



Commercial Card

Solutions

An Exclusive Publication for Commerce Bank Commercial Cardholders

Fall 03

Save Time and Money with a One Card Program

If you'd like to streamline your credit operations, increase efficiency and enhance employee satisfaction, consider switching from a multiple card program to a One Card Program.

According to the 2000 One Card Best Practices Study conducted by Deloitte & Touche and sponsored by MasterCard International, One Card Programs can improve efficiency and simplify card management for organizations of all sizes.*

Convenient and Easy-to-Use

With multiple card programs, different cards are used for different types of purchases. Each card may have its own controls, processes and compliance requirements. In contrast, a One Card Program is a single commercial credit card that can be used for purchasing, travel and entertainment expenses and, in some cases, fleet, recurring payments and phone charges.

Consolidating to a One Card Program may save time and money by reducing paperwork and tightening controls. Program administrators may find it easier to manage their commercial card programs. And employees appreciate the ease of use, since they don't need to follow a different protocol for different cards.

Benefits to Your Organization

According to the survey, more than 90% of One Card Program users reported high user satisfaction and acceptance.* Here are some of the ways your organization may benefit from a One Card Program:

- Centralized card processing. Payments are made centrally rather than by each cardholder.
- Fewer check payments.
- Simplified accounting, since you will receive a consolidated statement of purchases and expenses.
- Tighter controls, which can result in easier and faster detection of noncompliant card use.

In addition, most companies can choose to receive online reports for timely access to transaction information. This helps tighten overall control of the payment process and improve timeliness of expense reports and transaction reconciliation. Online reports may also simplify posting, since the One Card solution provides data feeds that can be used for automatic rather than manual posting.

Call for More Information

One Card Programs are becoming increasingly popular as organizations recognize the cost- and time-savings they can represent. For more information about One Card Programs, please contact the Client Care Center at **1-800-892-7104**.

* Source: "One Card Programs Continue to Gain Momentum," executive summary. Study sponsored by MasterCard International and conducted by Deloitte & Touche from October through December 2000.



Case Study: A.G. Edwards & Sons, Inc.

Declining Balance Card Streamlines Expense Accounts

If your company has a number of employees with expense accounts, you know the hassle it invites.

The employee pays out-of-pocket and submits expense reports to accounting for reimbursement. Or if the expense account requires pre-funding, the transfer of funds can be cumbersome and time-consuming, while the employee runs the risk of spending beyond the credit limit.

A better option for your company may be the Commerce Bank Declining Balance Card, a specialized Purchasing Card with a preset balance that's non-replenishing. One company that appreciates its convenience is A.G. Edwards & Sons, a full-service brokerage firm with the corporate headquarters in St. Louis.

"We've been using the Declining Balance Card from Commerce Bank since January," says Laura Eisenhauer, tax accountant with A.G. Edwards. "We have more than 7,000 financial consultants who act as independent contractors, and we have given the top producers the option of establishing a Declining Balance account."

The Card is used for a number of business expenses by the financial consultants, from cell phones and other small equipment purchases to restaurant and travel

expenses, as well as client gifts and certain entertainment expenses, such as greens fees.

"It saves our accounting department from needing to track each consultant's balance. Instead, we receive a separate statement for each account itemizing purchases and showing the current balance," notes Eisenhauer. "The consultants love it because they don't have to itemize and report each expense. They know how much they've spent and when they're approaching their limit."

Tailor It to Your Business

There are a variety of other circumstances for which the Declining Balance Card is a smart solution, and which may apply to your company, as well. Consider it for:

- relocation expenses
- employee bonuses
- project management
- employee incentives
- flexible benefit payments
- and much more.

To help you determine how the Declining Balance Card can be an advantage to your company, contact the Client Care Center.

Year-End Tax Tips for Businesses

Consider these suggestions to help trim your business's 2003 tax bill. Take particular note of new opportunities afforded by the Jobs and Growth Tax Relief Reconciliation Act of 2003.

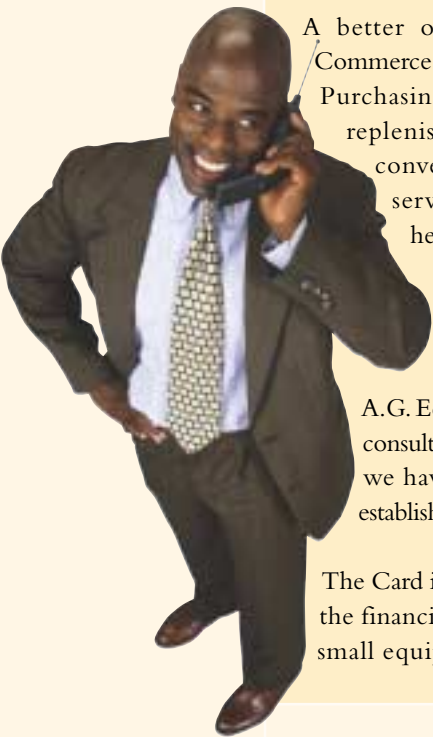
Write off bad debt. Review your receivables for possible bad debts that may be deducted on your tax return. Be sure to document your collection efforts or the deduction may be denied by the IRS.

Save for retirement. Certain retirement plans offer tax advantages for both your business and its employees. For

example, employee contributions to many plans are made on a pre-tax basis, and employer contributions may be deducted as a business expense.

Expense equipment. Section 179 of the tax code allows businesses to deduct the cost of qualified equipment in one year, rather than depreciating it over several years. The new tax bill increases the maximum dollar amount that may be deducted under section 179 to \$100,000 (up from \$25,000) for property placed in service in 2003.*The deduction amount begins to phase

Continued on page 4



Manage Commercial Transactions with Visa® Information Management

Is your business hunting for ways to streamline accounting procedures? Stop wasting valuable time entering payment data, and start cashing in on the benefits of Visa Information Management.

This Web-based reporting service helps businesses manage commercial transactions faster and better. You can run interactive reports that fit your schedule and detail your company's Visa commercial transactions in: spending analysis, travel management, program administration, exception situations, tax reporting and fleet services.

Five Features

1. Visa Information Management provides customized spending analysis with options to specify dates and departments, plus 20 built-in report options.
2. A built-in extract capability allows you to move transaction data easily from Visa Information Management into your general ledger system, cutting down on data entry. Improve accuracy by eliminating errors that result from re-entering data manually.

3. Employees can use Visa Information Management to create hassle-free expense reports. Users enter expenditures and descriptions, split transactions for partial expensing and add non-card transactions. To save another step, expense reports can be automatically forwarded to a manager for approval.

4. Make tracking expenditures easier by accessing your company's transactions reports online. Summarize and consolidate data from multiple departments automatically and distribute information to managers more efficiently.

5. Trust that your data is secure with Visa's customized, password-restricted user access.

Save Time and Money

Visa Information Management helps you monitor and analyze company spending so you can save time and find ways to cut costs. By streamlining the way you keep track of spending, you can improve your company's bottom line. Contact the Commerce Bank Client Care Center today to get your business on track with Visa Information Management.

Spotlight on ... Vendor Cards

Are you getting the most from your Purchasing Card? Because every company has its own unique accounting and tracking procedures, we designed our Purchasing Cards to be flexible by offering a number of optional services. Chances are, there's a specific Purchasing Card option that could make your program even more beneficial.

For example, it's possible to establish accounts that are assigned to specific vendors. All transactions with each vendor are precoded and automatically attributed to that single vendor account. This reduces keystrokes in the accounting process. What's more, purchasers are freed from reconciling transactions, the approval process for managers is more streamlined, and it allows for better negotiations with vendors.

Consider contacting the Client Care Center for an assessment of whether a vendor card or another Purchasing Card feature can enhance your card program.



Q & A

Q. Is there a way I can add money to a Declining Balance Card?

A. The Declining Balance Card has a preset balance that is non-replenishing until it is up for renewal. This helps ensure that the budget you've allocated toward that particular purpose is kept intact. Should you choose to renew the card, you can make adjustments to the amount at that time.

Q. Help! I misplaced my statement! Can I get it faxed to me?

A. Absolutely! We can fax up to three statements free of charge; thereafter, you will be charged \$2.50 per fax.

Q. As our sales force grows, we're getting inundated with statements for our employees' various accounts. Is it possible to combine all the statements onto one bill for payment?

A. Yes. We now offer a corporate billing option that allows you to make one payment per billing cycle for all of your employees. Each cardholder would be issued a new card in order to participate. Your Client Care Representative can give you more details about how we can streamline billing for your convenience.

E-Mailing Requests Is Quick and Easy!

Do you have a request you'd like to make regarding your company's account? Just send an e-mail to commercial.cards@commercebank.com, and we'll respond in two days or less. For a more immediate response, you can call in a request to our 24-hour Customer Care Center at **1-800-892-7104**, then follow up with an e-mail.

Year-End Tax... Continued from page 2

out for small businesses with equipment expenses in excess of \$400,000 (up from \$200,000 in 2002).

Adjust estimated tax payments. Avoid potential underpayment penalties by calculating your estimated tax liability and increasing estimated payments, if necessary.

Give yourself a "bonus." A special depreciation allowance of 30% for qualified property, originally put in place for equipment purchases made between

Sept. 11, 2001, and Sept. 11, 2004, has been amended and extended. The new tax law increases the bonus depreciation amount to 50% for qualified property acquired after May 5, 2003, and before Jan. 1, 2005.**

Be sure to consult your tax advisor before taking any steps that could affect your tax status or liability.

* The increased expensing provision will be adjusted for inflation in 2004 and 2005 and expires Dec. 31, 2005. Your business must have net income for the year to qualify.

** Bonus depreciation expires Dec. 31, 2004.

Commercial Card Client Care Center

We offer personalized service through our in-house customer service department 24 hours a day, seven days a week.
1-800-892-7104 Fax: **1-816-760-7935**
Commercial.cards@commercebank.com

We're here to assist you with all your commercial card needs. For faster service, please have your account number ready when you call the Commercial Card Client Care Center.

Write to us at:

Commerce Bank
Commercial Cards
P.O. Box 13607
Kansas City, MO 64199-3607

This publication does not constitute legal, accounting or other professional advice. Although it is intended to be accurate, neither the publisher nor any other party assumes liability for loss or damage due to reliance on this material. ©2003 Commerce Bank, N.A. – Kansas City, MO.

Printed on recycled paper
10% post-consumer waste. 