

# Card Acceptance Trends in Public Sector

- NYSAC Finance School
- Wednesday May 12th
  
- Robert K. Gongwer
- Brendan Baxter
- Amanda Earnshaw



A professional portrait of Dave Lucas, a middle-aged man with glasses, wearing a dark suit, light blue shirt, and red patterned tie. He is standing outdoors next to a light-colored stone wall. The background is slightly blurred, showing architectural details of a building.

**Dave Lucas**

*Director of Finance &  
Intergovernmental Affairs*  
NYSAC

## Speakers:

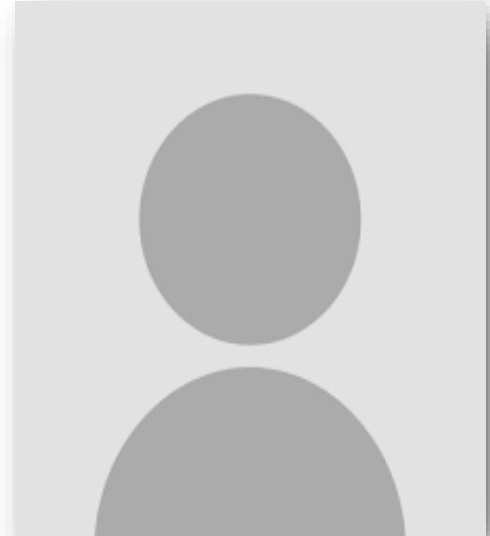
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**Brendan Baxter**  
Relationship Manager  
Key Public Sector  
Group



**Robert Gongwer**  
Vice President and  
Senior Payments  
Advisor



**Amanda Earnshaw**  
Vice President, Senior  
Payments Advisor,  
Enterprise Payments

# Today's agenda

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## Introductions

- Payment Modernization
- Card Acceptance Trends in Public Sector
- How easy is it for me to get paid?
- What is my online/electronic strategy?
- How can I reduce or eliminate the cost of accepting card payments?
- Q&A

### **Today's presenters:**

Brendan Baxter – Vice President, Public Sector, KeyBank

Robert K. Gongwer – Vice President, Sr. Payments Advisor, KeyBank

# Card Acceptance Trends in Public Sector

Market Trending and COVID - 19

## COVID 19 has changed the Landscape:



Government regulation and closure of markets due to “Stay Safe, Stay Home” practices has created a unique situation for the Public Sector.



Providers are looking for ways to serve their marketplace virtually and or in a Contactless Environment.



The landscape in how you engage with your constituents has changed; leaving municipalities and agencies scrambling to determine **How easy is it for me to get paid?**

# Card Acceptance Trends in Public Sector

COVID-19 impacted payment acceptance

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- Disruption in process flows
- Impact on the availability of cash and cash-based payment services
- Increased demand for digital payments
- Potential disruptions to the functioning of payment and settlement systems
- Operational risk due to unavailability of critical staff including at critical service providers – doing more with less
- System capacity constraints due to surge in digital payments
- Heightened IT and cyber-security risks

Public institutions have been proactive during COVID in mitigating risks to payment systems/services to support economic activity and to help people.

Public institutions can improve payment acceptance by focusing on two areas:

- 1. Meet customers, both consumer and businesses: “How They Want, When They Want”**
- 2. Adopting electronic payments across all channels to avoid delayed getting paid**

# Payment Modernization

## Purchase Card



- Optimizing cash flow, streamlining processing, improving company economics, and safeguarding the company from fraud are high priorities for every CFO. Purchase cards — also known as P-cards or procurement cards — provide businesses with opportunities to make significant improvements in all these areas — and more.
- Purchase Cards offers significant opportunities to streamline accounts payable functions and manage costs — all while ensuring that P-cards are integrated with your existing accounting or enterprise resource planning (ERP) systems.



## AP Automation

- AP automation presents itself as a solution to high processing costs, exception rates on invoices and inaccurate payments. Automation incorporates innovative, cloud-based solutions to invoice and payment processing.
- With AP automation, organizations can achieve lower invoice and payment processing costs as well as reduced instances of errors, exceptions and fraud and increased e-payment adoption through vendor enrollment

## Push to Debit



- Card-based push payments enable participants to send funds directly to consumers and small businesses via their payment card accounts.
- Receipt of funds via a payment card – typically a debit card linked to a deposit account – makes for a seamless consumer experience, primarily because individuals have easier access to their card information than to their bank account details.

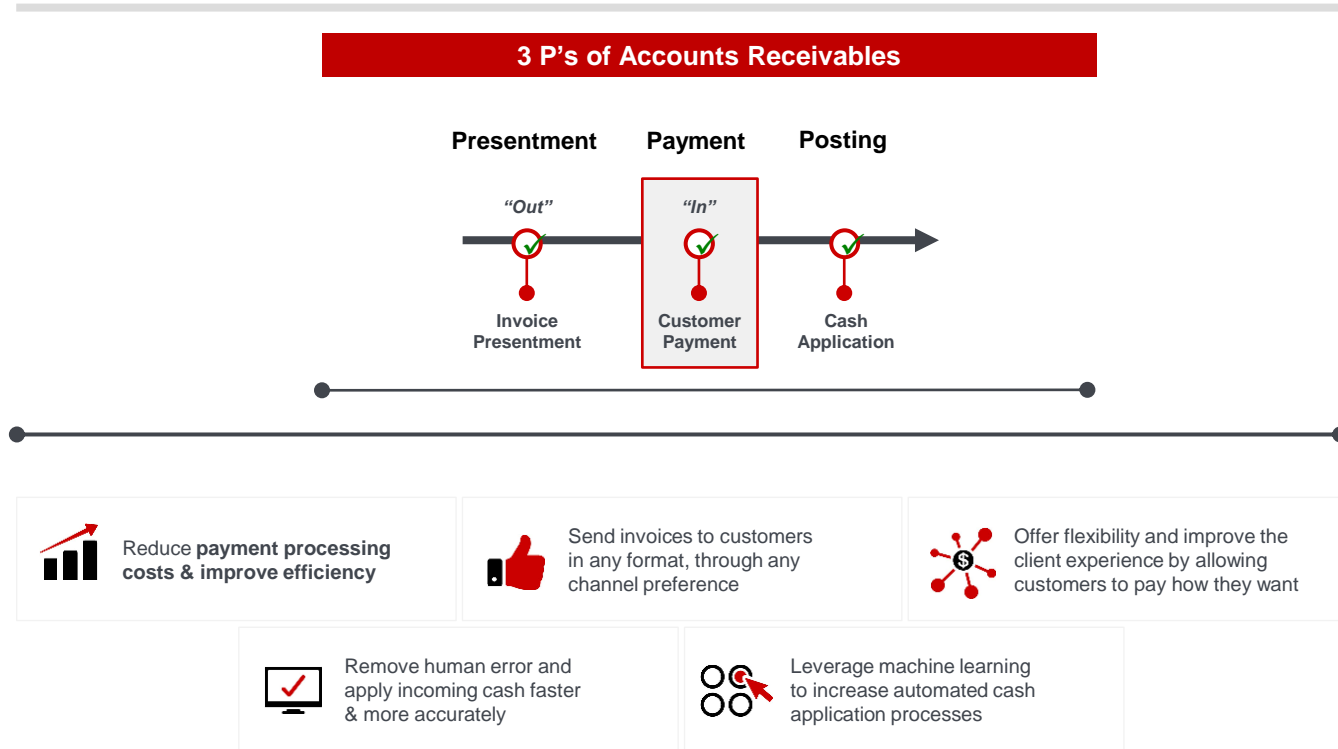
**24/7**

## Real Time Payments

- Embrace the future with Real-Time Payments (RTP®), powered by The Clearing House.® RTP allows you to receive funds in seconds on a 24/7/365 basis.
- Unlike other payment methods that can take hours or days, funds are received in real time, so you benefit from guaranteed, immediate availability of funds.

# How easy is it for me to get paid?

Focusing on the 3 P's of Accounts Receivables



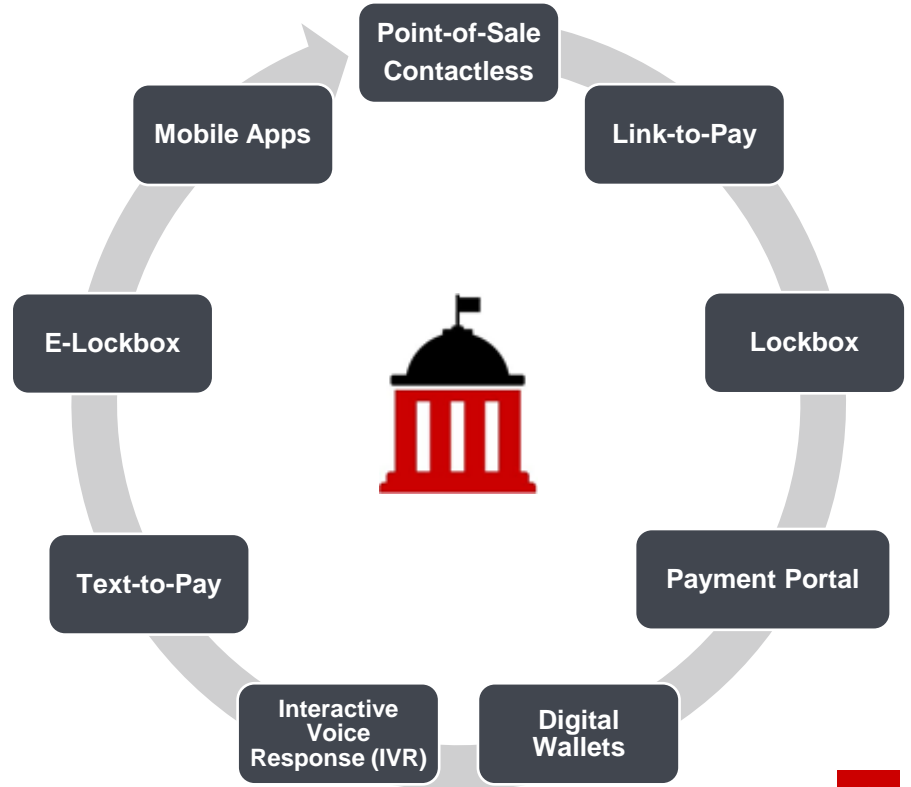


# How easy is it for me to get paid?

## Omni-Channel Approach

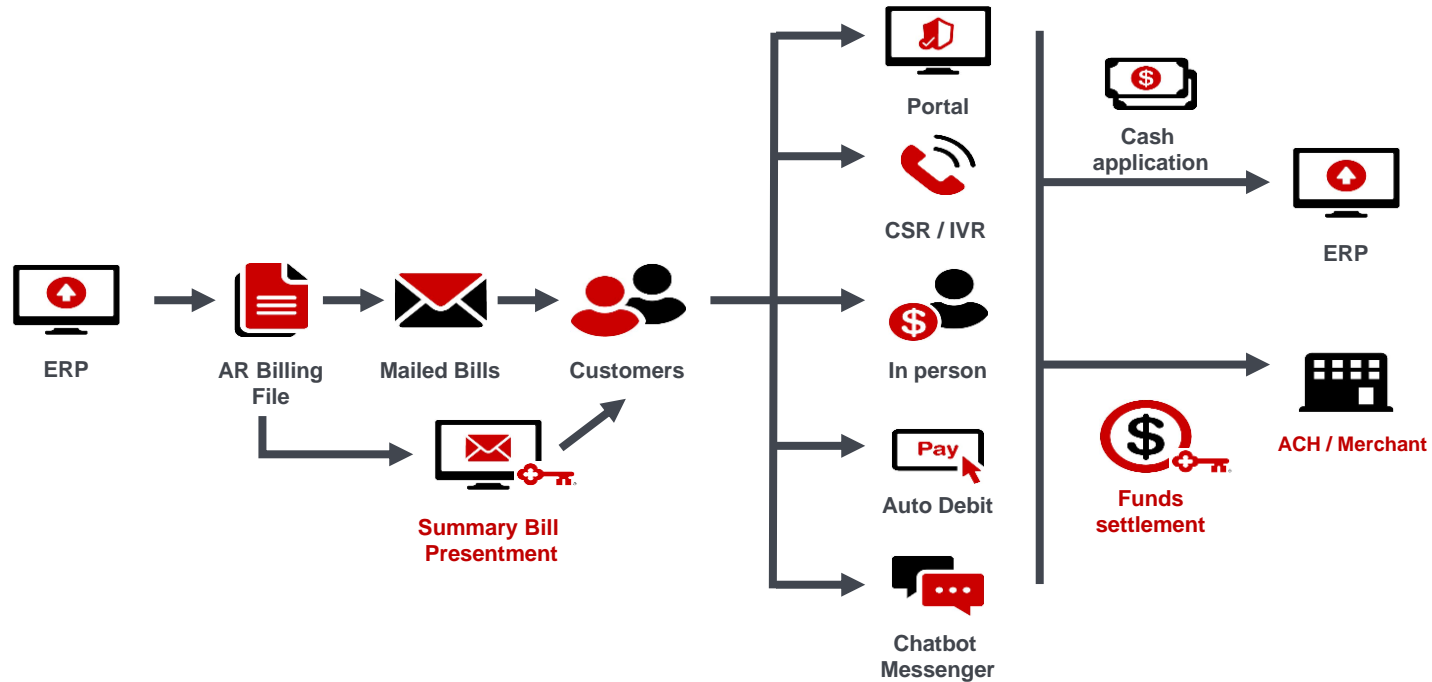
### Evolution of new technology

- Recognizing the value technology plays in a merchant card solution
- With Retailers driving consumers to pay in new ways, consumers are expecting similar experiences adding new payment options to their offering
- Historically, these solutions (online, mobile, in-person) were all offered through separate solutions
- Leaving businesses managing complex programs or managing several different platforms for payments



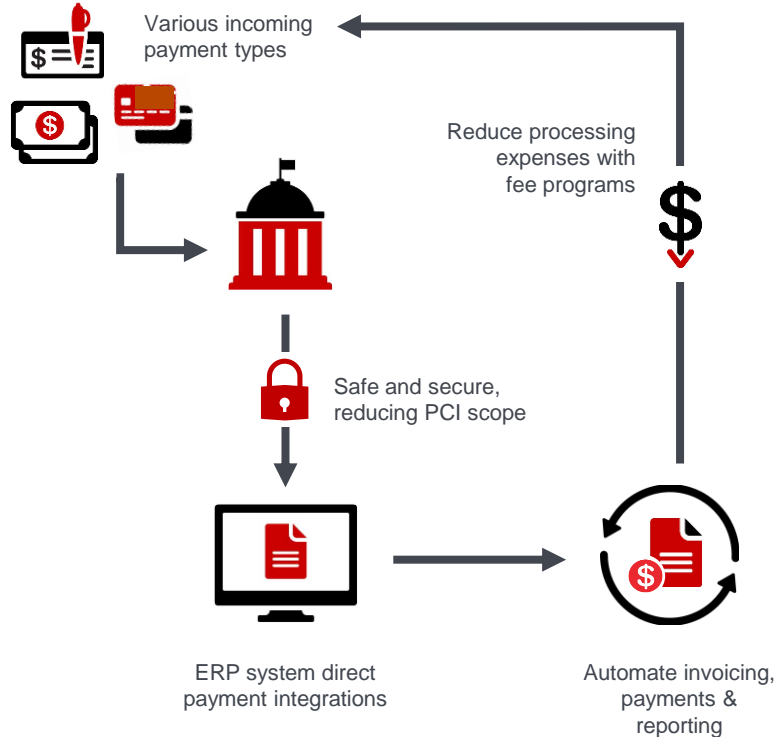
# What is my online/electronic strategy?

Single platform offering omni-channel solution



# What is my online/electronic strategy?

A seamless, best-in-class payment experience for your specific business needs



## Payment experiences

- **Flexible payment options** for your customers
- **Create a service fee/convenience fee model** to cover partial or all cost
- **All-in-one payment platform** – enable/disable any payment channel
- **Create a modular payment experience** as needed

# How to can I reduce or eliminate cost of accepting card payments?

Manage total cost of ownership

## Service Fee

### FIXED or VARIABLE RATE

Requirements:

- Disclosed to customer prior to checkout
- Customer has opportunity to opt out of transaction
- Process the Service Fee as a separate transaction
- Register with through your Acquirer as charging Service Fees
- CANNOT charge both Convenience and Service Fee

## Convenience Fee

### FIXED RATE ONLY

Requirements:

- Bona fide convenience for customer outside of traditional payment channel
- Non-Face-to-Face Transactions only
- Disclosed to customer as charge for alternative payment channel
- Customer has opportunity to opt out of transaction
- Process the Service Fee as a single transaction
- Fee must be applied to all payment types in alternative payment channel

## Other Costs

### Interchange costs:

- Level 2 data
- Level 3 data
- Proper MCC

### Security solutions:

- Data Protection/Encryption
- Tokenization
- PCI compliance
- Reduce systems & process complexity by optimizing technology stack

# State of New York Centralized Payment Processing Contract

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- NYS Office of General Services offers a Payment Processing Services Contract for credit card services for NYS municipalities to use
- 4 Contractors to select from

**Please visit the link below for more details:**

[NYS OGS - 79008 23111 Payment Processing Services - Award](#)



# Questions & wrap-up

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Q  
&A

## Next steps?

Schedule a conversation with your Relationship Manager or Banking Contact to discuss your specific needs.