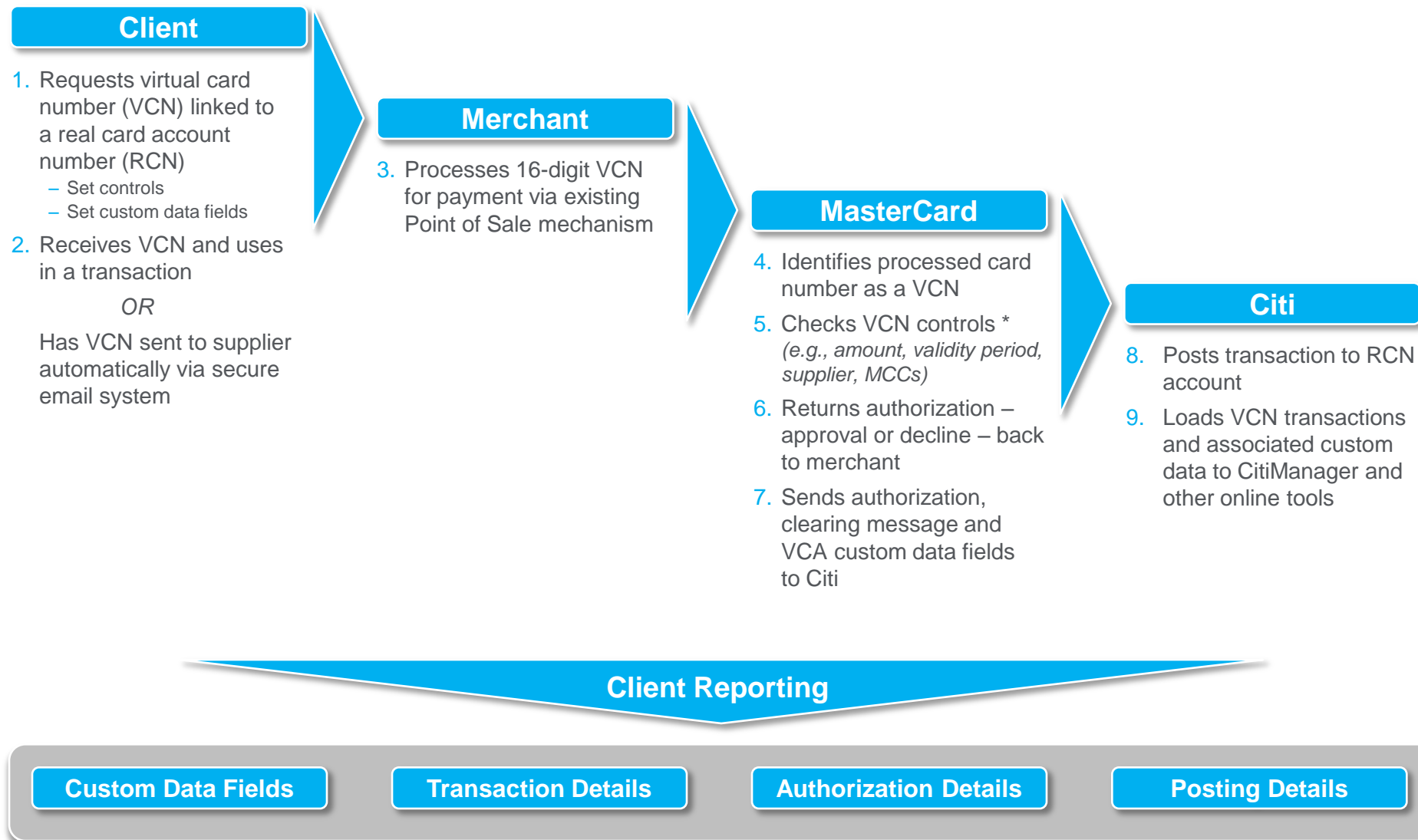


Your Supplier's Receivable



How Do Virtual Cards Work

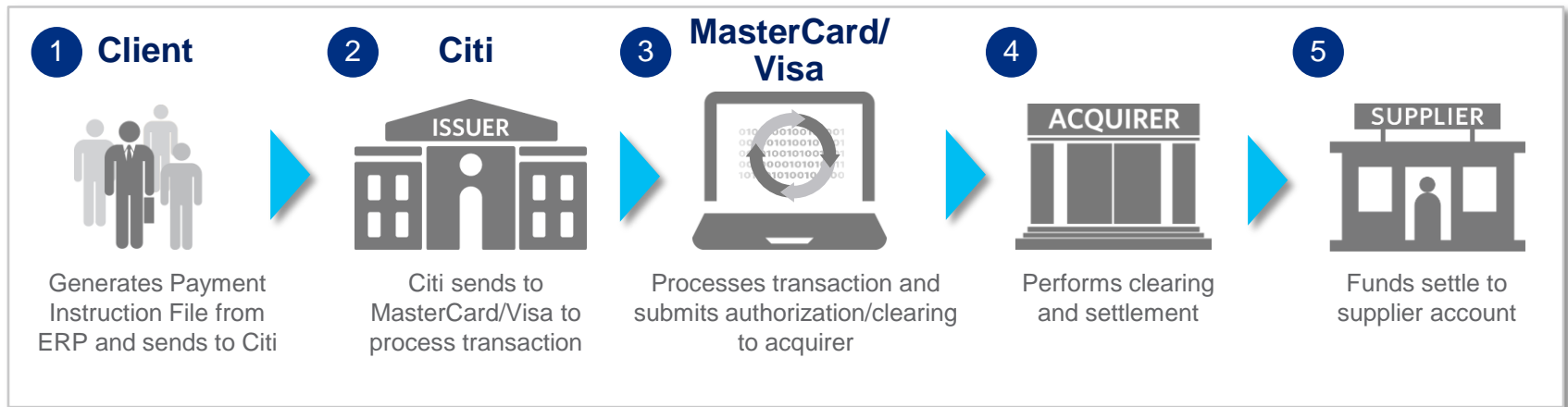
Using Virtual Card Accounts: Request VCNs and Transact



* In addition to the check on the VCA controls, Citi conducts additional checks – including credit limit and fraud analysis - on the real card number (RCN). This step is omitted merely to streamline the depiction of the above VCA process

Straight Through Processing – Transaction Flow

Clients can initiate payment requests and have it passed through for processing and authorization without the supplier swiping or rekeying card at the point of sale. Supplier receives payment automatically.



Step 1: Client generates an Accounts Payable (AP) payment file from its AP or ERP system and forwards to Citi for disposition

Step 2: Citi formats the file or generates emails and forwards to association for processing

Step 3: Association creates the information necessary for the transaction to directly enter into the supplier's participating merchant acquiring system (no further action is needed by the supplier once enrolled in STP service)

Step 4: The acquirer processes the transaction as it does today creating both an authorization, clearing and settlement record

Step 5: Funds are credited to the supplier's merchant settlement account directly and a remittance notice is sent to the supplier to inform that the transaction was completed

Straight Through Processing – Benefits

Clients and their suppliers can benefit from Straight Through Processing through increased controls, elimination of manual processing, reduction of errors and redundancies, and increased speed to processing time.

Clients

- Automate all payments
- Expand acceptance
- Precise payment timing
- Improved reconciliation

Suppliers

- Operational efficiency
- Payment automated – no keying
- No handling card numbers
- Reduced chargeback risks
- Regional interchange strategies can be supported¹

1. Dependent on association.

Web Interface for Requesting a Virtual Card Number

PURCHASE REQUEST
TEST ACCTS VCA 10118 • TEST MANAGER • 14000 CITI CREDIT WAY • JACKSONVILLE, FL 32256-6456

GENERAL REQUEST INFORMATION
Purchase Template: ALL PURCHASES
Purchase Type: ALL PURCHASES
Card Alias: Test Card Real Card Alias
Currency: U.S. DOLLAR - USD

PAYMENT CONTROLS
Currency Type: Card Alias Currency
Valid For (in Months): 24

OVERALL SETTINGS
Minimum Transaction Amount: 1,000.00
Maximum Transaction Amount: 2,000.00
Start Date: 06/15/2016
End Date: 06/20/2016
Time Zone: (GMT-5:00) EST

EXACT AMOUNT RANGE CONTROL
Minimum Transaction Amount: 1,000.00
Maximum Transaction Amount: 2,000.00

VALIDITY PERIOD CONTROL
Start Date: 06/15/2016
End Date: 06/20/2016
Time Zone: (GMT-5:00) EST

VELOCITY CONTROL
Time Period: Continuous
Cumulative Limit: 5,000.00
Maximum Number of Transactions: 0

1. Input payment details and set controls

SUPPLIER DETAILS
Supplier: VALUED SUPPLIER
Email Address: supplier@email.com
Instantly email VCN details to supplier upon approval? YES

CUSTOM DATA FIELDS
Purchase Type: ALL PURCHASES
Arrival Date: (Data Type: Date - Date Format: YYYY-MM-DD)
Comments: (Data Type: Alphanumeric - Field Length: 80)
Cost Center: (Data Type: Alphanumeric - Field Length: 80)
Departure Date: (Data Type: Date - Date Format: YYYY-MM-DD)
G. Code: (Data Type: Alphanumeric - Field Length: 80)
Invoice 1 Date: (Data Type: Date - Date Format: YYYY-MM-DD)
Invoice 1 Details: (Data Type: Alphanumeric - Field Length: 80)
Invoice 1 Number: (Data Type: Alphanumeric - Field Length: 80)
Invoice 2 Date: (Data Type: Alphanumeric - Field Length: 80)
Invoice 2 Details: (Data Type: Alphanumeric - Field Length: 80)
Invoice 2 Number: (Data Type: Alphanumeric - Field Length: 80)
Invoice 3 Date: (Data Type: Alphanumeric - Field Length: 80)
Invoice 3 Details: (Data Type: Alphanumeric - Field Length: 80)
Invoice 3 Number: (Data Type: Alphanumeric - Field Length: 80)
Invoice 4 Date: (Data Type: Alphanumeric - Field Length: 80)
Invoice 4 Details: (Data Type: Alphanumeric - Field Length: 80)
Invoice 4 Number: (Data Type: Alphanumeric - Field Length: 80)
Purchase Order Number: (Data Type: Alphanumeric - Field Length: 80)

2. Add required/optional custom data fields that are linked to the purchase type

Optionally, if the request is over the value for the group, it is sent for approval

Purchase Request Status: Approved

VIRTUAL ACCOUNT DETAILS
CITIBANK CORPORATE CARD
XXXX XXXX XXXX 8476
Expiry 06/18
TEST ACCTS VCA 10118 TEST MANAGER
MasterCard

Virtual Card Number: XXX XXX XXX 8476
Expiry Date (MM/YY): 06/18
CVC: 205
Cardholder Name: TEST ACCTS VCA 10118 TEST MANAGER
Cardholder Address: 14000 CITI CREDIT WAY JACKSONVILLE, FL 32256-6456

GENERAL REQUEST INFORMATION
Purchase Template: ALL PURCHASES
Purchase Type: ALL PURCHASES FOR PVT
Card Alias: Test Card Real Card Alias
Currency: U.S. DOLLAR - USD

PAYMENT CONTROLS
Currency Type: Card Alias Currency
Valid For (in Months): 24

3. Receive Virtual Card Number immediately (or after optional approval)

Secure Email Delivery

Virtual Card Numbers and remittance data are automatically sent to suppliers via secure email.

- Secure, encrypted email sent to supplier email address at the time of card creation
- Email address can be specified as part of a VCN request or maintained with Citi
- Clients can customize their email template
 - Choose which fields to display
 - Custom subject line
 - Custom “from: email address”
 - Custom email footer
 - Contact address for non-delivery notifications

Secure Email Delivery (Sample)

From: accountspayable@anycorp.com

Subject: Virtual Card Payment from Any Corp

Dear Widget Group, Inc.,

This is a notification of payment details from Any Corp, Inc:

Account Number:	5400-4444-5555-2345
Exp date:	08/11
CVC2:	333
Valid To:	07/15/11
Amount:	\$3065.25

Custom Data Fields

Payment #:	0615-WIDG-AA
Customer #:	ANYCORP2
Invoice 1:	INV001
Invoice 2:	INV002
Note:	Applied early pay discount

This virtual card number has been provided by Any Corp, Inc for a single payment the invoices listed above. Please call 800-555-1234 for additional information about the Any Corp virtual card program or to update your contact information. Do not reply to this email.

Virtual Card Accounts Reporting

VCA can enhance standard Commercial Cards transaction data, enriching and simplifying your analysis, allocation, and reconciliation processes.

Reporting

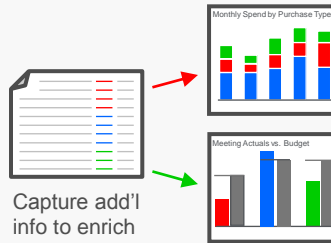


For Each Transaction:

- Rich Commercial Card Transaction Data
- **Virtual Card Number**
- **Client Custom Data Fields**

- Combine standard Commercial Card transaction data with virtual card number and custom data fields
- Capture custom data fields at time of card creation for later reporting
- Create custom reports tailored to your program

Data Analysis



Capture add'l info to enrich data analysis

- View trends, monitor spending patterns, and track goals of your card program
- Track requestor, reason for purchase, meeting ID, project ID, etc. to enrich data analysis
- Example Use: Track actual meeting spend vs. budget

Allocation

Record accounting codes up front

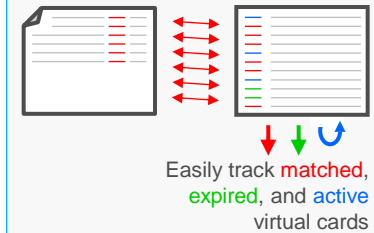


Use this data to automatically allocate to the proper GL

- Allocate transactions to the correct accounting codes and cost centers
- With VCA, record accounting codes or requestor information at time of payment
- Automate or simplify expense allocation
- Sample custom data: GL code, cost center

Reconciliation

Match transactions to payment instructions by **invoice or ref #**



Easily track **matched**, **expired**, and **active** virtual cards

- Leverage invoice, payment reference, or order numbers to identify transactions
- Match transactions automatically with purchase/invoice documents to track payment status
- Sample custom data: invoice number, PO number

Virtual Card Reporting

Virtual Card Accounts: Sample Reporting Data

Use custom data fields – such as Invoice Number, Requestor Name, or Meeting ID – to monitor and track spend for your program.

SHARED REPORTS	MY REPORTS	CREATE REPORT	MY SUBSCRIPTIONS	HISTORY LIST	PREFERENCES
--------------------------------	----------------------------	-------------------------------	----------------------------------	------------------------------	-----------------------------

[Citibank Commercial Cards Reporting System](#) > [My Reports](#) > **Virtual Card Sample Transaction Report**

Account Number (Short)	Merchant Name	MCC	MCC Description	Transaction Amount	Merchant Country Code	Transaction Currency Code	Transaction Date	Transaction Reference Number	Virtual Card Number	Virtual Card - Label 1	Virtual Card - Data 1	Virtual Card - Label 2	Virtual Card - Data 2	Virtual Card - Label 3	Virtual Card - Data 3
004513	121 PARIS HOTEL	7011	Lodging - Hotels, Motels, Resorts - Not Elsewhere Classified	6756	FR	EUR	8/10/2011	10603472	5124896753925841	Purchase Type	Hotels	Requestor Name	John Dover	Meeting ID	6670
636561	STAPLES 00108381	5943	Office, School Supply, and Stationery Stores	8.69	US	USD	3/22/2011	10603472	5124896753925841	Purchase Type	Meeting & Event Planning	Requestor Name	Roger Ferguson	Meeting ID	4852
636561	1-800-FLOWERS.COM,INC.	5992	Florists	99.97	US	USD	3/26/2011	54256315	5124896753925841	Purchase Type	Meeting & Event Planning	Requestor Name	Patricia Kimber	Meeting ID	4852
636561	WM SUPERCENTER	5411	Grocery Stores and Supermarkets	11.42	US	USD	7/14/2011	10603472	5124896753925841	Purchase Type	Meeting & Event Planning	Requestor Name	George Smith	Meeting ID	6670
004513	RIUSA II S A	5964	Direct Marketing - Catalog Merchants	758.16	ES	EUR	8/16/2011	85418361	5856942319678231	Purchase Type	Meeting & Event Planning	Requestor Name	Jane Jones	Meeting ID	7104
001532	COMFORT INN	5812	Lodging - Hotels, Motels, Resorts - Not Elsewhere Classified	550	GB	GBP	8/10/2011	25536062	5963214785536946	Purchase Type	Hotels	Requestor Name	Roger Ferguson	Meeting ID	6670
636561	CROWNE PZA VILLAHERMOS	7011	Lodging - Hotels, Motels, Resorts - Not Elsewhere Classified	172.69	MX	USD	8/6/2011	10603472	5132987654357694	Purchase Type	Hotels	Requestor Name	Alexander Lee	Meeting ID	4852
636561	WHOLESALE SUPPLIES PLU	5970	Artists Supply and Craft Shops	33	US	USD	8/3/2011	55425631	5132987654357694	Purchase Type	Meeting & Event Planning	Requestor Name	Jane Jones	Meeting ID	7104
636561	TARGET 00006452	5310	Discount Stores	370	US	USD	3/18/2011	55425631	5132987654357694	Purchase Type	Meeting & Event Planning	Requestor Name	Patricia Kimber	Meeting ID	7104

Standard Commercial Card Transaction Reporting Data Elements

Additional VCA Reporting Elements:
Virtual Card Number & Custom Data (e.g. Purchase Type, Requestor Name, Meeting ID)

Citi Virtual Card Accounts - Other Use Cases

Virtual Cards can be used for an array of payment needs, improving operational processes, customer service, and experience while generating profit.

- **Distressed Customers**

- **Need:** Provide immediate payment to customers, avoiding invoicing and reimbursement

- **Solution:** Integrate VCA into systems to provide customers real-time secure and controlled payment

- **Example:** Airline Vouchers, Roadside Assistance

- **Meetings and Events**

- **Need:** Manage and pay for internal meeting and event costs

- **Solution:** Use VCA to ensure controls on meeting and event spend

- **Example:** Client Conferences, Trade Shows, Internal Events



- **E-Catalogue**

- **Need:** Improve payment process for catalogue suppliers

- **Solution:** Integrate VCA into e-catalogue systems to immediately send VCA payment to suppliers at the time of purchase order

- **Example:** API integration with Perfect Commerce, Ariba, etc.

- **Third Party Payments**

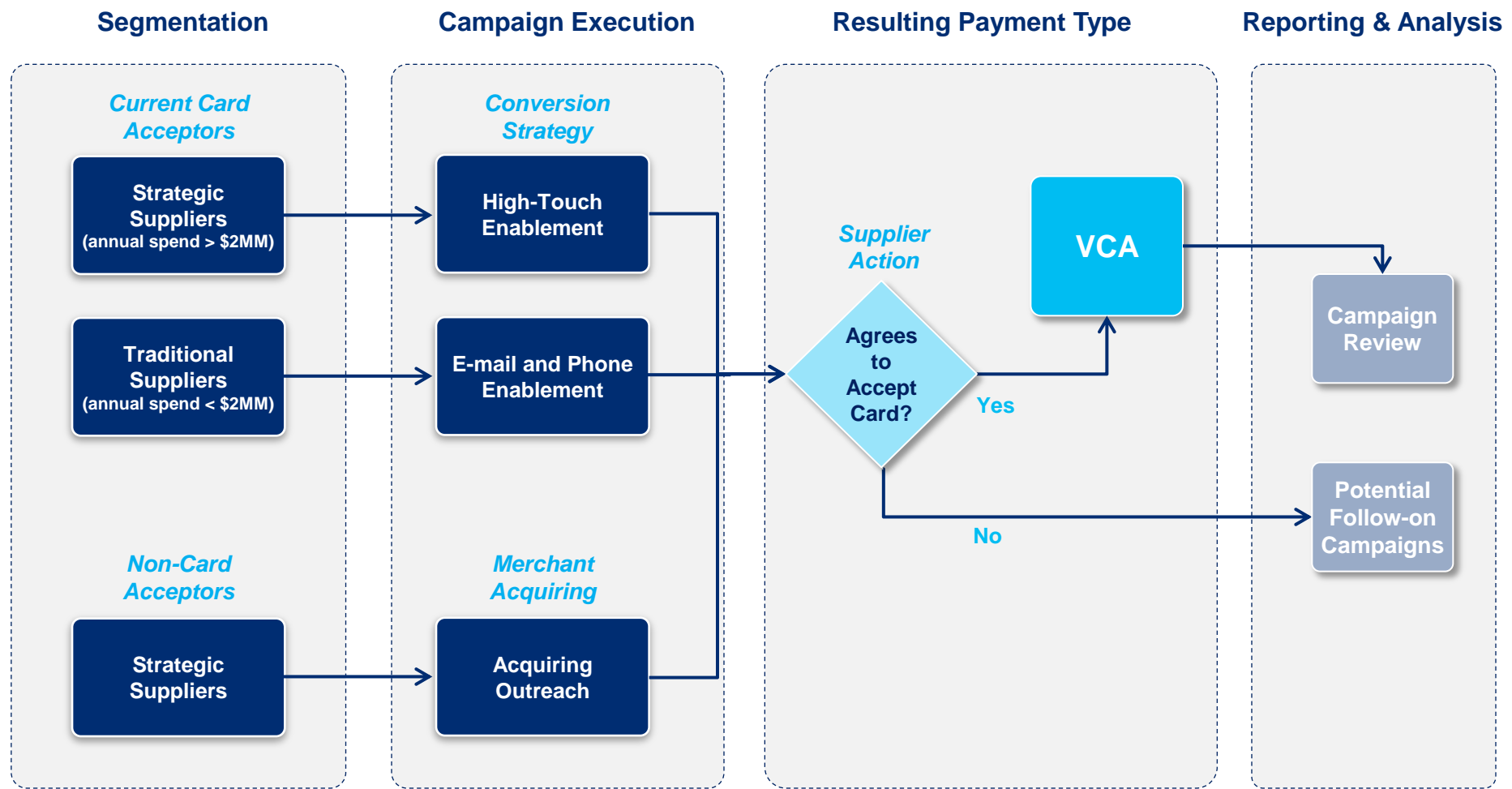
- **Need:** Improve processes to receive and settle invoices to third party

- **Solution:** Allow third party to generate virtual cards for payment while eliminating invoice process

- **Example:** Property Management, Advertising, Transportation

Supplier Outreach Plan

Citi's holistic, results-oriented approach helps drive supplier adoption and optimize our clients' working capital and financial benefits by executing on the supplier-segmentation strategy outlined via Citi Working Capital Analytics.



Campaign success is strongly driven by the client's incentives to suppliers.

Virtual Card Accounts for Accounts Payable: Suite of Solutions

Citi has combined a wealth of capabilities to develop an integrated virtual card file-based solution focused on successful execution and program optimization.

Working Capital Analytics

- Proprietary analytics platform to identify **financial opportunities** and **optimize payment strategies** in your accounts payable
- **Supplier segmentation** methodology to ramp up conversion and card spend

File-Based Connectivity and Payment

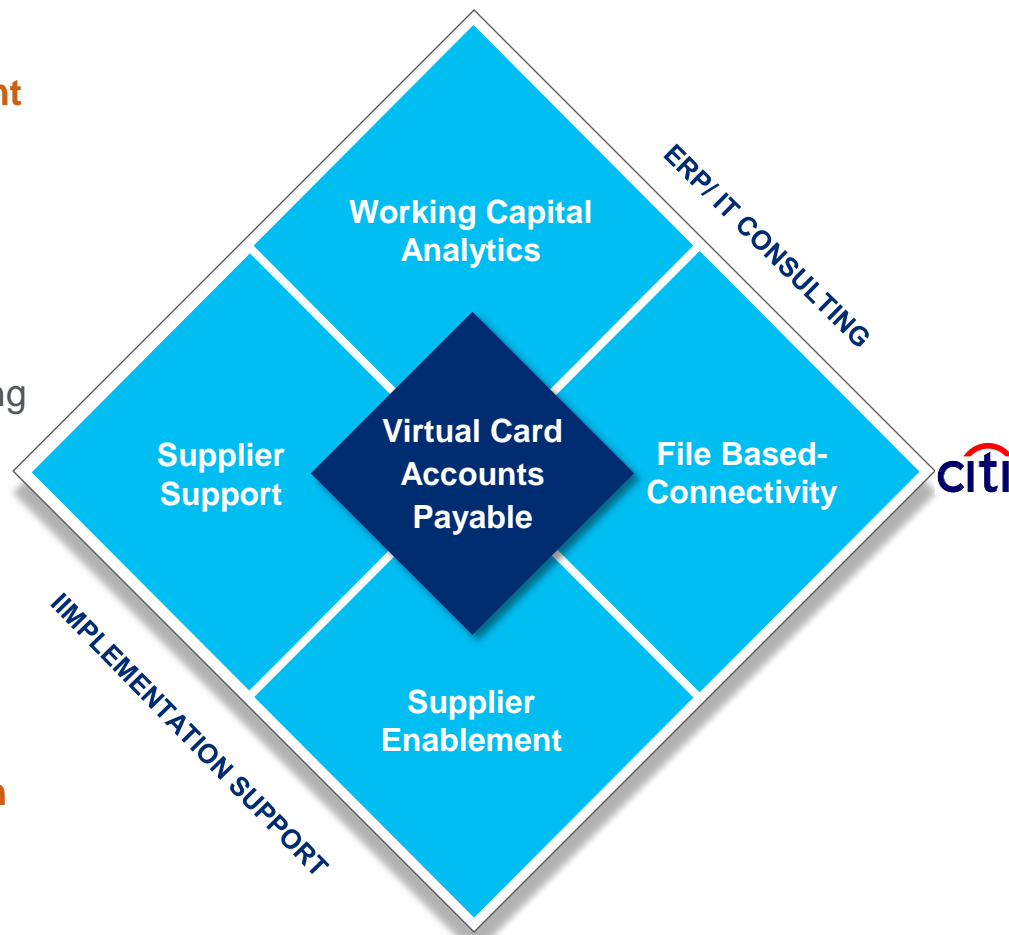
- Process card based payment method leveraging existing file processes
- **Solution flexibility** to adapt to our clients' existing systems and business processes

Supplier Enablement

- **Dedicated team** to manage supplier outreach
- Ability to leverage multiple financial and **operational levers to help increase adoption**

Supplier Support

- Supplier **support and self-servicing solutions** to provide ongoing operational support



Citi Supplier Enablement Services

Citi's experienced enablement team designs and executes customized vendor outreach campaigns to maximize adoption and growth of our client's VCA programs.



- ✓ **Tailored supplier targeting** via Citi Working Capital Analytics, a proprietary platform to identify financial opportunities and optimize payment strategies
- ✓ **Dedicated enrollment experts** trained to maximize program effectiveness while minimizing client effort and supplier impact
- ✓ Co-branded marketing materials for **customized communication** and message delivery to suppliers
- ✓ **Supplier self-servicing solutions** to securely manage payment info
- ✓ **Robust reporting** to ensure visibility into campaign progress
- ✓ **Best-in-class merchant-acquiring partners** to onboard vendors not yet accepting card payments; same or next business day onboarding

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