

Invoice Cloud Contract Presentation

City Council

December 19, 2023





Invoice Cloud



Invoice Cloud

- Overall ease of use for customers and staff
- Platform that drives electronic engagement
- 15 integrations to CIS/Innoprise
- 25 Arizona clients
- Improved collection process
 - Automatic payment reminders
 - Digital notifications- text/email
 - Simplified autopay enrollment
- Upgraded, secure payment terminals- mobile wallets, dip/tap/swipe
- Cooperative contract through Chandler



Invoice Cloud Experience

InvoiceCloud Differentiators

Designed to Remove Friction and drive change in bill payor behavior.

Omni-Channel involves all channels and revolves around the customer; multichannel involves many channels and revolves around a product.

Intelligent Communications personalized communications that drives action - with frictionless ways to pay embedded.

True SaaS ensures our clients are always market leaders, never behind.

Alliance Integration Centric company from day one.





Invoice Cloud Customer Experience



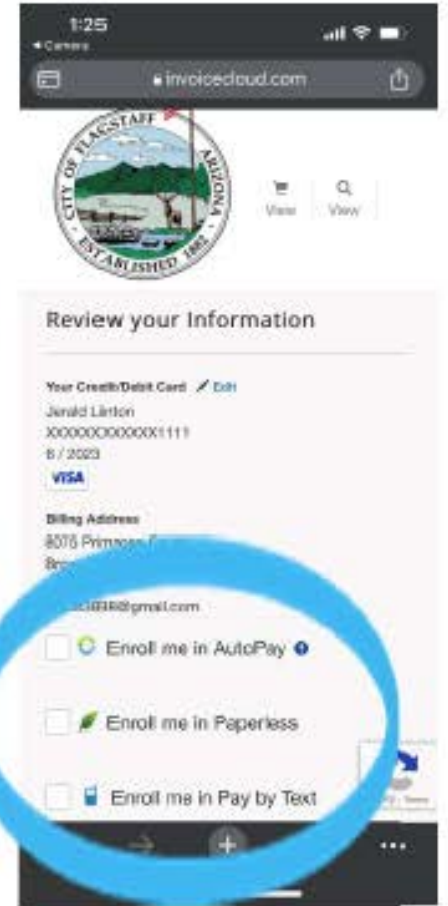
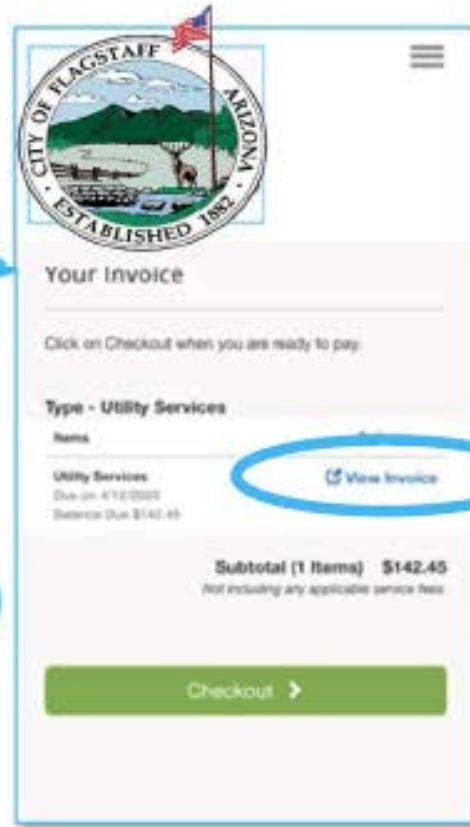
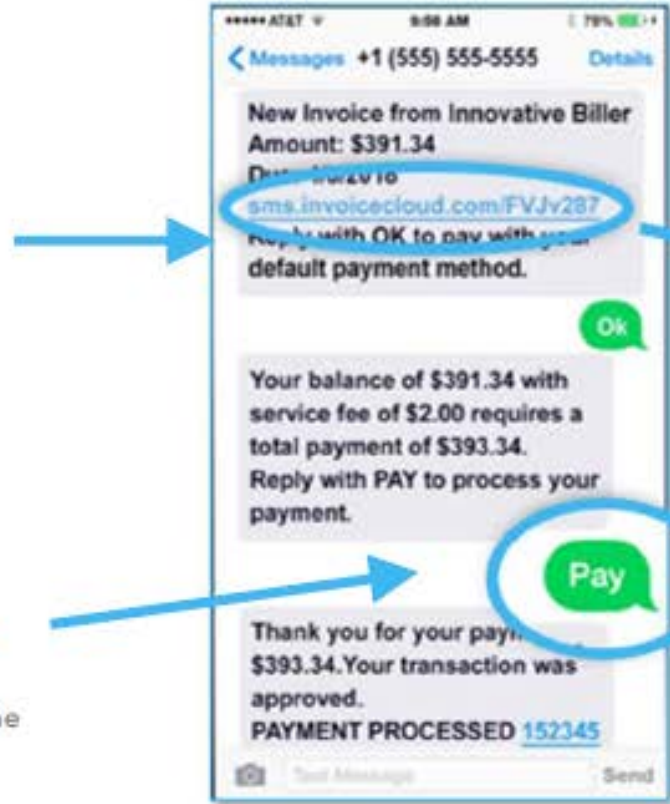
Enhanced pay by text

Customers access the

mobile

optimized payment

channel by clicking on the link



Registered customers with

stored remittance information

can Pay by Text by responding to the

text with "Pay"



Invoice Cloud Staff Experience



Ease of use for staff to initiate text notification

CSR Calls → Self Service Conversion (Text)

Customer service representatives can trigger text messages to payers on demand. This allows them to send a payment link to a customer via text while they are on the phone with them.

Text Reminders

Update Customer Profile: Deana Ada

Please review your profile. Click update to save any modifications.

Customer Info | Options | History | Bank Accounts | Credit/Debit Cards | AutoPay | Recurring Scheduled Payments | Paperless | Email History | Pay By Text | Customer Activity

Invoice Date	Invoice #	Account #	Due Date	Total Amount	Balance Due	Options
1/31/2020	1001-1587	PREM-1001	2/24/2020	\$143.45	\$122.45	[Icons]
1/31/2020	1001-1588	PREM-1001	1/31/2020	\$143.45	\$0.00	[Icons]

Send Invoice Notification by SMS

Sign customer up for Pay By Text:

Enter a Phone Number:

Message and data rates may apply. You may opt out of text delivery at any time by replying STOP to any Text message received from Invoice Cloud. Text HELP for more information. Message frequency varies. Contact customer support at (111) 111-1111. T-Mobile is not liable for delayed or undelivered messages.

Send [checkmark] Close

Messages +1 (555) 555-5555

New Invoice from Innovative Biller
Amount: \$391.34
Due Date: 2/24/20
<sms.invoicecloud.com/FVJv287>
Reply with OK to pay with your default payment method.

Ok

Your balance of \$391.34 with service fee of \$2.00 requires a total payment of \$393.34. Reply with PAY to process your payment.

Pay

Thank you for your payment of \$393.34. Your transaction was approved.
PAYMENT PROCESSED 152345

FORSYTH COUNTY GEORGIA

Your Invoice

Click on Checkout when you are ready to pay.

Type - Utility Services

Items	Options
Utility Services	View Invoice
Due on 4/12/2020	
Balance Due \$142.45	

Subtotal (1 Items) \$142.45
Not including any applicable service fees.

Checkout



Invoice Cloud Digital Engagement



Digitalizing Outbound Communications



Text



- Send custom text messages with payment links
- Customize area codes
- Re-use existing text messages

IVR/Voice



- Create custom voice messages
- See who answered the calls
- Create different messages for answering machines
- Manage opt-outs

Email



- Customize your sender ID
- Customize return email addresses
- Schedule sending time



Flagstaff Municipal Services Use Cases

Late payment reminders	Shut off notices	Office closures
Targeted emergency communications	Feedback generation	Service notices



Ongoing Enhancements



We've had 60 product releases since 2016

Highlights of Functionality Our Clients got with 0 Effort or Cost:



Redesign of the payer experience to remove checkout steps



Pay-by-text



One-Click Pay via email notifications



In-line donations



CSR initiated text to pay



EMV POS with P2PE (Point to Point Encryption)



Outbound campaigns (Email, SMS & Voice)



AgentConnect:
• Initiate a text
• Take payments
• See history

2017

2019

2021

2018

2020

2022



Self-Service Custom reports



AutoPay in one-time checkout



Calendar Reminders – "Remind Me"



ApplePay and GooglePay



Updated reconciliation report



PayPal/ Venmo



IVR enhancements:
• Stored Payment Information
• Phone number recognition
• IVR → Text



Crypto Currency payment acceptance



Credit card fees

Current model

- “Absorbed model”
 - Absorbing transaction fees gives us Visa/MasterCard best rates, however these rates have been subject to industry wide increases
 - Annual cost approximately \$360k contained in Revenue section (Municipal/Miscellaneous Accounts Receivable billing)
 - In the last 5 years, credit card fees have grown from approximately \$150k in 2013-2018.
 - Projected would grow another 5-7% in the next 2 years on the Invoice Cloud platform.
 - Cost of credit card fees are subsidized by all customers.



Credit card fees

Proposed model

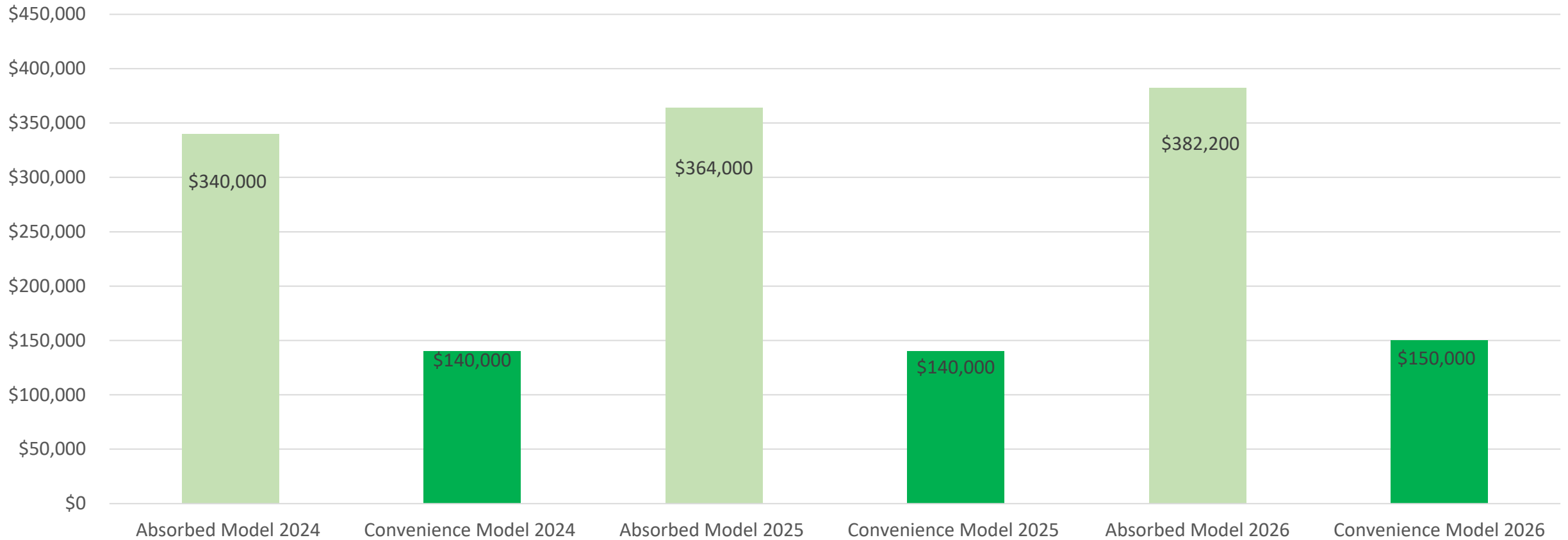
- “Convenience model”
 - Becoming common standard for governments to pass the fees for these services
 - County, state, other utilities
 - Reduces budget impact to organization and protects city from future merchant processing increases
 - Fees are not subsidized by other customers
 - Over 50% of InvoiceCloud clients are using convenience model
 - Staff recognize the switch to Invoice Cloud offers an opportune time to make the transition



Comparison of models

Projected costs

Model 1. Processing Costs YoY with Adoption Increases





Proposed fee model

Municipal bills

- Convenience Model
 - Pass all transaction fees to customer
 - 2.95% for credit/debit (\$2.95 for every \$100)
 - \$.95 flat fee for e-check (one-time payments)
 - Autopayments via bank drafts free
 - Free options: cash, mailed check
 - **EST \$250,000 annual savings**

<u>Average Bill</u>	<u>Payment Method</u>	<u>Proposed Convenience Fee</u>	<u>Customer Cost</u>
\$160	Credit/Debit Card	2.95%	\$4.72
\$160	E-Check	\$0.95	\$0.95
\$160	Autopay - Bank Account	No Cost	No Cost



Convenience model

- Invoice Cloud has found no long term negative impact on online adoption for municipalities that have switched to a convenience model
- A convenience model incentivizes customers to enroll in bank-draft autopay
- According to a recent survey conducted by PYMNTS.com, “79% of consumers say service fees on transactions don't negatively impact their view of the organization, and 85% pay service fees without issue.” (Source: USBANK)
- Economic factors like inflation and rising costs incurred by card brands are influencing how local governments are rethinking the approach to merchant processing costs.



Proposed fee model

Previous direction

- Prior councils asked to look into convenience model for budgetary purposes
- Convenience model presented to budget team and agreed with fee model
- Future integrations will allow for different divisions to have different options

Council discussion



Questions?