

 PROCURA_{LLC}

White Paper

 **Purchase** ONE

The Smart Way to Automate, Purchase, and Pay

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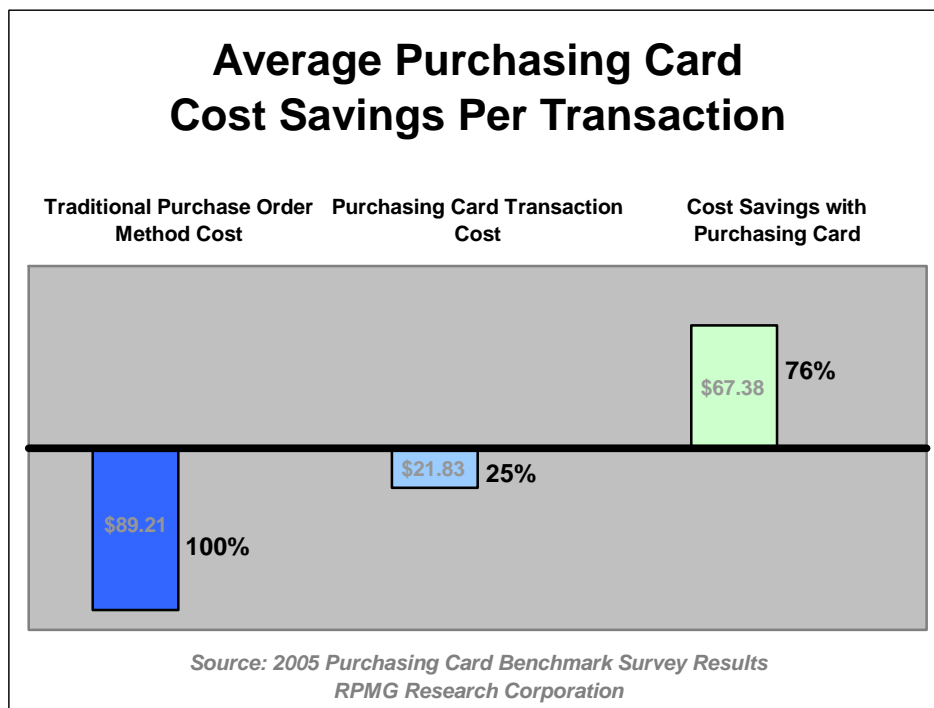
Executive Summary

Your Credit Union can positively impact its bottom line, and in turn, that of your members, by implementing Purchase One. Purchase One is the cutting-edge Purchasing Card program created for Credit Unions, by Credit Unions.

Implementing Purchase One will provide an opportunity for your Credit Union to:

- Increase Operating Efficiency (average 76.1% cost savings per transaction¹)
- Earn 10-100 bps Rebate Based on Total Purchase One Spend
- Optimize Cash Flow - increase float on capital by up to 37 days
- Improve Purchasing Controls
- Automate Transaction Reconciliation/Financial Systems Integration
- Sharpen Management Visibility into Spending Activity

Your Credit Union may also dramatically increase rebate revenues, enhance your business product line, and better compete with banks by reselling Purchase One to your Business Members, Sponsors, and SEGs.



¹RPMG Research Corporation, "2005 Purchasing Card Benchmark Survey Results", 2005

Opportunity Overview

Procura, LLC, partnered with AOC Solutions, will provide Purchase One, the Credit-Union-issued Visa Purchasing Card program plus web-based technology to your Credit Union. Your Credit Union can pay many of your Visa-accepting vendors via Purchase One instead of checks or ACH.

By replacing current purchasing and payment processes with Purchase One, your Credit Union may cut costs by eliminating costly checks, reducing invoice processing, and automating reconciliation, while maximizing float time on funds, and increasing purchasing controls and management visibility into spending. Procura also provides an opportunity for your Credit Union to earn up to 100bps on payments made to your vendors via Purchase One, based on program spend volume.

Your Credit Union may use Purchase One for any or all of the following:

- Procurement
- Accounts Payable Invoice e-Settlement
- Travel and Entertainment

Your Credit Union may also opt to provide Purchase One to your Business Members. Procura will aggregate spend across all of your Purchase One programs, and your Credit Union may share part of your aggregated rebate earnings with your SEGs, Sponsors, and Business Members that use Purchase One.

Advanced Purchase One Features

E-Purchasing System

- Issue \$0 cards. Exact funds apply instantly to card through the Visa network upon appropriate CU signor's approval of electronic cardholder Request.
- Supports multi-level purchasing approval hierarchies.
- Makes purchasing approvals electronic and fast.
- Increases purchasing controls and audit trail.
- Requests + need-based dynamic card funding eliminate need for petty cash.
- "One-Time-Only" Pay offers ability for approved request to generate one-time-only-use card account number for even greater control & security

Automated Accounts Payable Invoice Settlement with EAP™

- Automatically settle payment of invoices from your A/P system electronically, through the Visa network.
- Pay A/P vendors on payment terms date or earlier; yet cash doesn't leave your account until you pay your Purchase One bill - up to 37 days later.
- Capture large/recurring payments to strategic vendors on Purchase One program; remittance advice is automated via email
- Increase program rebate potential and keep A/P controls in place where needed.

Enterprise-Level Travel & Entertainment Features

- Create online expense reports.
- Automated reconciliation eliminates manual journal entries.
- Daily transaction feed eliminates last-minute reconciliation.
- Includes out-of-pocket expense reimbursement support with mileage-reimbursement calculator.
- Workflow enables online managerial and accountant review of cardholder expense reports with multiple review levels.
- Online receipt imaging allows receipt image to follow online workflow.
- Issue \$0 cards to infrequent travelers; use electronic managerial pre-trip approval to instantly and automatically add necessary funds to card.
- Includes Visa Travel Accident, Car Rental Damage, and Lost Baggage Insurance.

Basic Purchase One Features

Automated Reconciliation Integrated with Financial Systems

- Custom G/L interface eliminates manual journal entries (financial system must be able to accept import files).
- Default allocation mappings automate transaction coding.
- Post-purchase transaction-review workflow allows multiple levels of review/reallocation.
- G/L Menu provides pull-down menu of available G/L values & descriptions.
- Automated validation checking prevents incorrect coding.
- Online receipt imaging allows receipt image to follow online workflow.

Timely Reporting

- Daily transaction feed from Visa ensures up-to-date visibility for risk minimization; better budgeting, planning.
- Access 7 years' history for audit purposes (2 years online; 5 years archived).
- Provides a wide variety of standard reports including spend & audit reports.
- Create/save/share configurable reports for additional reporting needs.
- Captures enhanced Visa Purchasing Card data.
- Reports may be scheduled & automatically emailed to correct recipients.

Visa Purchasing Card Program with Realtime Online Technology

- Control card merchant limits, single transaction limits, transaction velocity limits, and credit limits in real time.
- Web-based - no hardware or software to implement or maintain.
- 30-day billing cycle + 7 additional days to pay.
- Includes Visa Corporate Liability Waiver (\$100,000 per cardholder) coverage for internal-employee misuse, in addition to protection from external fraud.
- Your Credit Union logo on Purchase One cards.

Implementation

Purchase One requires no hardware or software implementation. Implementation timeframe varies, but is typically 30-60 days. Upon completion of contract signing and processing:

1. Implementation engineer is assigned to CU.
2. Pre-implementation kickoff call is scheduled to confirm objectives, strategy, and target go-live date, and to schedule weekly team conference calls.
3. On weekly calls, team reviews implementation workbook, in which CU provides data to configure Purchase One application.
4. Procura builds & tests program in QA environment.
5. CU reviews/signs off on program prototype.
6. Procura/AOC/CU build mapper for G/L import.
7. Procura deploys program to production environment and orders cards.
8. Training for administrators, accountants, and CU trainer.
9. CU issues cards to cardholders.
10. Program go-live.

Account Development Program

Procura provides the following Account Development Program as an optional resource for Purchase One member Credit Unions that are committed to growing their programs:

10 Steps to Success Plan

1. Contact Procura for Account Development Manager assignment.
2. Account Development Program Kickoff Call
 - a. Program Administrators & Executive Sponsor attendance preferred
 - b. Describe program: objective; program elements
 - c. Program Administrators & Executive Sponsor commit/no commit
 - d. Schedule regular conference calls
3. Vendor Analysis
4. Vendor Analysis Review
 - a. Executive Sponsor attendance preferred
 - b. Compare current progress with initial implementation plan
5. Set Spend Volume/Check Reduction/Invoice Reduction Target(s)
 - a. Set Year 1 Target
 - b. Set Quarterly Target
6. Account Development Project Plan
 - a. Account Manager prepares & presents
 - b. Identify target vendors
 - c. Instruct CU on tracking/reporting actual vs. targets
7. Customized Account Development Toolkit
 - a. Cooperative Account Development process
 - b. Purchase One Vendor Payment Support Materials
 - c. Coaching: Credit Union vendor notification strategy/procedure
8. EAP Vendor Notification (for CUs using EAP only)
 - a. Customized vendor-notification service
 - b. Account Manager will contact/notify subset of Credit Union's vendors in increments of 10 and gather necessary data
 - c. Upon successful vendor notification, Credit Union to begin vendor payments via Purchase One
9. Annual Executive Review Teleconference
 - a. Review program statistics
 - b. Compare program actuals with targets
 - c. Identify next growth opportunities
10. Annual Vendor Data Reanalysis

Rebate Schedule

Procura, LLC shares revenue with your Credit Union in the form of a tiered rebate schedule based on program quarterly spend volume. Rebate level applies to total volume at each threshold (total purchases less any outstanding, credits, disputed items, charge-offs and/or fraudulent transactions). Rebate is paid within 60 days of quarter-end. The Purchase One rebate schedule was built in the Credit Union spirit - we share more than banks do! Please contact us for specific rebate tier payout amounts.

| Quarterly Net Spending Ranges | Basis Points |
|-------------------------------|---------------------------------------|
| Less than \$625,000 | Please contact us for rebate amounts. |
| \$625,000 to \$1,249,999 | Please contact us for rebate amounts. |
| \$1,250,000 to \$2,499,999 | Please contact us for rebate amounts. |
| Greater than \$2,500,000 | Please contact us for rebate amounts. |

Program Providers



Procura, LLC is a Credit Union Service Organization comprised of the following organizations:



Procura, LLC partners for Purchase One are:



Put the power of Purchase One to work for you.

Call today:

(512) 231-2223
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