



# Universal Payment Identification Code (UPIC®) Guide

Securing and Easing the Use  
of Electronic Payments

[www.upic.com](http://www.upic.com)



## What is a UPIC®?

Universal Payment Identification Codes (UPICs) are secure bank account identifiers that allow companies to receive electronic credit payments without divulging their sensitive banking information.

## Benefits of UPICs

### Receive more payments electronically

Since a UPIC masks a company's bank account information, it can be openly shared to promote the receipt of electronic payments (e.g. print on invoices, websites).

### Protect your accounts against fraud

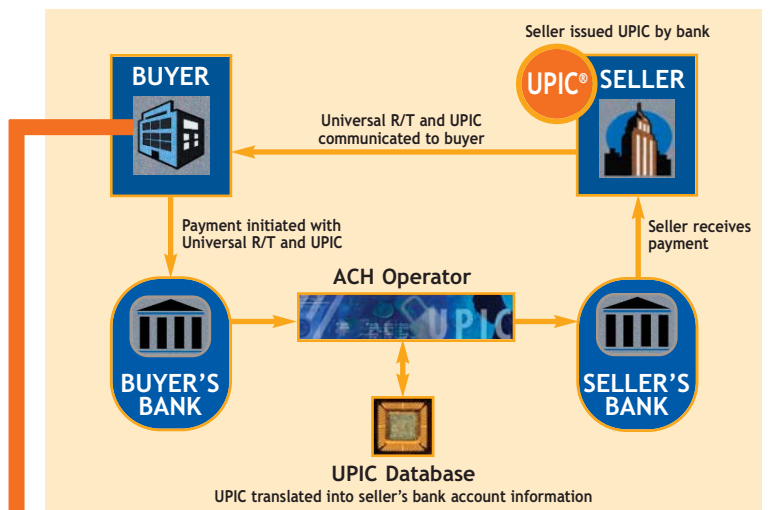
UPICs keep account information private. They are used for electronic credit payments only and cannot be used to initiate ACH debits. Using UPICs reduces the risk of unauthorized ACH debits, demand drafts and fraudulent checks. In a research study by The Clearing House\*, 38% of large corporations reported cases of unauthorized debits to their accounts within six months preceding the study.

## Features of UPICs

- **Mask** your bank routing and account number
- Initiate **ACH credit payments only**, blocking all debit originations
- Can be **widely distributed** to encourage the receipt of electronic payments (e.g. printed on invoices)
- **Look and act** like bank account numbers
- Are used with the **Universal Routing Number (URT)** to make payments
- Can be **used with any** cash management or accounts payable system
- **Designate** a single company bank account, however one account can have several UPICs
- **Stay with your organization** even if you change banks

## How UPICs Work

UPICs are used to initiate ACH credit payment.



UPIC® and Universal R/T in a typical web cash management entry screen

Sample Web Cash Manager Screen			
Database List	Batch List	ACH Validator	Help
<b>Database List : Vendor Payments Summary : Vendor Payments Detail</b>			
Vendor Name:	<input type="text" value="Qualex, Inc."/>		
Vendor ID:	<input type="text" value="11111"/>		
Amount:	<input type="text" value="\$35,000.00"/>		
Payment Description:	<input type="text" value="Invoice # 785454585"/>		
Vendor Bank ID:	<input type="text" value="111111118"/>		
Vendor Bank Account Number:	<input type="text" value="4549871"/>		
Less Payment Date:	<input type="text"/>		

Enter Universal Routing Number

Enter UPIC

\*The Clearing House's Research Report "The Remaining Barriers to ePayments and Straight-through Processing" is available on the website, www.upic.com.

## UPIC Business Applications

- **Initiate ACH credits with UPICs for business-to-business transactions** via any cash management or accounts payable system.
- **UPICs can be used to ease company mergers or restructuring.** Receivables accounts with UPICs make it easy to redirect funds into the new post-merger accounts. The change happens in the background so your trading partners don't have to be notified.
- **Since multiple UPICs can point to a single account,** you can use UPICs to set up a sub-accounting structure that tracks funds from different business lines or regions.
- If you receive checks from consumers through home banking applications, you can receive more of these funds electronically. Work with your bank to provide the UPIC to home banking payment processors.

## Issues to Consider

As you increase usage of electronic payments, consider a few items that will help you maximize the benefits:

- Electronic payments do not use paper remittance slips. Create a procedure to assure that remitters who choose this method of payment are properly credited.
- Ensure that you can accept and post ACH credits of CCD, CIE and CTX formats.
- Verify that you are set up to receive remittance information from your bank.
- Integrate your banking and accounts receivable systems to automatically post electronic payments for additional efficiency.
- If you do not have one already, create a process to handle electronic exceptions that cannot be automatically posted.

## Promoting Electronic Remittance

Encourage your trading partners to remit electronically and communicate your UPIC and Universal Routing Number to them.

- Send special letters to your trading partners requesting the receipt of electronic payments.
- Print your UPIC and Universal Routing Number along with any information requirements right on your invoices.
- Place remittance instructions including the UPIC and Universal Routing Number on your website.
- Make invoice stuffers promoting the benefits of electronic payments for payables and receivables.
- Call and negotiate terms with your trading partners to gain the commitment to remit electronically using your UPIC. Often incentives such as agreeing to pay others electronically or offering slightly better terms or discounts can influence this decision.

## Why Electronic Payments?

The benefits of receiving electronic payments versus paper checks are well documented and quantifiable:

- **Safe** – eliminates the risk of lost or damaged checks sent in the mail
- **Increase cash flow** – receive funds faster, available on settlement day
- **Eliminate NSF checks** – no concerns about checks bouncing
- **Reduce processing costs** – reduces paper processing costs
- **Gain efficiencies** – automatic payment reconciliation



Invoice with UPIC® Information

**ACME PRODUCTS INC.**

**SAMPLE INVOICE**

**Corporate Sales**

George,  
Thank you for  
your order!!

<b>Invoice #</b>	0147586	<b>Date</b>	12/06/06
<b>Order</b>	3458003	<b>Page</b>	1 of 1
<b>Customer</b>	804978-75	<b>Amount</b>	\$2096.28

<b>Sold to:</b>	Hudson Computers Supply ATTN: G. Nederman 45 E. Main St. Suite 1B Warren, NY 32132-6754	<b>Ship to:</b>	Hudson Computers Supply ATTN: G. Nederman 45 E. Main St. Suite 1B Warren, NY 32132-6754
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Qty	Size	Color	Item #	Description	Unit Price	Disc	Total
4	34'	N/A	7523411	T1 Cable	\$105.00		\$420.00
2	N/A	N/A	7565433	Network Router	\$540.00		\$1080.00
1	Sm	Blue	6543733	19' LCD Display	\$426.00		\$426.00
1	Md	Red	6242444	Mousepad	\$15.00		\$15.00

**QUESTIONS?**  
Call customer service @ 243-555-3232

<b>Sub Total</b>	\$1941.00
<b>Tax</b>	\$155.28
<b>Shipping</b>	\$0.00
<b>TOTAL</b>	\$2096.28

If you are paying by check please return this portion with your payment.

We encourage you to **send payments electronically** via **ACH credit** to:

**Acme Products Inc.**  
**ABA # - 021052053**  
**UPIC /Acct # - 12754324**  
**Customer # - RJ804978-75**  
**Invoice # - 0147586342**

*\*To ensure proper crediting include both your customer # and all invoice #s in the payment.*

<b>Amount</b>	\$2096.28
<b>Due Date</b>	01/06/07
<b>Customer</b>	804978-75
<b>Invoice #</b>	0147586

**Remit checks to:** Acme Products Inc.  
120 Cedar Lane  
Holyoke, MD 34212-4565

**Ship to:** Hudson Computers Supply  
ATTN: G. Nederman  
45 E. Main St., Suite 1B  
Warren, NY 32132-6754

SAMPLE MATERIALS



## Customer Service **ONLINE**

- Ways to Pay Your Bill
- Contact Us By Phone
- Email Us
- Home

# Ways To Pay Your Bill

For your convenience, Acme offers a number of ways you can pay your bill:

### By Direct Payment

Our Direct Payment Plan is a carefree easy way to pay your Acme bill. Direct Payment eliminates the need for check writing and mailing. Your payment will be automatically deducted from your checking account 10 days after you receive your bill. You can enroll on-line by providing your bank account information. For more information or to enroll in the Direct Payment Plan, return to the [Customer Service On-Line Home page](#).

### By Credit Payment

Alternatively, if you want to control the timing and amount of your electronic payment, you can send us an ACH credit. ACH credit payments can be initiated from your cash management or accounts payable systems using the following banking information as the address of the payment:

Acme Products Inc.  
Routing #: 021052053  
UPIC/Acct #: 12754324

**IMPORTANT:** To be properly credited ensure that your Acme account number and all invoice numbers are included with your payment in the additional fields (addenda records) of either the CCD+ or CTX standard ACH formats.

### By Check

Make your check or money order payable to Acme Products Inc. of New York and mail it in the window envelope that came with your bill. (Do not mail cash.) Mail payments to:  
Acme Products Inc.  
P.O. Box 2345  
New York, NY 10116

SAMPLE MATERIALS UPIC

## Letter Encouraging Electronic Payment

### **ACME PRODUCTS INC.**

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1209 Cedar Lane., Holyoke, MD 34212-4565

Hudson Computer Supply  
George Nederman  
45 E Main St. Suite 1B  
Warren, NY 32132-6754

Dear George:

**Thank you for your continued business. Acme would like to offer you the option of paying all of our invoices electronically.** Electronic payments have many proven benefits for the payor in a transaction as well as the payee, including:

- **Safe:** reduced risk of lost or bounced checks
- **More efficient:** less hands touch the payment
- **Reduced processing costs:** studies show that the overall cost of checks outweighs the cost of ACH

**As an alternative to paying by check, Acme now offers two electronic payment options: Direct Debit and Credit Payment.** Direct debit is the easiest, most convenient form of payment. It allows Acme to debit the funds directly from your bank account and requires only that you reconcile your accounts. Direct debit lets you spend more time running your business and less time paying your bills. Plus you'll never make a late payment again. The credit payment option offers more control over the transaction than any other form of payment. The payor controls the timing and dollar amount using an ACH credit payment rather than costly wires.

#### **INSTRUCTIONS**

**Direct Debit** — to sign up for direct debit, please call our billing department at 800-555-1234 and provide your bank routing number and account number.

**Credit Payment** — ACH credit payments can be initiated from a cash management or accounts payable systems using the following banking information as the destination for payment:

**Routing # :** 021052053  
**UPIC/Acct # :** 12754324

**Important:** To be properly credited ensure that your **Acme account number and all invoice numbers** are included with your payment in the additional fields (addenda records) of either the CCD+ or CTX standard ACH formats.

As an added incentive to use one of these electronic payment options, Acme will extend the payment deadline by three business days for those paying electronically. Furthermore, if Acme also purchases from you, we would be happy to pay you electronically as well. Thank you for being a loyal customer of Acme Products, Inc.

Sincerely,

Robert Johnson

## Frequently Asked Questions (FAQs)

1. Does having a UPIC require my company or my trading partners to make system changes?  
No, UPICs work with any cash management, accounting, and payment systems.
2. Can my suppliers use my UPIC to direct debit me as they do now?  
No, the UPIC is a credit only payment method.
3. Who maintains the UPIC information?  
The UPIC database is updated daily by the financial institution maintaining your bank account.
4. Does the UPIC replace my account number?  
No, the UPIC masks your account number but does not replace it.
5. Can UPICs be used to originate wire payments?  
Currently UPICs can only initiate ACH credit payments, but will be enhanced to facilitate wires in the future.
6. Will the UPIC work in conjunction with my bank's routing number?  
No, UPIC payments must be originated with the Universal Routing/Transit Number.
7. What effort does it take to implement UPICs? Where do I get them?  
Implementing UPICs is easy. You obtain UPICs from a participating bank and communicate them to your trading partners along with the Universal Routing/Transit Number.
8. Who has access to my UPIC information?  
Only authorized employees at your bank have the ability to view and change UPIC related information.





### **Inquiring about UPICs**

Contact your bank to discuss using UPICs for all your receivable accounts and how you can obtain electronic feeds for the remittance information that may be necessary to properly post payments.

### **For more information**

Contact Inovium Administration at 888-Inovium Ext 4 - (888-466-8486 x4) or 702-254-6385 - [admin@inovium.com](mailto:admin@inovium.com)

[www.upic.com](http://www.upic.com)

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