



Commercial Card

Solutions

3rd Quarter 08

An Exclusive Publication for Commerce Bank Commercial Cardholders



Explore All Your Payment Options

The way we pay vendors comes as force of habit for many businesses: the invoice arrives, the check is cut and the payment is sent. But charging your expenses to your Commerce Bank Purchasing Card or automated A/P Card program can be a much more efficient, safe and cost-effective way to pay. Plus, you earn additional revenue share for every dollar you charge.



Remember, as your Purchasing Card volume grows, so does your revenue share.

The Benefits of Charging It

Using your Commerce Bank Purchasing Card for invoice payments reduces check-writing costs and risks, helps speed payment, and gives you the information you need to make reconciliation easier. Commerce Bank's ControlPay™ Advanced helps you manage these electronic payments with on-demand reporting and real-time information. Plus, why not get money back for invoices you were going to pay anyway?

Your Payment Matrix

When you consider the many payment formats, cards are the only ones that pay you back; the others cost you money. Considering cards first will maximize your organization's hard-earned dollars.

Who Accepts Card Payments?

More and more companies, from your workers' compensation insurer to your utility and cell phone service providers, accept credit card payments. At the right are a few categories you might not have considered paying by card. We encourage you to contact your vendors; remember, as your Purchasing Card volume grows, so does your revenue share.

Vendor Payment Categories

General

- Cell Phone
- Telecommunication Services
- Waste Disposal
- Internet/Cable/Satellite TV
- Marketing/Advertising
- Headhunter/Temp Agencies
- Cleaning/Exterminator
- Printing/Shredding Services
- Shipping Services
- Security
- Storage/Garage
- Building Maintenance
- Office/Business Equipment
- Maintenance/Renovation
- Apparel/Uniforms
- Events/Banquets/Conferences
- Sporting Events
- Computer Equipment
- Workers' Compensation (check with your state)

Health Care

- Testing Equipment
- Surgical Supplies
- Linens
- Apparel – Lab Coat, Scrubs
- Registration

Education

- Text Books
- Transportation
 - > Maintenance
 - > Leasing
- Team Sports Equipment
- Building Maintenance
- Apparel/Uniform
- Musical Instruments
- Food/Wholesale
- Projector/Desks/Audio
- Heating/Cooling



Easier Reporting for Payment Cardholders

Update on the QPCA Program

You may already know about the IRS' Qualified Payment Card Agent (QPCA) program, including its delay in implementation. This update covers the potential benefits payment cardholders can expect to see once QPCA is fully operational.

Although the program was originally scheduled to be effective in 2005, issues arose concerning the complexity of the IRS regulations. Some of these issues are still being reviewed. In the meantime, Visa® has applied for QPCA certification. Once certification has been granted, Commerce Bank Visa payment cardholders who choose to participate can benefit from the QPCA program.

Reporting Hurdles for Payment Cardholders

For decades, the Internal Revenue Service (IRS) has required organizations to report payments to independent contractors for services of \$600 or more in a calendar year on Form 1099-MISC. Required information includes:

- Taxpayer identification number (TIN).
- Legal business name.
- Complete address.
- Corporate status (e.g., partnership, sole proprietorship, corporation, etc.).
- Sole proprietor's name, if it is a sole proprietorship.

Gathering this information can be difficult in a paper payment environment, when purchase orders, invoices and paper checks are used. But with payment card transactions, soliciting merchant or supplier information is even more challenging. If your organization is unable to supply the information to the IRS, you may be required to initiate backup withholding for taxes on any future dealings with the supplier. That can be a nuisance for you, as well as a disincentive for the supplier to work with you.

QPCA to the Rescue

The QPCA program was established by the IRS to help alleviate the burden on payment cardholders. Here are some of the potential advantages:

- **Less paperwork.** Eligible cardholders will no longer need to solicit 1099-MISC information from suppliers. Instead, Visa will handle obtaining the appropriate information.
- **Greater accuracy.** Using the IRS TIN Matching service, Visa will be able to validate each supplier's TIN and legal business name.
- **Regular reporting.** Each quarter, Visa will notify cardholders of any suppliers whose TIN could not be validated.
- **Relief from certain penalties.** If you rely on the information Visa supplies for MISC-1099 reporting and it turns out to be incorrect, you have "reasonable cause" to request relief from any associated penalties.

If Visa and the IRS cannot validate the supplier's name and TIN, the supplier will be considered nonqualified. Once you are notified that a supplier is nonqualified, you will have two months to obtain the required information on your own. If you are unable to do so, you will be required to backup withhold on any future transactions with that supplier.

Stay Tuned

Commerce Bank is eager to be able to offer the potential benefits of this program to our payment cardholders. We will keep you posted on the status of Visa's request for certification as a QPCA. In the meantime, continue using other approaches for Form 1099-MISC reporting.

For more information about QPCA, visit:

- http://usa.visa.com/government/tools/reporting/qpca_govt.html
- www.napcp.org/resourcecenter

Declining Balance Cards

Commerce Bank offers a variety of Purchasing Card solutions that help your business succeed in controlling costs and streamlining record-keeping. One great tool is our Declining Balance Card. This is a specialized Purchasing Card with credit limit settings that do not refresh on a specific date, but rather decrease over time.

With the Commerce Bank Declining Balance Card, your business does not have to pre-fund a card account. Instead, you can simply pay as charges occur in a normal billing cycle and enjoy a finite balance that may be spent during the specified time.

The Benefits

The Declining Balance Card is perfect for situations that require pre-set limits. Here are some examples of how it can be used.

Per diem travel, especially for people who don't travel often and don't need a T&E card. The Commerce Bank Declining Balance Card can be set with a credit limit equal to the per diem amount for the length of a specific trip.

Special events, including trade shows or projects with a specific timeline. The card can be set up with a spending limit, and/or an expiration date that coincides with the event date.

Replace Petty Cash. Eliminate the risk of keeping cash around, but still have the convenience of flexible spending with a Declining Balance Card. Plus you can count on better reporting with a record of every transaction on your statement. No more guessing where that money went if your receipts don't add up. If necessary, it's even possible to block certain Merchant Category Codes (MCCs) to restrict where the card is used.

Teachers who typically have a fixed amount to spend each term can use this card to easily manage a declining balance. Reduce the need for detailed expense reports or petty cash receipts. Every transaction is recorded and itemized for your convenience.

Convenience in a Card

Commerce Bank's Declining Balance Card provides you with an easy-to-use card that helps track, limit and control spending. However it is used, the card is safer than cash. For more information, please contact the Commerce Bank Client Care Center at **1-800-892-7104** or visit www.commercebank.com.



Lindy Sharitz

Getting to Know Commerce Bank



Lindy Sharitz,
Implementation
Specialist – Retail
Lending and
Payment Systems

Lindy Sharitz started her career at Commerce Bank in 1995 as a Customer Support Representative, when the Commercial Products department consisted of just five people. As the department grew, Lindy transitioned into a Chargeback Specialist role where she handled cardholder disputes.

After leaving the work force in 2000 to become a stay-at-home mom, Lindy returned to Commerce Bank's Commercial Products department in February of 2008 as an Implementation Specialist. In her current role, Lindy is responsible for managing the on-boarding, permissions and set-up of new accounts. She also helps coordinate the training of cardholders and Program Administrators on a client's Card program or A/P program.

We asked Lindy to share her thoughts about Commerce Bank.

Q: What do you think is the most important part of your job?

A: My clients. I have internal and external clients, both of whom are extremely important and closely intertwined. My mission is to exceed expectations as well as maintain and strengthen relationships.

Q: What do you enjoy most about your position?

A: Honestly, there are so many things I enjoy. I like the diversity and challenge that my position offers. It fits my personality and the people and atmosphere are wonderful! My job requires me to be aware of what is going on with each client and I like that I have the opportunity to meet and get to know each of them.

Thank You!

We would like to take this opportunity to express our appreciation to you, our Commercial Card partners. Throughout the year, we always appreciate that you have chosen Commerce Bank as your partner. Daily, we work to make sure each transaction, each statement and each phone call fulfills your expectations.



Commercial Card Client Care Center

We offer personalized service through our in-house customer service department
7 a.m. to 6 p.m. Monday – Friday
1-800-892-7104 Fax: 1-816-760-7935
commercial.cards@commercebank.com

Please note our physical location:
825 Main Street, Kansas City, MO 64105

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 411036
Kansas City, MO 64141-1036**

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