



Financial Flows

- ***High Level flow***
- ***1 On-line Item Cutoff***
- ***2 Invoicing***
- ***3 Accounts Receivable (A/R)***
- ***4 Vendor Accounts Payable (A/P)***
- ***5 Bank Reconciliation***
- ***6 ePayIT's Bank Processing***

ePayIT Financial

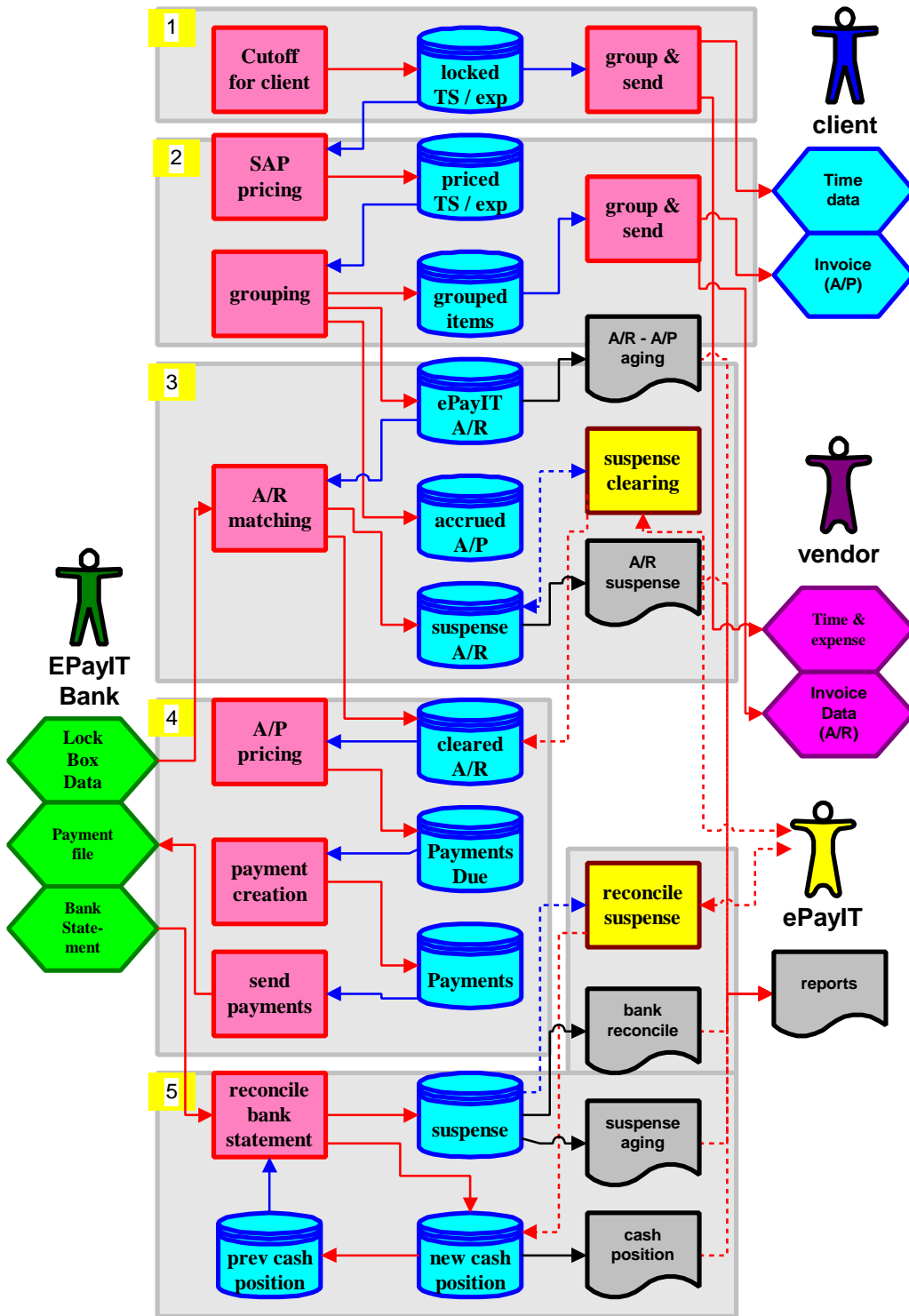
High Level Flow

invoice, A/R, A/P, reconciliation. *Example*

High Level Financial Flow

(begins after financial items are cut off)

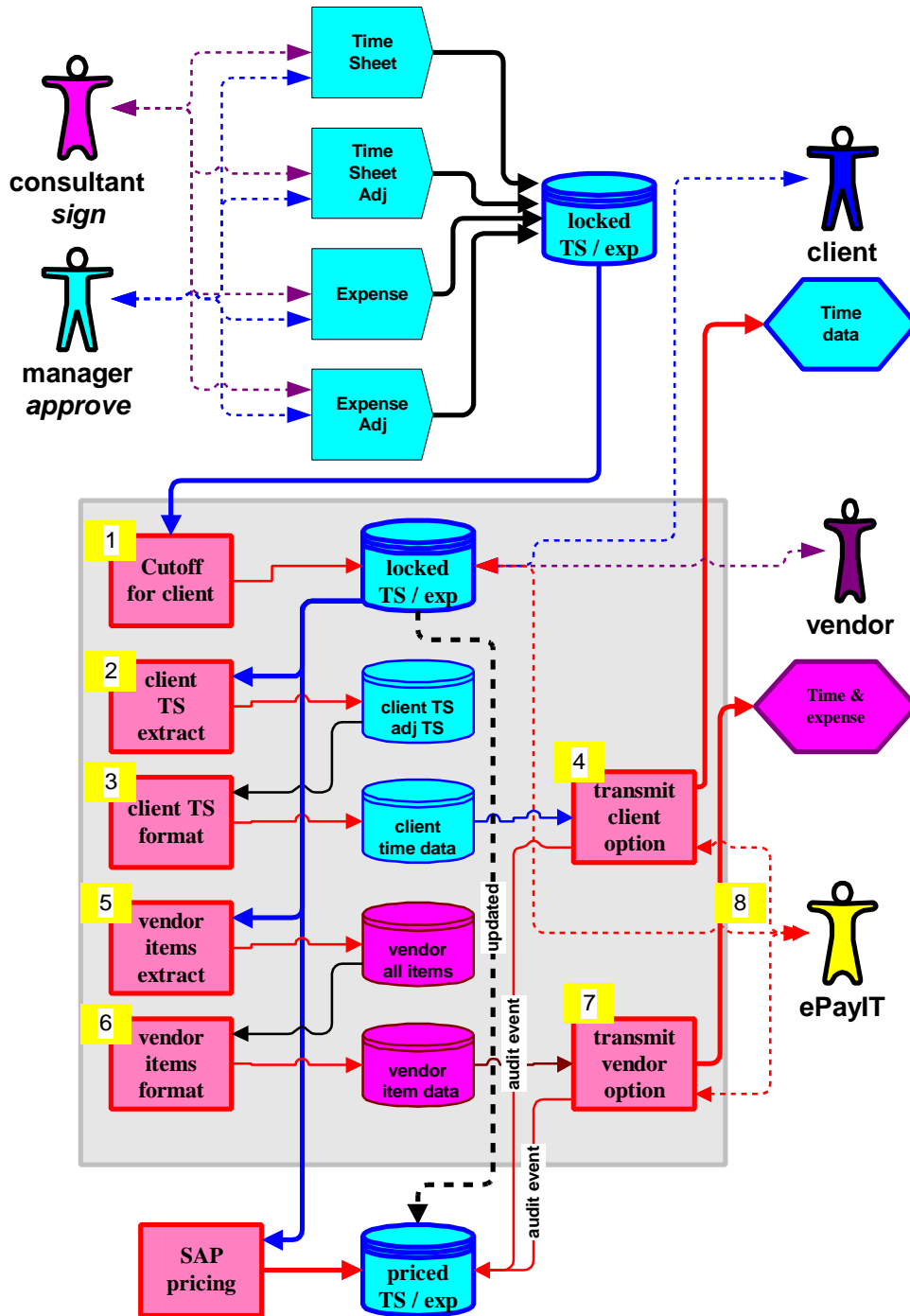
1. **On-Line Item Cutoff**
system event locks approved financial items by client items sent to customers for their internal use
2. **Invoicing**
assign prices to items
write prices into records
group priced items into consolidated bill items sent to customers for their internal use
3. **A/R**
receive bank lock box file of all payments received from clients
A/R matching process
close out paid items or discounts within range
suspense unknown items or not within range
provide suspense facilities of operations to clear items
4. **A/P**
create payment amounts for vendors based on receipts from client and discount to vendor
send payment instructions to bank
5. **Bank Reconciliation**
desposits to lockbox
cleared payments
account statement
provide suspense facilities for reconciliation



ePayIT Financial

1. On-Line Item Cutoff

TS, exp, adj - format, transmit *Example*

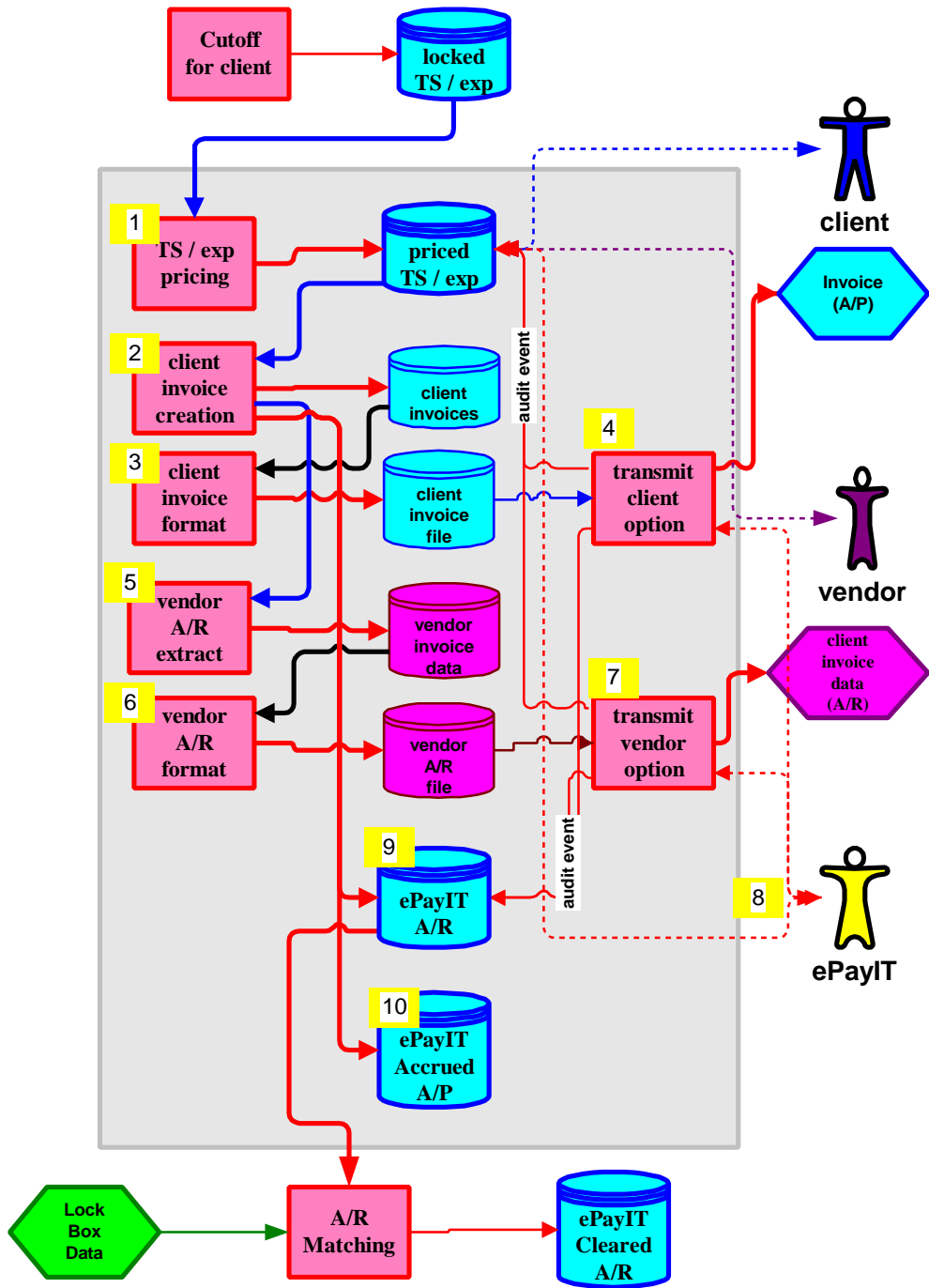


- 2nd Level Financial Flow - On-Line Cutoff**
(begins after financial items are approved by the Client Manager)
- 1. On-Line Item Cutoff**
system event locks approved financial items by client batch cutoff runs once per day each client selects the day for their weekly cutoff
 - 2. Client TS Extract**
batch extract runs each day extracts TS in the locked status. each client sets a schedule for receiving TS for internal use
 - 3. Client TS Format**
agreement with client on format of data data translated for transmission or download or for screen print
 - 4. Client Transmission**
agreement on: a) type of DC, time available, frequency, retransmissions.
 - 5. Vendor Item Extract**
similar to 2, but includes all payable items: TS, Exp and adjustments
 - 6. Vendor Item Format**
similar to 3
 - 7. Vendor Transmission**
similar to 4
 - 8. ePayIT monitoring**
transmission monitoring transmission rescheduling data available

ePayIT Financial

2. Invoicing

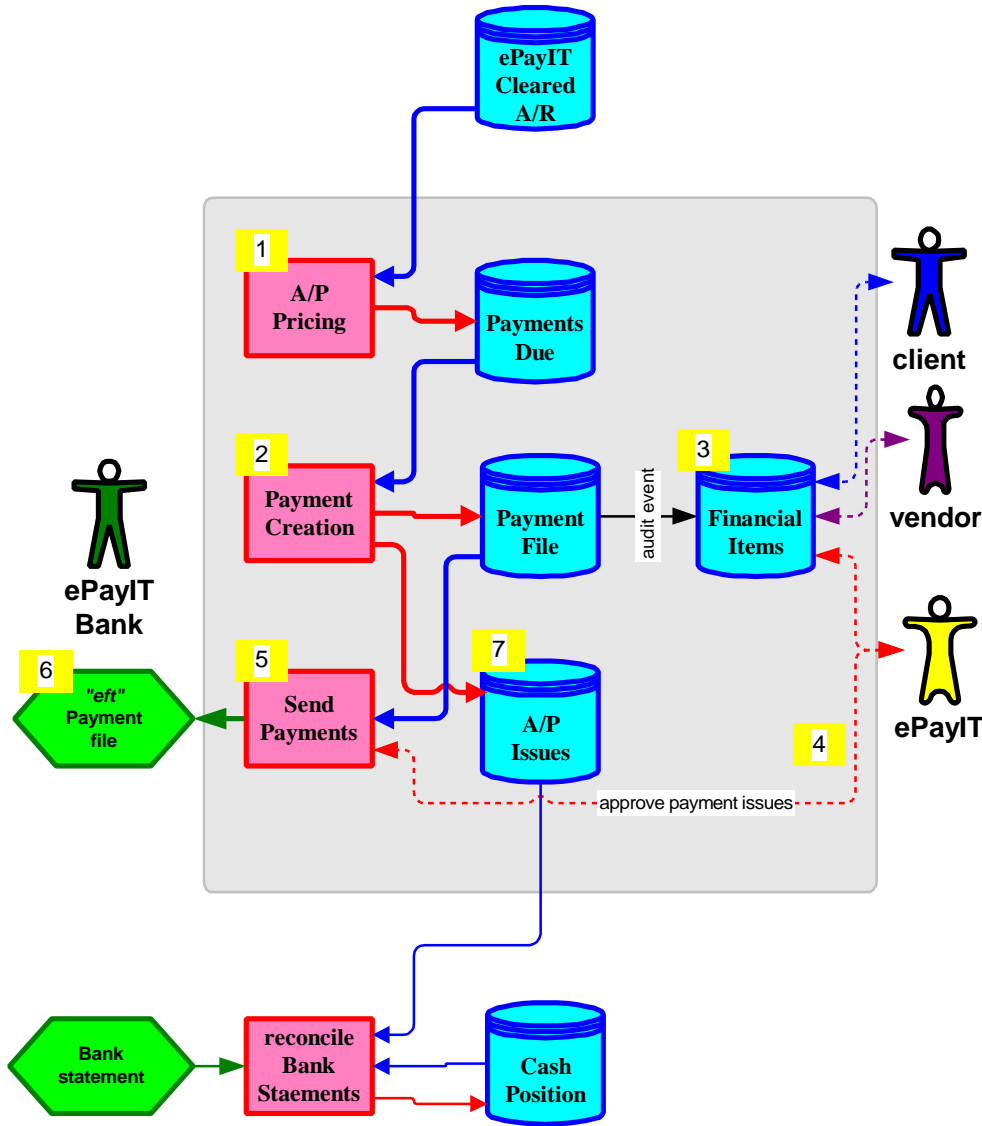
price, group, format, transmit *Example*



- ### 2nd Level Financial Flow - Invoicing
- (begins after on-line cutoff by the system)
1. **TS Pricing**
system event prices unpriced TS by client, prior to invoicing batch pricing runs once per day each client selects the timing of their invoicing
 2. **Client Invoice Extract**
batch extract runs each day extracts invoice items in the priced status. each client sets a schedule for receiving invoices
 3. **Client invoice Format**
agreement with client on format of invoice data translated for transmission or download or for screen print
 4. **Client Transmission**
agreement on: a) type of DC, time available, frequency, retransmissions.
 5. **Vendor A/R Extract**
similar to 2, but uses all invoiced items to client
 6. **Vendor Item Format**
similar to 3
 7. **Vendor Transmission**
similar to 4
 8. **ePayIT monitoring**
transmission monitoring
transmission rescheduling
data available
 9. used in A/R process
 10. used to forecast A/P

ePayIT Financial

4. Vendor Accounts Payable (A/P) timing / amount / "eft" creation *Example*



2nd Level Financial Flow - A/P

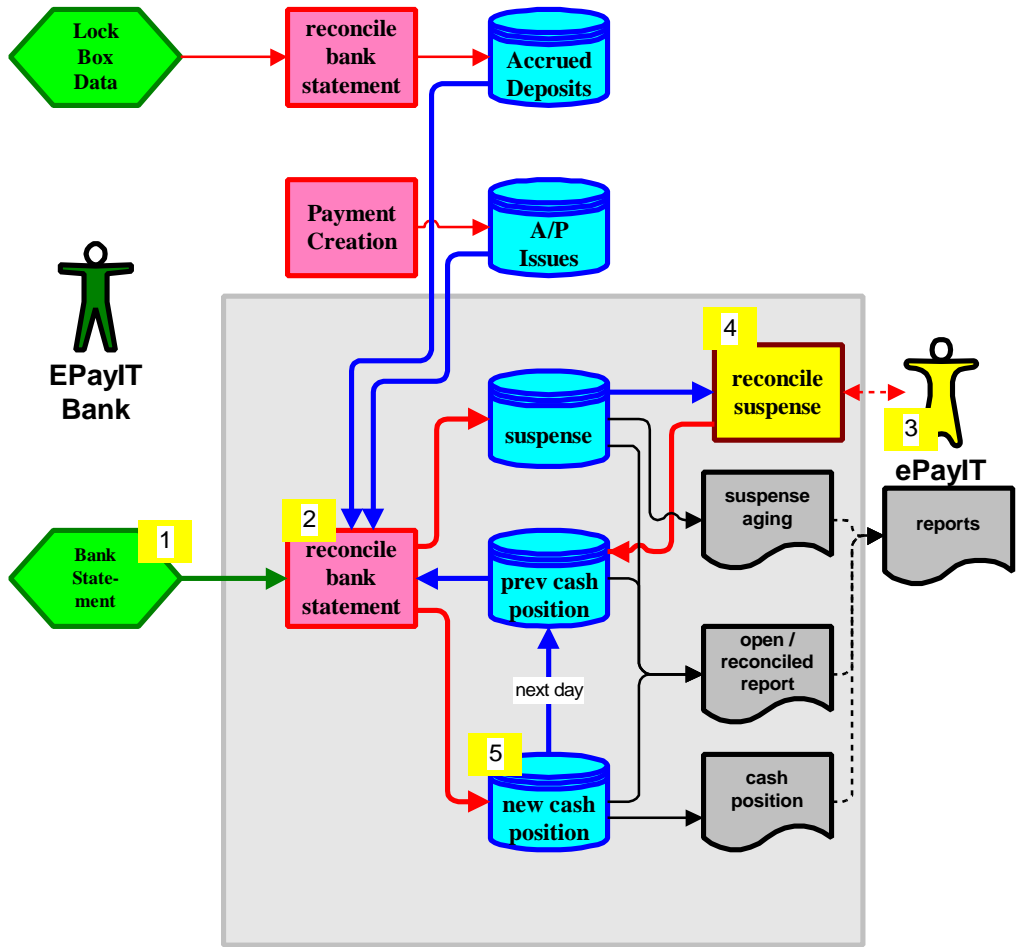
(begins after A/R payments are identified and applied)

1. A/P Pricing
cleared Items eligible to pay
apply discounts
add fee items
based on contract
2. Payment Creation
assign based on payment clearing,
agreed hold time in escrow
format to X12 820
format ... all eft..
detailed 820 linking back to item level from invoice data sent to vendors.
include markup in 820 for discounts, part=pays and reasons.
3. Financial Items
audit events back to item and invoice documents
4. ePayIT Payment Approval
interactive approval by ePayIT treasury of system created items and files.
ability to hold payments out of file
5. Send Payments
rolls payments into transmission files to bank.
approved items only included.
to meet bank cutoff times for eft (and wires if used)
6. ePayIT Bank Payment processing
processing according to agreed terms and schedule with bank
7. A/P Issues
items logged indicating out-standing payments.
out-standing payments reconciliation input.

ePayIT Financial

5. Bank Reconciliation

credits, debits, cash position. *Example*

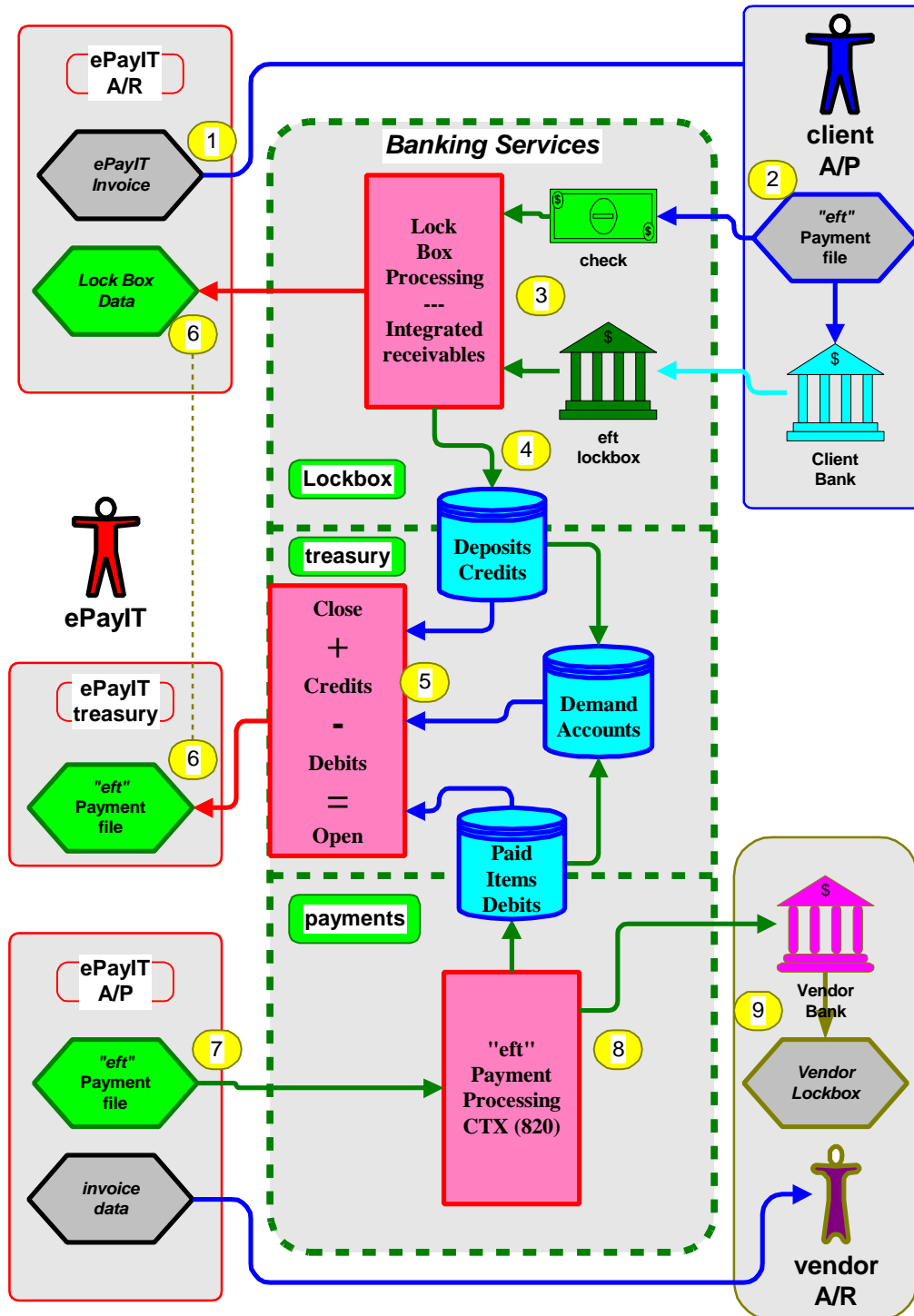


- ### 2nd Level Financial Flow - Bank Reconciliation
- (begins with daily receipt of electronic bank statement)
1. Receive electronic Bank statement
daily a.m. balances and transactions (not Lockbox data)
 2. Reconcile Bank Statement
prev balance + credits - debits = curr balance
accrued deposits to real deposits
A/P issues to payments
debits to total debits
credits to total credits
 3. ePayIT Interface
receive bank lock box file of all payments received from clients
reconcile mis-matches
handle bank interface and account adjustments
 4. Reconciliation
ID and correct mismatches
reconcile adjustments
 5. Cash Position
current position
investment
borrowing
trust?

ePayIT Financial - non-ePayIT flows and UC

6. ePayIT Bank's View

collections / disbursements / treasury *Example*



2nd Level Bank's View (ePayIT A/R, A/P and account reconciliation)

1. ePayIT A/R
create / send invoice
2. Client Payment
send payment and remittance data to ePayIT lockbox
3. Bank Lockbox
capture remittance data
combine paper & eft feed ePayIT A/R
4. Bank Deposit
deposit to match lockbox total
5. Daily Bank Statement
records deposits, paid items, adjustments
updates account balance
6. ePayIT Reconciliation
balance accounts
reconcile: deposit to credits, paid items to debits, new balance match A/R deposit to bank deposit for A/P
7. A/P Issues
calculate payment due
send eft file to bank
8. Bank Payment System
format and send eft payments
charge ePayIT account on settlement
9. Vendor A/R
receive and reconcile ePayIT payments