



## Universal Payment Identification Code (UPIC) Strengthens Business Relationships

### Background

Minneapolis-based U.S. Bancorp, with \$266 billion in assets at quarter end as of December 31, 2008, is the parent company of U.S. Bank National Association, the 6th largest commercial bank in the United States as of that date. The company operates 2,791 banking offices and 5,164 ATMs in 24 states, and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions. Visit U.S. Bancorp on the web at [www.usbank.com](http://www.usbank.com).

**UPIC** is a unique account identifier issued by financial institutions to allow organizations to receive electronic payments without divulging confidential banking information. Because a UPIC is for credit payments only, it minimizes the possibility of unauthorized debits, checks and demand drafts. [www.upic.com](http://www.upic.com)

### UPIC Business Opportunity

To differentiate itself in the marketplace, U.S. Bank delivers a high level of value-added service to business clients. As part of that strategy, U.S. Bank began offering UPICs three years ago and has issued the secure bank account identifier to more than 150 corporations across the country.

The ease and simplicity with which a UPIC can be implemented, combined with its ability to thwart illicit financial activity, has enabled U.S. Bank to achieve the following business objectives:

- Strengthen relationships with its customers
- Offer a unique and differentiated service of high value
- Enhance the bank's portfolio of risk management solutions
- Provide an opportunity for customers to improve their efficiency by receiving electronic payments

**“U.S. Bank has experienced a strong demand for UPICs in a relatively short period of time because UPICs support our customers’ broader goal of creating safe, secure and more efficient electronic payments,”** said Timothy Schmidt, VP Electronic Payments of U.S. Bank. **“UPICs are an excellent solution for our marketplace and have been well-received by our customers.”**

## **Benefits To Bank Customers**

A UPIC issued by U.S. Bank helps business, government, educational institutions and nonprofit organizations achieve two strategic objectives:

1) Migrate from paper to electronic payments; 2) Reduce payments fraud.

With a UPIC, private sector and public-sector organizations have a tool to receive highly secure payments through the ACH network operated by EPN, the ACH business of The Clearing House. The additional security from UPIC payments provides a significant incentive to migrate payments from paper payments, which can expose sensitive bank account and transit routing information.

Because a UPIC completely masks bank account information, the possibility of fraud associated with a paper check is eliminated. As a result, there's a more compelling business case to implement a full electronic payments strategy.

## **How A UPIC Works**

Minimal work was required for U.S. Bank to begin offering a UPIC to clients. U.S. Bank creates and maintains a UPIC for its corporate customers through the UPIC web browser on EPN's secure network accessible using a SecurID token. Once U.S. Bank issues a UPIC to an organization, that organization can begin using it immediately. An organization would provide its trading partners with its UPIC and instruct them to use it when requesting all subsequent ACH payments. This one-time change will then enable trading partners to make all future payments using a UPIC. For U.S. Bank, implementing the UPIC program required no software or hardware installation.

"UPICs are increasingly popular among banks because they help financial institutions offer a value-added service that reduces fraud, accelerates the adoption of electronic payments and ultimately strengthens business relationships," said Sharon Jablon, EPN Business Development Manager. "For bank customers, the minimal investment of time in implementing a UPIC delivers significant payback in the form of increased safety and security."

## **UPIC Usage Grows**

Since the inception of the UPIC in 2002, there have been more than 1 million UPIC payments totaling \$37 billion. UPICs have been issued to 700 public and private entities by more than 20 financial institutions across the U.S. 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.

## **To learn more about UPIC**

For additional information about UPIC, visit [www.upic.com](http://www.upic.com) or [www.epaymentwork.com](http://www.epaymentwork.com), or call Sharon Jablon, EPN Business Development Manager, [Sharon.jablon@epaynetwork.com](mailto:Sharon.jablon@epaynetwork.com), 212.613.0178.