

# How Payment Technology Can Improve Cash Flow

BY MAKING IT EASIER FOR CUSTOMERS TO PAY THEIR BILLS

Utilities and municipalities today simplify bill payment for customers. One way to do this is to make it easier for customers to pay with cash.

Until recently, many of us thought cash would eventually be replaced by electronic payment methods. Yet there are still an estimated 68 million adults in this country that are unbanked, or underbanked. These consumers use cash almost exclusively to pay their bills. When you add in the number of Americans that prefer cash for security, privacy, or budget reasons, you end up with a large population that is best served by offering easy ways to process cash transactions.

As any organization knows, customer convenience and satisfaction are closely linked. By offering alternative payment options to serve your customers' needs, you are paving the way for higher bill payment rates and improved cash flow for your organization.

Consumers from all demographics appreciate having multiple options when they have to pay their bills. In a recent survey on alternative payment solutions, customers expressed that they took advantage of cash options when offered, found them convenient and easy to use, and were satisfied with the process of paying cash.

**68**  
**Million Adults**  
are unbanked  
or underbanked\*



**Your organization can accept cash payments at over 7-Eleven, Family Dollar, and ACE Cash Express stores.**

These locations handle the transaction for you. They handle all the expense and risk associated with cash collection, all at an off-site location near where your customers live and work.

You get to offer your customers cash payment options at convenient neighborhood locations, without the expense of additional staff at your service counters or the headache of operating stand-alone payment kiosks. In return, your customers get a fast and convenient way to pay their bill on their own schedule.

*“It was fast  
and easy!”*



# Customers Prefer Additional Payment Locations

In an effort to find out more about what the customer wants, a California municipality and PayNearMe **conducted a survey** of their customers after they began offering cash payment services at 7-Eleven stores in the area.

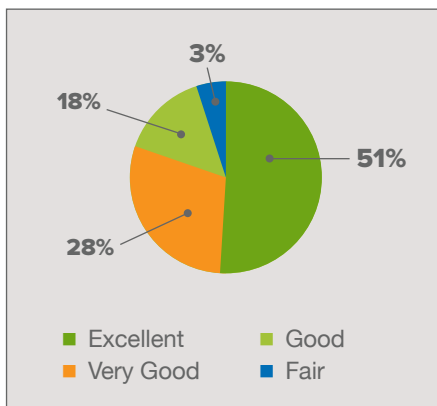
*a whopping*  
**23%**  
of customers responded to the survey

and the feedback was **in favor** of the new payment option.

## Customer Rating

### VERY POSITIVE

In this survey, customers rated their water experiences using PayNearMe to pay their bill with cash. 51% of the respondents rated their experiences as Excellent, 28% rated them as Very Good, and 18% rated them as Good, totaling **97% happy customers**.



## Customer Notification

### BARCODE ON BILL

It was easy and affordable to get the word out to customers about this new payment service. In addition to the flyers and posters in the municipality’s office, every monthly utility bill had a printed notice added on page one, along with the barcode needed to use PayNearMe.

When asked how they found out about this new way to pay, nearly two thirds of customers discovered PayNearMe from the same utility bill they receive every month.

- » 60% of customers responded that they saw the information on their bill.
- » 14% found out from lobby posters.
- » 13% from city employees, and the rest came from other sources.

## Customer Comments

Customers love paying their bills with PayNearMe.

- “It was fast and easy!”
- “I like to pay at 7-Eleven because it’s open 24 hours and weekends.”
- “They are familiar with what to do, and take care of processing quickly and efficiently.”
- “Thank you for the convenience.”

PayNearMe saves customers time by allowing them to take care of their bill in less than a minute. They also receive notifications of their payments via email or text message, (as long as they’ve provided the information to PayNearMe.) It’s a WIN-WIN for everyone.

*“Very convenient when the office is closed.”*



# The Problem with On-Site Cash Payments

**“As the economy changed, it was clear that the services we offer our community needed to change too.**

It became increasingly important to offer cash alternatives to the traditional payment avenues. Feedback from residents resoundingly shows that it has made their lives so much easier.”

—Wade Brown, Financial Services Manager for the City of Fairfield

**In the past,** customers who paid cash generally went to a utility’s or municipality’s office so they could pay at the customer service counters in their buildings. These counters are also there to assist their customers with any issues that come up. Customer service counters cost a lot to keep open, however. Cash transactions are time consuming, and tie up your staff when

they could be helping customers with other issues. Dealing with cash transactions also means accountability and security issues, along with processing bank deposits.

Customers don’t want to wait in line to pay their bill with cash, either. They have better things to do with their time. Both of these cost you time and money.

As noted in the survey, you still need to be able to offer your customers a way to pay in cash.\* No matter what their reason, *nearly one quarter of all people nationwide still prefer to pay in cash.* To offer cash payments in a way that’s beneficial to both your customer and your own organization, you can start accepting payments at convenient local places of business like those that partner with PayNearMe.

\*Source: [http://www.huffingtonpost.com/2012/06/07/credit-card-payments-growth\\_n\\_1575417.html](http://www.huffingtonpost.com/2012/06/07/credit-card-payments-growth_n_1575417.html)

**“Our goal is to provide the best customer service possible.** A portion of our customers still pay in cash, and our partnership with PayNearMe will create convenient remote payment locations. We are excited about this new service because it improves access to quick and easy payment options for our customer with minimal implementation requirements on our part.”

—David Guhin, Director of Utilities for the City of Santa Rosa



# PayNearMe – An Ideal Solution for Remote Cash Payment Acceptance

## How it Works




Once you sign up with PayNearMe, you will give your customers a barcode by printing it straight on their existing monthly utility bill, emailing it to them, or sending it to a smart phone. (refer to next page for details on EBRT integration.)

Those that choose to pay cash take their barcode to a participating payment location. Customers may use any of 17,000 payment location that accept PayNearMe to make payments at any time, without being locked in to a particular site. Because the barcode works anywhere, customers don't have to select a location

in advance. The payment process is the same no matter where they choose to go.

At the payment location, a store employee scans the barcode, and the customer pays their bill in cash. The employee then issues the customer a receipt for payment.

Finally, the store employee deposits the cash and it is sent directly into your bank account via ACH account the following business day. You are also notified of payments by email as they are made.

7-ELEVEN CASH-ONLY CONVENIENCE PAYMENT INSTRUCTIONS	
<p><b>Customer Instructions</b></p> <p>(1) <b>LOCATION:</b> If you prefer to pay in cash, bring this <u>entire</u> bill to a participating 7-Eleven location before the expiration date below the barcode to the right. Please visit <a href="http://www.paynearme.com/locations">www.paynearme.com/locations</a> to find a 7-Eleven near you.</p> <p>(2) <b>AMOUNT:</b> Tell the Associate the amount to LOAD to your account. A convenience fee applies.</p> <p>(3) <b>PAY:</b> Pay the desired amount and keep receipt as proof of payment.</p>	<p><b>Store Associate Instructions</b></p> <ol style="list-style-type: none"> <li>1. Enter Amount Customer Wants to Pay</li> <li>2. Press LOAD Button</li> <li>3. Scan Barcode</li> <li>4. Collect Cash Payment and Provide Receipt</li> </ol> <p>7-Eleven Support: 888-714-0004</p>   

Individualized PayNearMe Payment Codes can be printed directly on the customer's bill

## How PayNearMe Processes Cash Payments

PayNearMe payments can be processed in bulk (batch) or in real time (API), and the information is stored on your server. All deposits are made in a single ACH transaction into your account each day. You receive a detailed reconciliation file that shows each transaction. Plus, you can view the details of each transaction online at any time, making it easy to research payments as they occur.

Because your customers pay with cash, there is absolutely no risk of chargebacks, returns, or fraud. With PayNearMe, payment information is sent by secure FTP and HTTPS, with the necessary encryption and certificates to ensure safety of the information. Every precaution is taken to make sure that your customers' data, and your own, is protected during every step of the process.



# PayNearMe Integrates Seamlessly Into the Utility and Municipality Print and Mail Provider

No changes to your accounting system are necessary and you continue to get the daily accounts receivable file that your business processes are built around. Whether or not you already provide any cash payment options, your customers will appreciate our **convenient, lower cost approach**.

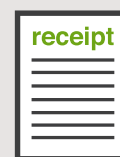
- » Print barcodes or alternate format payment instructions directly onto monthly bills, reminders, and delinquency notices with PayNearMe's Embedded Barcode Remittance Technology (EBRT).
- » Leverage our mobile technology to enable your customers to pay simply by presenting a barcode on their smartphone. The customer selects the mobile payment option and the cashier scans the smartphone for payment details prior to accepting cash.
- » Eliminate abandoned payment problems and escheatment costs as every token is linked with a specific customer account, ensuring that no payments are accepted unless they can be accurately posted.
- » Receive payment information in standard accounts receivable file for easy reconciliation.



- 1** Customer takes their bill – *which includes the PayNearMe PayCode* – to a participating 7-Eleven, Family Dollar, or ACE Cash Express store.



- 2** Customer hands their bill to the cashier, and pays with cash. The bill is imprinted with instructions for the cashier.



- 3** Municipality is immediately notified of customer's payment. Customer can keep their receipt as confirmation of payment.

“ **This was a really easy decision for us. We've seen how successful this service has been in other municipalities and it meets the needs of our cash-paying residents. The partnership between PayNearMe and InfoSend works amazingly well for everyone.**”

– **Robert Harmon**,  
Senior Accountant for the City of Tracy

# What You Can Expect with PayNearMe

## » **Less fraud**

Because it's cash, you don't have to deal with chargebacks or returned checks.

## » **Improved customer service**

Your walk-up customer service personnel will spend less time processing cash payments, allowing them more time to spend on resolving customer service issues.

## » **Money and time saved**

Add thousands of payment locations without overhead costs.

## » **Convenience for you...**

Another organization handles the payments, so you don't have to worry about staff or maintaining an office. You'll receive detailed accounting summaries, and won't have the headaches of accounting and depositing cash.

## » **...And your customers**

Your customers can use the service any time of the day or night near where they live and work, whenever it's convenient for them.

## » **Complements other payment systems**

PayNearMe integrates completely with your other payment systems. There's no need to give up anything you're already using. You can simply add this service to reach more customers, or to serve your existing cash paying customers more effectively.

## » **Increased cash flow**

Making it easy to pay with cash will lead to more on-time payments, allowing you to avoid the costs associated with late bills, second notices, and collections. Capturing cash payments at a low cost gives you a good return on your investment.

**In conclusion,** the benefits of offering your customers a choice to pay cash with PayNearMe makes this decision a "no-brainer" for any municipality or utility. Your customers benefit from the option to pay their bills in a way that fits their lifestyle. And since payment locations are widely available in most neighborhoods, your customers can truly pay almost anywhere.

This in turn benefits your organization with more on-time payments, increased cash flow, and cost savings. PayNearMe does all the work in accepting and processing your cash bill payments. You just collect the money in your account. To find out more about third party payments, contact PayNearMe today.

**PayNearMe** is the electronic cash transaction network that enables consumers to pay rent, transfer money, repay loans, buy tickets, make online purchases, and do much more with cash. Consumers can conveniently make payments on their own schedule and in their own neighborhood in less than a minute at one of more than 17,000 trusted locations including 7-Eleven®, Family Dollar®, and ACE Cash Express® stores across the United States.

