



Universal Payment Identification Code (UPIC) Enhances Georgia-Pacific Payment Processes

Background

Georgia-Pacific is one of the world's leading manufacturers of tissue, pulp, paper, packaging, building products and related chemicals. The company has manufacturing facilities across North America, South America and Europe, ranging from large pulp, paper and tissue operations to gypsum plants, box plants and building products complexes. www.gp.com.

UPICs are unique account identifiers issued by financial institutions to allow organizations to receive electronic payments without divulging their confidential banking information. A UPIC can also be reassigned to a different bank account at the same or a different financial institution - without impacting the trading partners sending ACH payments to the company utilizing the UPIC number (instead of their actual ABA and bank account number).

Business Challenge

Georgia-Pacific's historical growth strategy has driven on-going change in accounts receivable banking structure and the need to integrate new trading partners into payment application processes. "Since we are in a business environment with on-going acquisitions, mergers, and reorganizations, changes to routing numbers and/or bank accounts occur more often than companies would expect," said Michael Bender (Senior Manager E-Commerce Initiatives, Georgia Pacific), who championed the UPIC for Georgia-Pacific. The company realized UPICs presented an opportunity to improve their payments operations by eliminating disruptions, minimizing fraud, and facilitating migration from checks to electronic payments.

UPIC Benefits Georgia-Pacific

Georgia-Pacific's banks assigned the company UPICs to be used to receive electronic payments from their customers. This facilitated set up and maintenance of electronic payments from trading partners while establishing a process that avoids the typical disruptions that occur to cash application operations. "The portable aspect of a UPIC from one bank account to another is a significant benefit" Bender said. "If Georgia-Pacific changes banks or even consolidates/changes accounts within the same bank, every EFT customer doesn't have to be notified about the change. It is transparent to them."

UPIC Benefits Georgia Pacific's Banks

The UPIC strengthened the relationship between the issuing banks and Georgia-Pacific by providing a solution that supports the company's overall payments strategy. "Some financial institutions believe UPICs will make it easier for companies to change banks," Bender said. "In actuality, all of Georgia-Pacific's changes to electronic payment bank accounts have occurred without ever changing institutions. This indicates that with the majority of changes to bank accounts, UPICs would greatly benefit companies without inherently impacting strategic banking partners."

How A UPIC Works

A UPIC is a unique account identifier issued by financial institutions to allow organizations to receive electronic payments without divulging confidential banking information. "UPICs are for credit payments only and minimize the possibility of unauthorized debits, checks and demand drafts," said Sharon Jablon of EPN. "A UPIC is terrific because it becomes an organization's permanent electronic payment address. The portability of the UPIC reduces the effort required in changing accounts due to bank mergers or changes in banking relationships, including the cost of communicating new bank account information to trading partners."

Since the UPIC's inception in 2002, there have been more than 1 million UPIC payments totaling more than \$34 billion. Over 700 UPICs have been issued to public and private entities by financial institutions across the United States. The UPIC was developed by the Electronic Payments Network (EPN), the ACH business of The Clearing House Payments Company L.L.C., in conjunction with the financial services industry.

How Your Institution Can Get A UPIC

Organizations can obtain a UPIC through their bank. Today, 22 banks are offering UPICs including BB&T, Chemung Canal, Citibank, Comerica Bank, CoBiz Bank, Commerce Bank, Empire National Bank, Hancock Bank, HSBC Bank, JPMorgan Chase Bank, KeyBank, M&T Bank, The Bank of New York Mellon, PeoplesBank, PNC Bank, State Bank of Long Island, Sterling National Bank, SunTrust Bank, Union Bank of California, U.S. Bank and Wachovia Bank. No system changes are needed to accounts payable, accounts receivable or cash management systems to use a UPIC.

To Learn More About UPICs

For additional information about UPICs, visit www.upic.com or www.epaymentwork.com, or call Sharon Jablon, EPN Business Development Manager, Sharon.jablon@epaynetwork.com, 212.613.0178.

As of this printing, Michael Bender is no longer with Georgia Pacific. Michael is the Founder of Procedo Consulting [mikebender@procedoconsulting.net].