

Apex

SHARING THE BEST IN SPEND & PAYMENTS TRENDS AND INNOVATIONS

Make optimal use of your T&E data with MasterCard®* Travel Dashboard™

Travel is likely one of the most complex categories of spend for your organization to procure, manage, and control.

As technology has evolved and Travel & Entertainment spending has increased, corporations have adopted various T&E solutions, resulting in the fragmented use of vendors and technology. This fragmentation prevents the seamless collection and integration of data, thereby reducing spend visibility, control, cost savings and operational efficiencies.

Simplified data management

BMO Spend & Payment Solutions understands your need for accurate and timely T&E data to answer critical business questions about cost fluctuations, potential savings and employee adherence to travel policy. The MasterCard Travel Dashboard addresses that need. It simplifies travel and card program management with a web-based business intelligence tool that aggregates data and delivers powerful insights into T&E spend and savings opportunities.

Enhanced data monitoring, analysis and tracking

MasterCard Travel Dashboard is a powerful solution that helps you make sense of your T&E data. It offers 360-degree



visibility into all travel card spend data. You'll have access to robust data, leveraged from multiple sources, including all major global distributions systems, several worldwide travel agencies and detailed folio data from more than 13,000 hotel properties worldwide. Both travel agency feeds and hotel folio data are optional, and BMO® will work with you if such data is required.

Comprehensive business intelligence

MasterCard Travel Dashboard is intuitive and easy to use, and will help you gain insight into your T&E spend patterns. This complete solution allows you to view all your T&E data on

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Letter from the Executive Managing Director

BMO Spend and Payment Solutions Advisors understand the complexities of doing business, the challenges you face, and the issues that are of concern to you. We recognize that your needs will evolve as your organization continues to grow and change.

In this issue, we're excited to share with you new MasterCard Travel Dashboard software that can help you more effectively monitor, track, analyze and evaluate your travel and entertainment data, along with some insights that may help you control and optimize your travel expenditures.

As we embrace new technology that makes it easier to do business, we recognize that it brings new challenges. Security must remain a top priority. Our Fraud Department works actively and effectively to monitor accounts, by analyzing patterns and trends so that we can identify fraudulent transactions in real time.

We also highlight new IRS 1099 regulations — rules that change reporting requirements and may also provide an opportunity for your organization to increase cost savings as you continue to make use of your payment cards.

In our partnership with you, we believe our role is to anticipate and meet your needs so that you can focus on growing and strengthening your organization. We always look forward to hearing your feedback so that we can continue to bring you the products and services that will help you achieve your corporation's goals.

Terry Wellesley

Executive Managing Director and Group Head, North America
BMO Spend & Payment Solutions



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If you would like to learn more about how BMO's products and services can help you, please visit our website at bmo.com/spendandpayment or contact us at bmo.sps@bmo.com

BMO working to enhance fraud detection capabilities

Security is a partnership, and there are things that BMO and our customers can do to help protect against the ever-changing face of fraud.

We take corporate card security seriously, and have rules in place to help us actively and effectively monitor accounts for suspicious activity. We look at patterns, trends and anomalies in card usage, and we're able to identify suspicious activity in real time.

Cherolle Prince, Manager of Fraud Programs & Initiative Management, Fraud & Electronic Monitoring, points out that BMO is “constantly looking at different ways to enhance what we're already doing, whether it's from a prevention, detection, or an authentication capability.”

One significant advancement in fraud prevention is the global move to chip and PIN-enabled cards. We're making sure our customers understand the improved security this technology provides. BMO is proactively converting our commercial customers to chip and PIN-enabled cards in 2012.

Benefits of new technology

Chip and PIN technology helps us to pinpoint possible fraudulent transactions. For example, if one of your employees is using his/her card with PIN at the same time that the card is being used for a non-PIN transaction in another location, it's easier to determine where the fraudulent activity is occurring. If a chip and PIN card is lost or stolen, it can't be used at a chip-enabled terminal without the PIN.

TIP:

Encourage your employees to memorize their PINs. Remind them to never store them with their cards.

BMO now has the ability to “tier” a block on a card. If there is concern that a card has been compromised, depending on the situation, we may not block the card entirely. We can choose to only block certain types of transactions until we contact your administrator or the affected employee. This prevents customer frustration and allows the employee to continue to use the card if we have simply identified that the card was used at a location that has been compromised. Of course, if



your corporation or one of your employees identifies a breach, the card(s) will be blocked entirely.

Preventive measures

Corporations need to be vigilant, and recognize that they're targets for fraud. A single fraudulent transaction on a corporate account can be far more lucrative than one on the account of a retail customer. Be aware of how your organization stores its card data. If it's stored on a computer in an unencrypted file, you're at risk of having that information compromised.

It is also important to ensure your company has the right security practices in place for the storage and physical distribution of cards.

Businesses should never keep an unsecured master list of corporate card numbers and passwords. This includes user IDs and passwords associated with *details* Online®. These should never be shared and must be kept strictly confidential.

BMO security tools for businesses

BMO has made enhancements to *details* Online. We recently added a Decline Authorization Report that provides Administrators with detailed information on declined transactions, including using an inactive card, purchasing unauthorized items, exceeding purchase or credit limits, and purchasing from merchants under a blocked Merchant Category Code.

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What's new in *details Online*®

The following enhancements are available in *details Online*:

Enhancements included in Release 11.3

- Description field length has been increased from 50 to 150 characters in TRANSACTION module
- HIERARCHY module now provides date when a card or hierarchy request is completed and/or closed
- CREATE USER screen now automatically retrieves language preference based on Organization's default setting.

New/Modified Reports

- MODIFIED Account Detail Report now includes country code blocking information
- NEW Decline Authorization Report gives information on declined transactions as a result of:
 - inactive cards
 - purchases of unauthorized items
 - exceeding purchase or credit limits
 - purchasing from merchants under a blocked Merchant Category Code
- NEW Request History Report provides a list of all card or hierarchy change requests and status within a user-specified time period

For more information, please email us at bmo.sps@bmo.com

Make optimal use of your T&E data

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your computer screen at once. The detailed reports you generate will help you monitor, track, and analyze your T&E program. Senior management can monitor and control actual spend against budget targets, view key performance metrics including trend lines and top travelers, and benchmark performance across divisions and business units. Procurement managers can negotiate better vendor agreements, identify opportunities for additional savings by increasing negotiated discounts to new vendors, and gain insights into T&E spend beyond air, hotel and car.

Get familiar with ancillary fees

Ancillary fees are the newest challenge in the effort to track and control T&E costs. These fees are also increasing year over year as airlines, hotels and rental car companies tack

them on for such things as checked bags, resort fees, seat selection, in-flight food and beverages and fuel charges. Furthermore, they are applied inconsistently by vendors, and typically show up as a corporate card charge with very little description as to what the charge was for.

Ancillary fees are here to stay. MasterCard Travel Dashboard will allow you to compile this data to help you identify and monitor your “miscellaneous” fees, then aggregate that data to more effectively manage costs, negotiate better deals and lock in rates with your vendors.

In fact, one organization used their ancillary fee data to pinpoint a \$50,000 annual spend on bottled water at hotels, and was able to negotiate with their preferred hotels that each of their travelling employees would receive one free bottle per day during their stay.



BMO offers solutions

As you seek new tools to optimize your travel and card programs, BMO brings you solutions. The MasterCard Travel Dashboard is one of the most comprehensive T&E reporting solutions available today, providing accurate and timely data that can empower decision-making across your enterprise.

For more information, contact your relationship manager or call 1-888-838-4401.



Did You Know?

Choosing the right airport can save time and money

If travel is a big part of your corporation's budget, you're aware of how much time and money you spend getting your employees from Point A to Point B and back again.

Depending where your business travel takes them, you may be able to cut down on travel time and costs by changing your travel patterns.

Not all airports are created equal

According to the Bureau of Transportation Statistics, in a report done for *The Wall Street Journal* (Thursday, August 25, 2011 edition), 40 of the 100 most-delayed flights from June 2010 to May 2011 either arrived in or departed from Newark, New Jersey.

Evidently, rush hour doesn't just happen on the roads. Flights that leave during peak flying times — right as the business day ends — are more often delayed. The top five most frequently delayed flights leave between 5:00 and 8:00 p.m. Part of the problem is that many flights travel through congested air space in areas like New York, New Jersey, and Washington D.C.

The top five most frequently delayed flights depart from these airports:

1. Newark International (2 flights)
2. Dallas Love Field
3. Memphis International
4. Chicago O'Hare International

If you have some flexibility in flying times, your actual travel time may decrease. That same flexibility may net you cost savings on your domestic air travel as well. Two factors that help to determine flight prices are whether or not there's a low-cost competitor based at the airport and whether or not the airport is a hub with a dominant carrier.

The 10 most expensive airports in the U.S. are:

1. Houston Bush, TX
2. Huntsville, AL
3. Newark-Liberty, NJ
4. Cincinnati, OH
5. Washington Dulles
6. Charleston, SC
7. Memphis, TN
8. Knoxville, TN
9. Dallas-Fort Worth, TX
10. Madison, WI

To save money on your flights, check out secondary airports in big cities. If ground transportation costs to an alternate airport are comparable and don't take too much longer, it may be worth it.

IRS changes 1099-MISC reporting regulations

In an effort to improve compliance, the Internal Revenue Service (IRS) has made some changes to reporting regulations that will impact commercial card issuers and cardholders.

The IRS is shifting certain reporting requirements. One of the most significant is that organizations will no longer be required to file 1099-MISCs for payments made with cards and dated January 1, 2011 or later. The IRS determined that there was duplicate reporting under 6050W and 6041, so the responsibility of reporting these transactions now shifts to the acquirers and payment settlement entities.

Research has already shown that organizations experience significant savings when they switch to purchasing cards. These new IRS regulations may encourage businesses to shift more payments to cards, thereby creating further cost savings. In addition, some payments are exempt from 1099 back up withholding tax if paid by payment card.

It's a good idea to contact your accountant or tax attorney to determine how these changes will affect your business, since there are now higher penalties for failure-to-file.

If you'd like more information about the IRS changes, contact your relationship manager for a copy of the Ryan, Inc. IRS Information Reporting White Paper.

GBTA Convention

BMO sponsored GBTA (Global Business Travel Association) Convention and had more than 500 visitors at our booth. Take a look at some of the pictures from this successful event.



Fraud detection capabilities

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BMO strives to meet your security needs

BMO recognizes that corporations have different needs than retail customers do. “We need to make sure we’re on the ball when it comes to different types of prevention, detection and intervention strategies to meet those needs,” says Cherolle Prince.

Make sure your organization is taking advantage of the tools BMO offers to help keep your accounts and data secure. Your security is our priority.

For more information, please call 1-888-838-4401 or email us at bmo.sps@bmo.com

Upcoming events

Please check our website under “News, Articles & Events” for upcoming events where our BMO Spend & Payment team will be in attendance.

July 28–31, 2012 Washington, DC

NACUBO (National Association of College & University Business Officers)

www.nacuboannualmeeting.org