June 2020

Santander Commercial Card

Virtual Card for Account Payables Guide

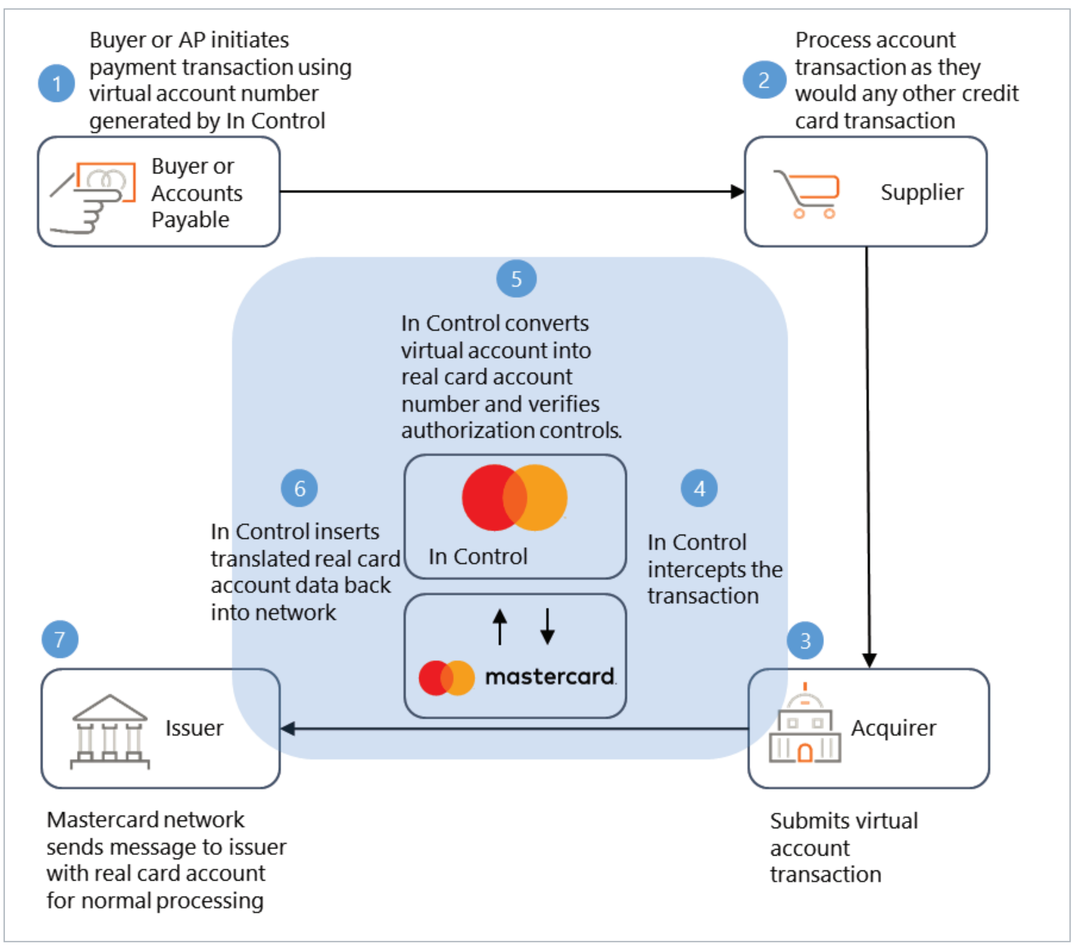
Santander
Commercial Banking

Contents

1. Santander Virtual Card

A virtual card is a 16-digit credit card number created for one purpose — to pay a supplier for a transaction with a pre-defined amount. No physical cards are involved. The virtual card number processes like a normal credit card payment. The process works as follows:

- You initiate a payment transaction using a virtual account number generated by MasterCard InControl
- The virtual account number is emailed to the supplier.
- The supplier runs the virtual card payment through their terminal / payment application, just like for any other card transaction. The merchant receives payment from their acquirer, usually the following day.
- MasterCard InControl intercepts the transaction and inserts your real card number for the virtual card details.
- Santander charges your real card for the transaction. Transactions will appear on 360Control under your real card billing account.



Benefits of virtual card payments to the buyer:

- Efficient payment process
- Days payable outstanding extension
- Payments can earn rebates for your company
- Very secure form of payment
- Up to 29 data fields for every payment for enhanced reporting and reconciliation

Benefits of virtual card payments for the supplier:

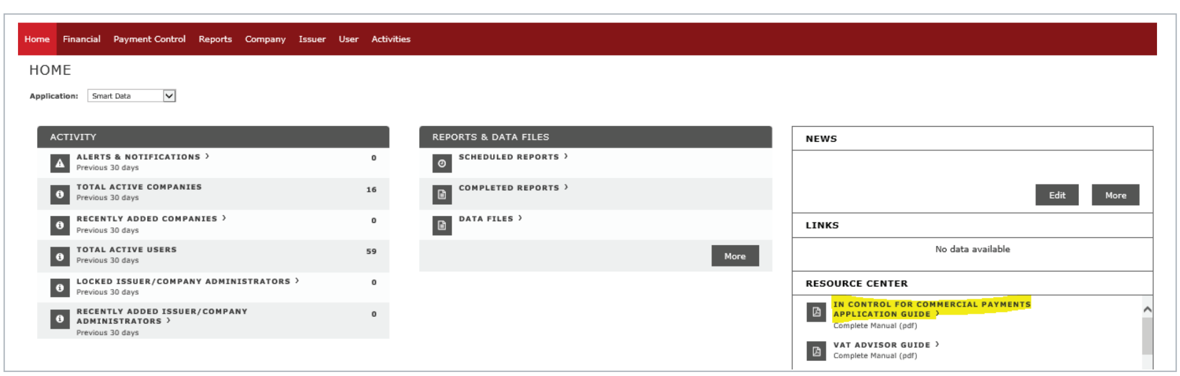
- Payment process efficiencies
- Helps lower receivables financing costs
- Days payable outstanding acceleration
- Lower cost of acceptance than check
- Additional data accompanying every payment for payment reconciliation

Virtual cards can be initiated and sent to the vendor in many ways, based on your company's needs.

- **Web:** A secure web-based user interface, InControl, used to generate and deliver virtual card number details to a supplier, using an encrypted email.
- **API:** System generate virtual cares in real-time through a company application of ERP.
- **Host-to-host:** Our integrated payables offering, Santander Enterprise Payment Link, combining your ACH, wire, check and card payments in one integrated payment file.

These solutions all meet both Payment Card Industry (PCI) standards and MasterCard network rules.

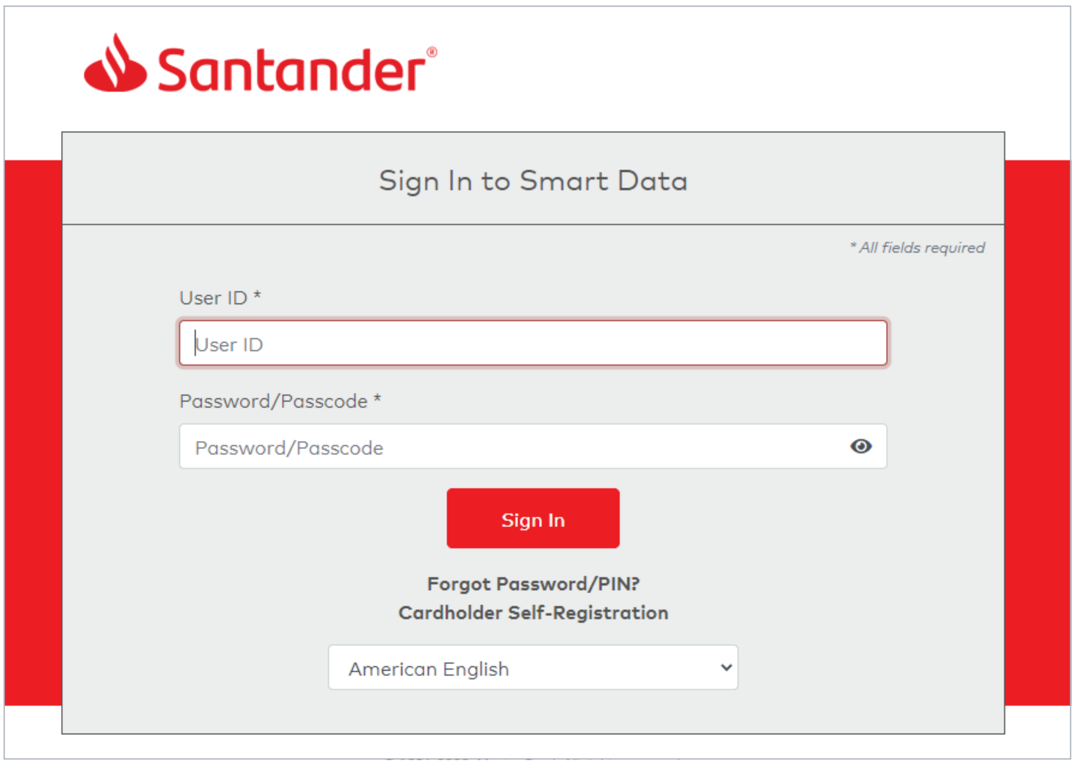
The purpose of this guide is to provide step by step instructions for the common tasks you will need to undertake on the Smart Data InControl web-based interface. MasterCard has a comprehensive user guide *MasterCard InControl For Commercial Payments* which should be consulted for more complex tasks. This guide can be downloaded from the application.



If you have questions on the use of InControl contact Client Service: clientservice@santander.us or 844-726-0095.

2. Login

Login to Mastercard Smart Data (InControl) using the credentials provided by your implementation manager (https://sdg2.mastercard.com/sdportal/home.view).

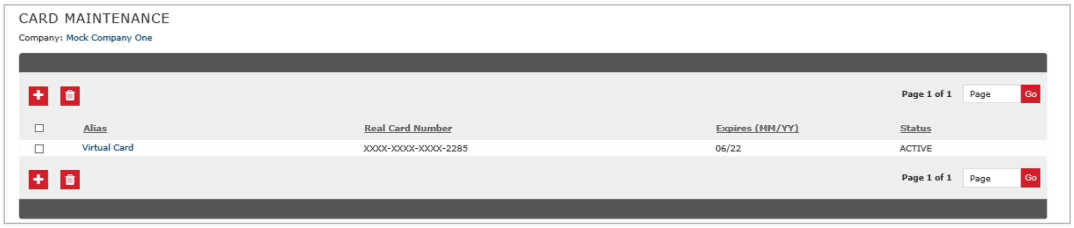


3. Real Cards

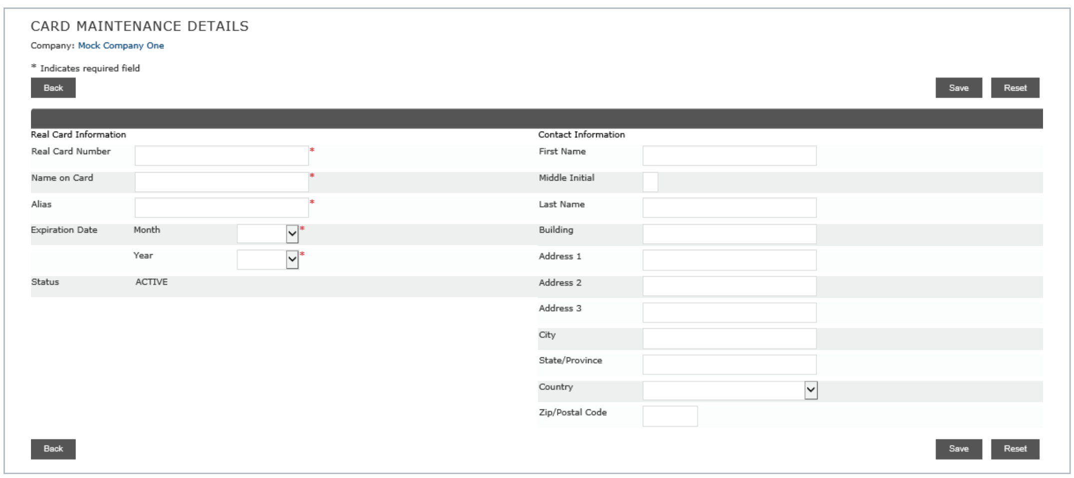
Real cards are the primary billing accounts used to process virtual payments. The real card number is the actual account which a virtual account charges to. The Card Maintenance feature enables users to add, edit, and delete this primary billing account information. Real Card set up will typically be done for you by our Implementation Team.

3.1 Adding Real Cards

1. Click Payment Control > Card Maintenance.
2. The Card Maintenance page opens.
3. Click Add Real Card (plus icon).



4. The Card Maintenance Details page opens.

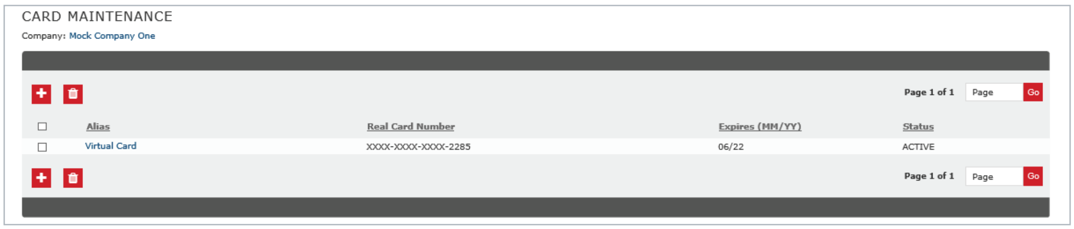


5. Enter the Real Card Information.
6. We recommend you enter the Contact Information fields, this will inform your supplier who to contact in the event of a query.
7. Click Save

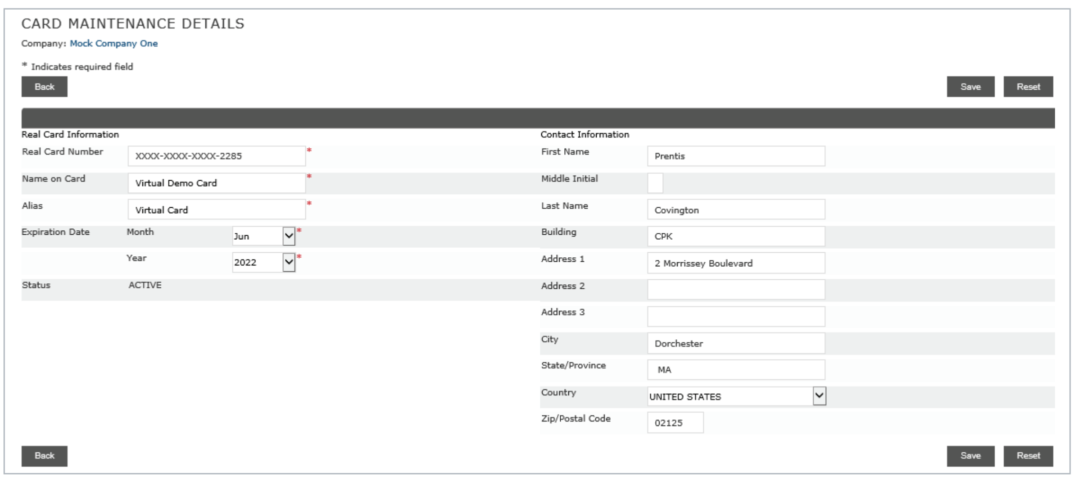
3.2 Editing Real Cards

You can edit the details of an existing real card to maintain accurate data. For example, you can replace any real card number that expires or is compromised. When you enter the new 16-digit credit card number from the same BIN range, all the preexisting virtual accounts associated with the original real card number will reassign to the new real card number.

1. Click Payment Control > Card Maintenance.
2. The Card Maintenance page opens.
3. Select the Alias (nickname), shown in blue.



4. Make the changes needed on the Card Maintenance Details page.

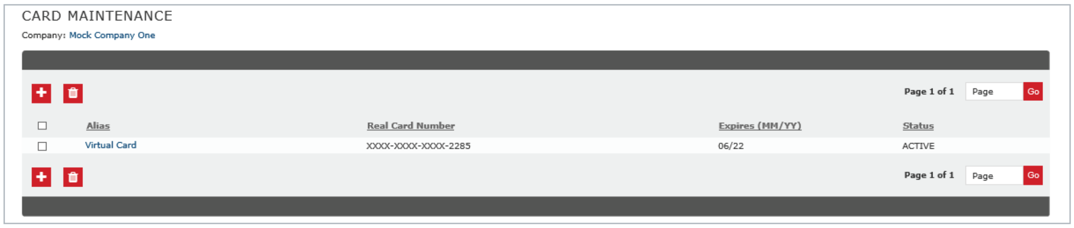


5. Click Save.

3.3 Deleting Real Cards

Once a real card number has been used once, it cannot be deleted, it can only be deactivated. You can then reactivate, as needed, by changing the status from Inactive to Active.

1. Click Payment Control > Card Maintenance.
2. The Card Maintenance page opens.



3. Select the Alias, shown in blue.
4. Click the trash icon to deactivate the Real Card(s).
5. A warning message displays to confirm.
6. Click OK to confirm.

4. Custom Data Fields

A significant benefit of using virtual cards is that you can send information along with the payment to aid reconciliation and accounting. This is done via Custom Data Fields which are totally definable by you. You can set them up for anything that would be useful for you or your supplier, for example, cost accounting, project management, financial systems, planning, and reporting functions of the company.

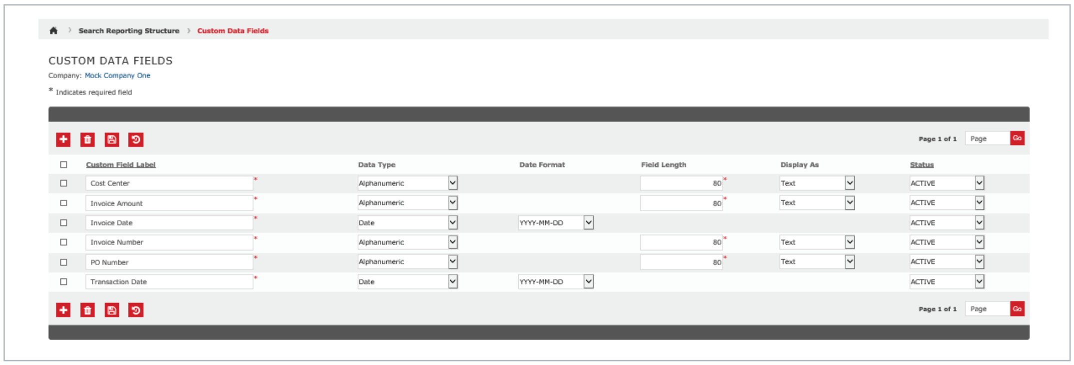
Issuers or companies can add up to 29 Custom Data Fields at the company level.

When you come to set up a purchase template (a saved set of payment controls so you do not have to enter them afresh for every payment) you can select which of the Custom Fields you want for each template. See Section 5 for more details on Purchase Templates.

4.1 Adding Custom Data Fields

To add new custom data fields to specify and capture additional data:

1. Click Payment Control > Custom Data Fields.
2. The Custom Data Fields page opens.



3. Click Add Custom Data Field (plus icon).
4. The new Custom Data Field row opens.
5. Enter fields. Avoid storing any personal information in Custom Data Fields.
6. Click Save Custom Data Field(s) (disk icon).

5. Purchase Types

Purchase Types allow a company to restrict usage of a virtual card number to a specific Merchant Category Codes (MCC) or group of MCCs. A Purchase Type is required for each virtual card payment request. There are 24 predefined Purchase Types in the system and new purchase types can be created if required.

You can customize a purchase type in two ways:

1. Copy a system-defined one and customize, or
2. Create a new one.

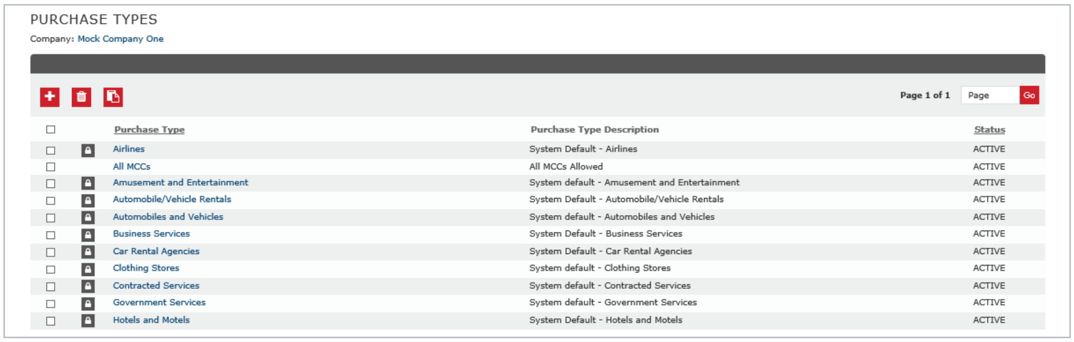
Purchase types can be customized at the company level for all purchases across the company, if required.

You have the option to **Allow** or **Deny** MCC(s) for a Purchase Type. If your procurement policy does not allow purchases from a specific MCC(s), select Deny.

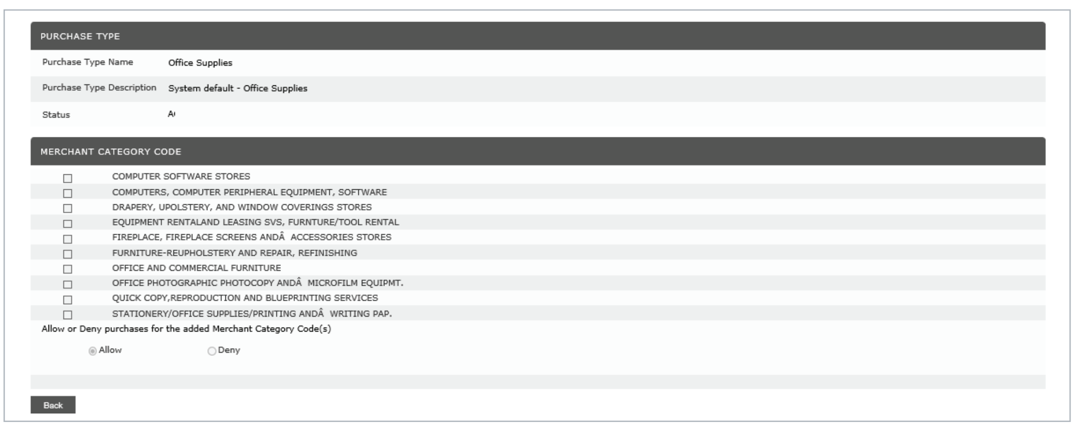
5.1 Copying and Customizing Purchase Types

Copy an existing purchase type and edit it to suit your needs.

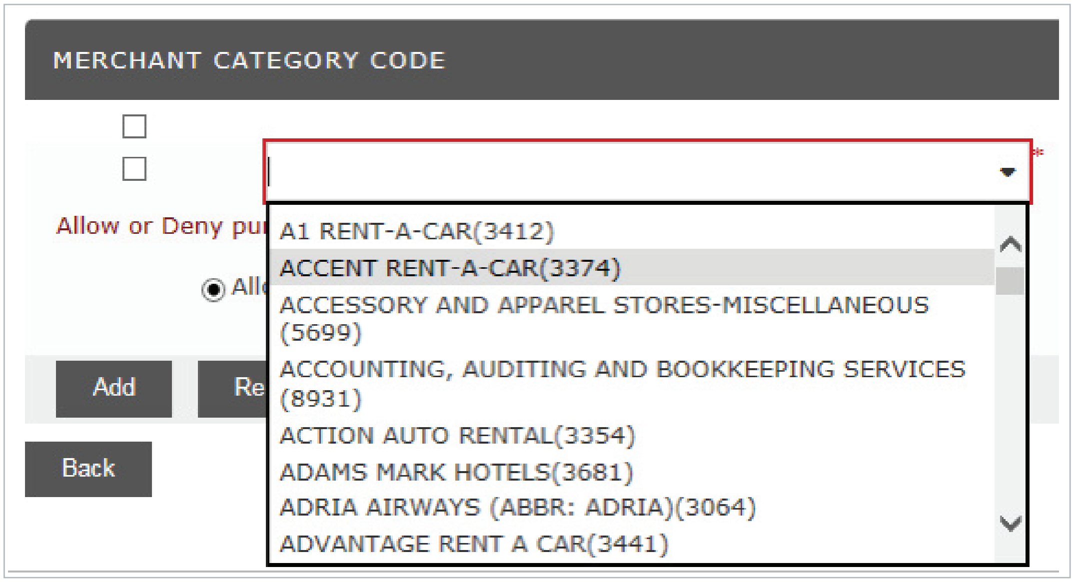
1. Click Payment Control > Purchase Types.
2. The Purchase Types page opens



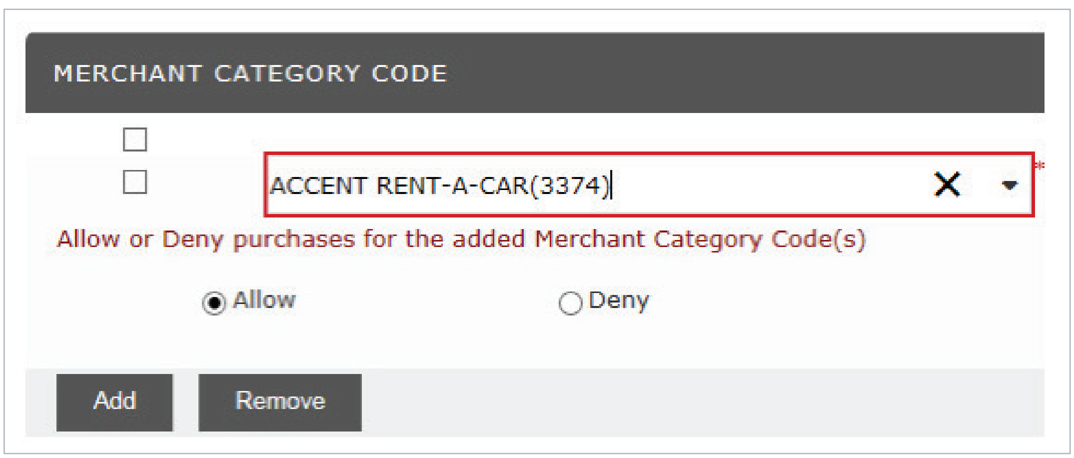
3. Select an existing Purchase Type.
4. Click Copy Purchase Type(s) (clipboard icon).
5. The Purchase Type Details page opens.
6. Enter a new Purchase Type Name.
7. Enter a new Description.
8. Select the Status: Active or Inactive.



9. Click Add to select Merchant Category Codes.
10. Select the MCCs (card acceptor business codes).



11. Click Allow to accept the MCC or Deny to decline it.

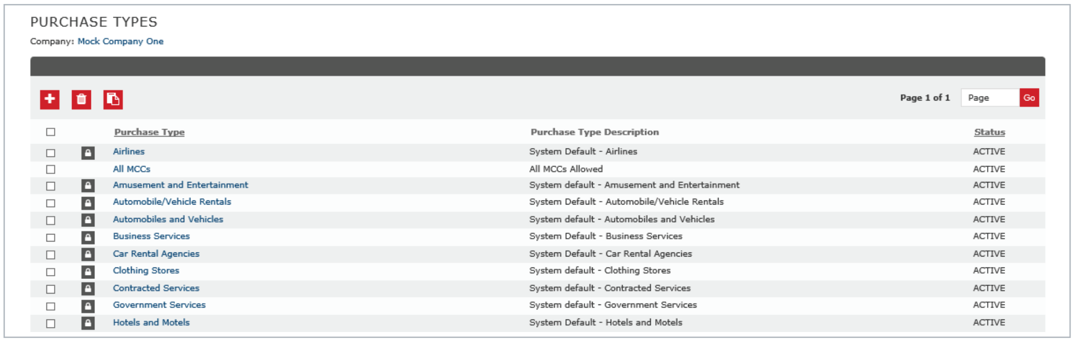


12. Click Add or Remove as needed for additional MCCs.
13. Click Save.

5.2 Creating New Purchase Types

You can create new purchase types to suit your needs. You can also create one purchase type for Allow and another for Deny MCC codes.

1. Click Payment Control > Purchase Types.
2. The Purchase Types page opens.



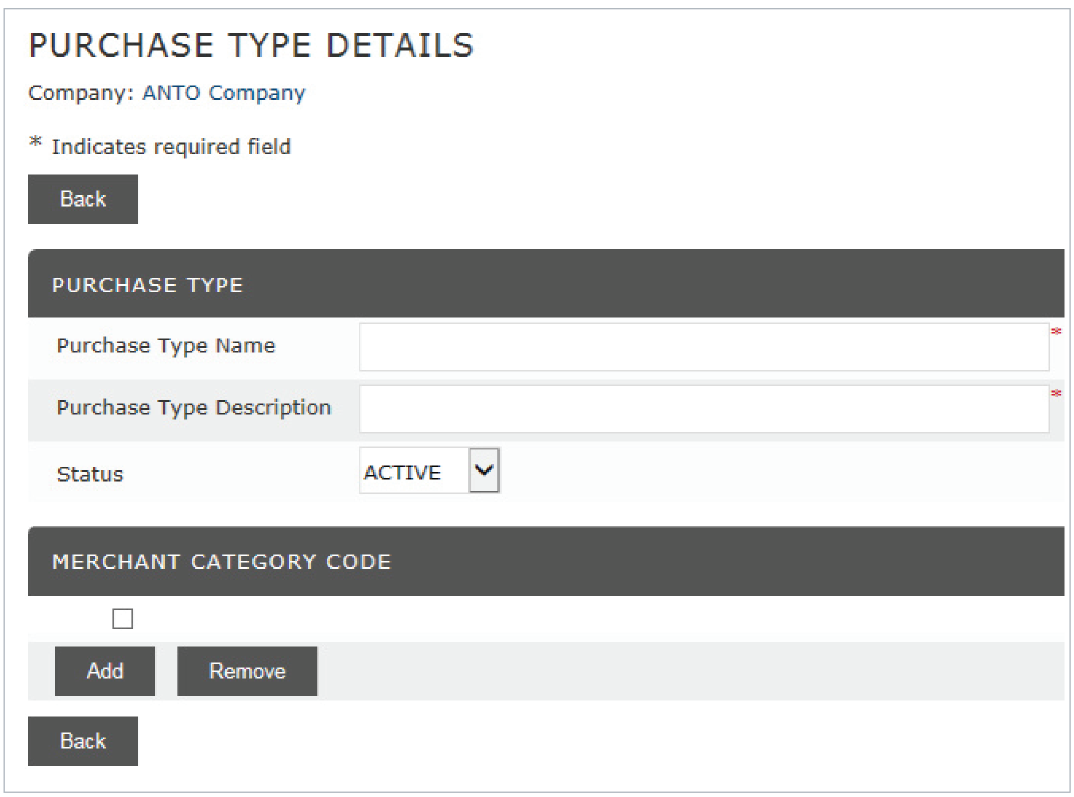
PURCHASE TYPES

Company: Mock Company One

Page 1 of 1 Page Go

Purchase Type	Purchase Type Description	Status
Airlines	System Default - Airlines	ACTIVE
All MCCs	All MCCs Allowed	ACTIVE
Amusement and Entertainment	System default - Amusement and Entertainment	ACTIVE
Automobile/Vehicle Rentals	System Default - Automobile/Vehicle Rentals	ACTIVE
Automobiles and Vehicles	System default - Automobiles and Vehicles	ACTIVE
Business Services	System Default - Business Services	ACTIVE
Car Rental Agencies	System Default - Car Rental Agencies	ACTIVE
Clothing Stores	System default - Clothing Stores	ACTIVE
Contracted Services	System default - Contracted Services	ACTIVE
Government Services	System default - Government Services	ACTIVE
Hotels and Motels	System Default - Hotels and Motels	ACTIVE

3. Click Add Purchase Type (plus icon).
4. The Purchase Type Details opens.

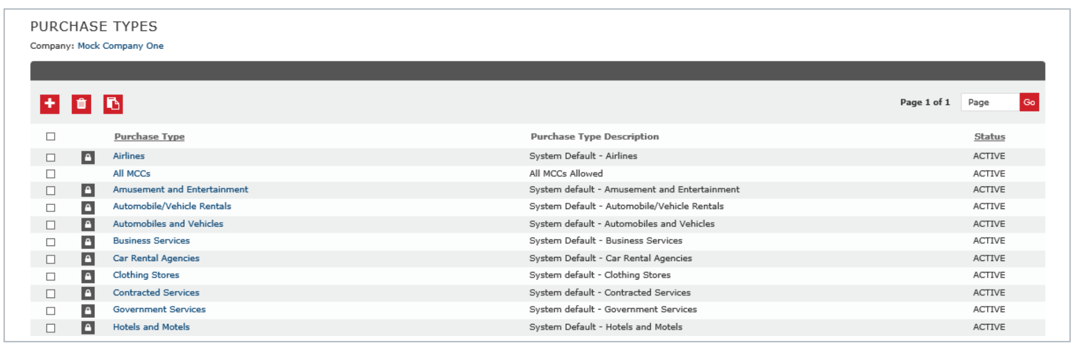


5. Enter the Purchase Type Name.
6. Enter the Purchase Type Description.
7. Select the Status: Active or Inactive.
8. Click Add to select Merchant Category Codes.
9. Select the MCCs (card acceptor business codes).
10. Click Allow to accept the MCC or Deny to decline it.
11. Click Add or Remove as needed for additional MCCs.
12. Click Save.

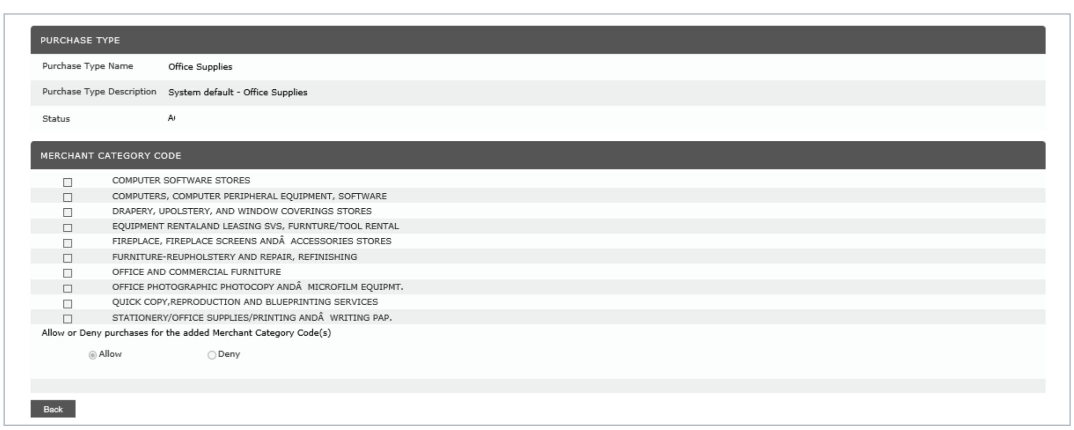
5.3 Editing Purchase Types

You can edit existing purchase types as your needs change. When you change purchasing types existing virtual card numbers do not automatically update with the new list of MCCs. You will need to update the virtual card numbers and apply the new list of MCCs, as required. You cannot edit System-Defined Purchase Types.

1. Click Payment Control > Purchase Types.
2. The Purchase Types page opens.



3. Click the purchase type to edit.
4. The Purchase Type Details page opens



5. Make the changes.
6. Click Save.

6. Purchase Templates

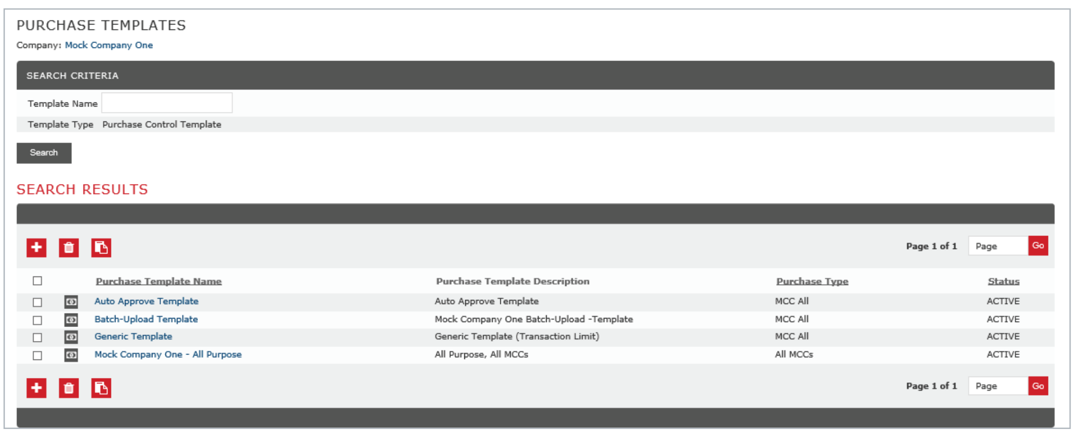
Purchase templates are a combination of Custom Data Fields, Purchase Types (MCCs) and Controls. They can be used to restrict a user's virtual card number requests.

You can create new purchase templates or copy and edit an existing one.

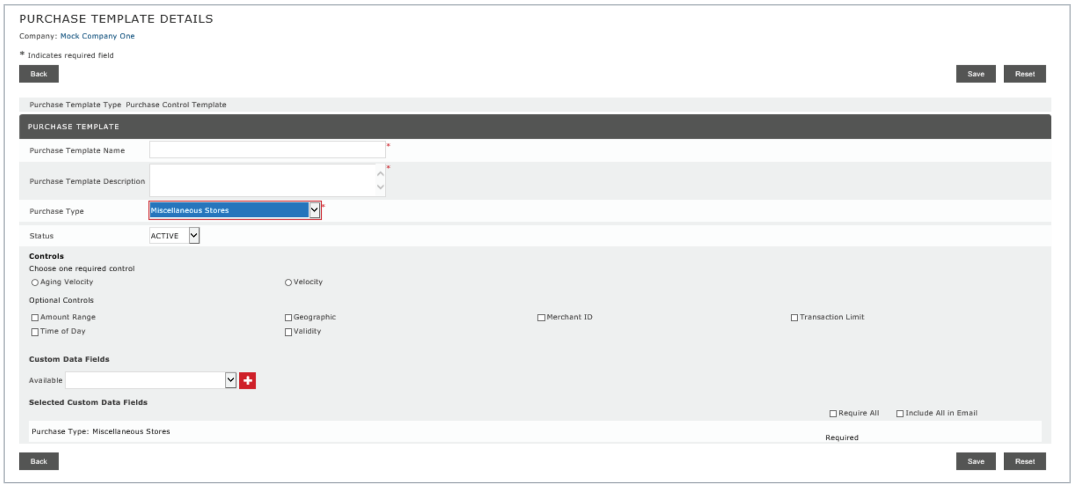
6.1 Create a Purchase Template

To navigate to the screen to create Purchase Templates:

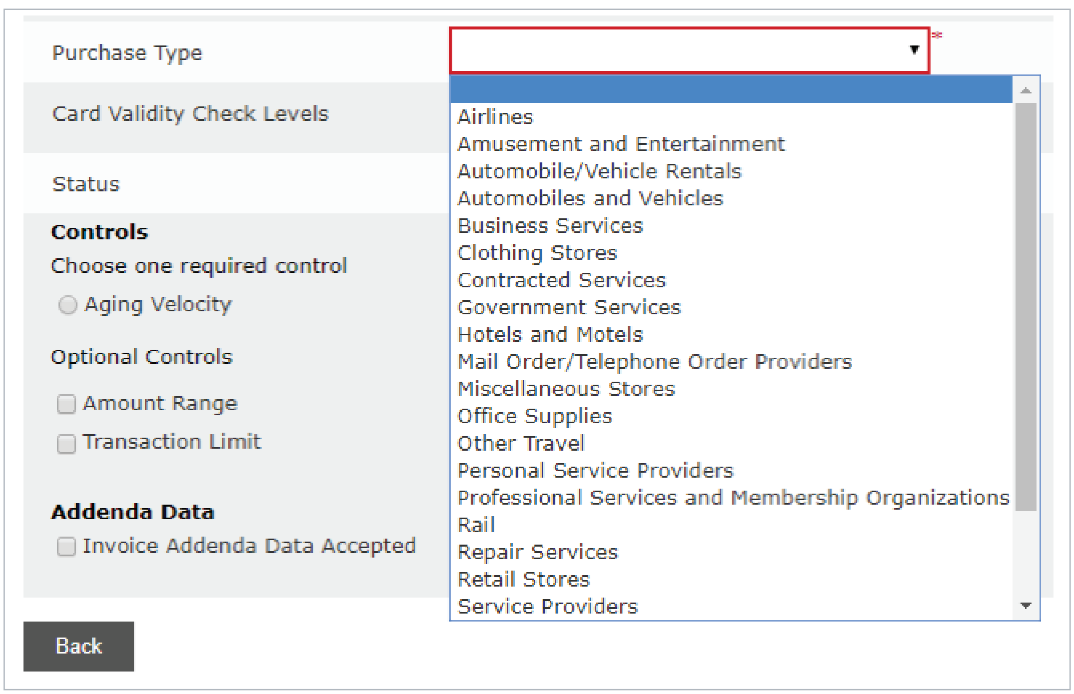
1. Select Payment Control > Purchase Templates.
2. The Purchase Templates page opens.



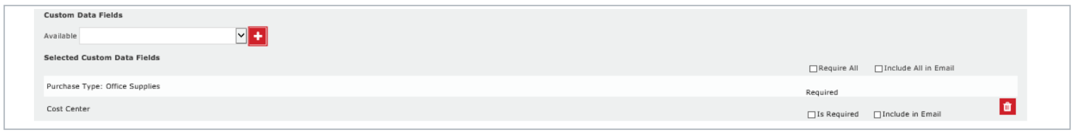
3. On the Purchase Templates page, you can either search for a template by Template Name, or create a new template by clicking the + button.
4. Type a Purchase Template name and description.



5. Select a Purchase Type. You can select one of the System Default Purchase Types, or one configured for the company. See Section 4 for more details on Purchase Types



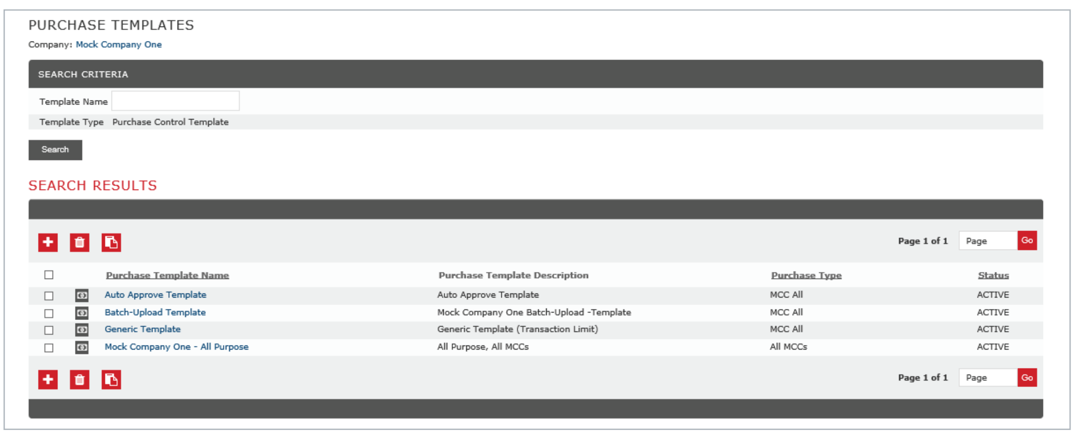
6. Select required Controls for the Purchase Template. You will enter the parameters for each of the controls selected here when you come to make a purchase request using the purchase template. For example, if you select Transaction Limit to be a control for your template, you will be prompted to enter a transaction limit when you make your purchase request. If you do not make this selection for your template, you will not have the option to set a transaction limit when you make the payment request using this template.
7. Select the required Custom Data fields. See Section 3 for how to create these fields.



8. Click Save to save the Purchase Template.

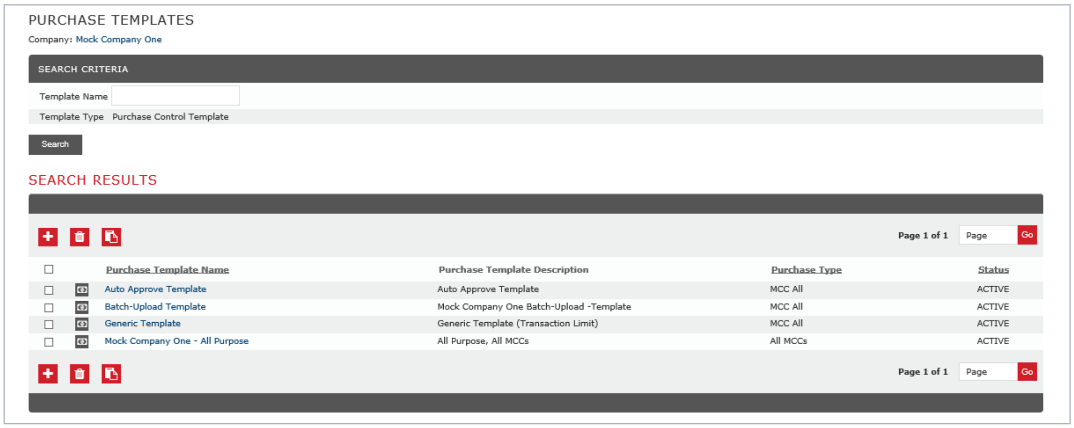
6.2 Copy a Purchase Template

1. Click Payment Control > Purchase Templates.
2. The Purchase Templates page opens
3. Check the box next to the Purchase Template you would like to copy.
4. Click the Copy (clipboard icon) button to create a copy of the template that you can edit without changing the original.

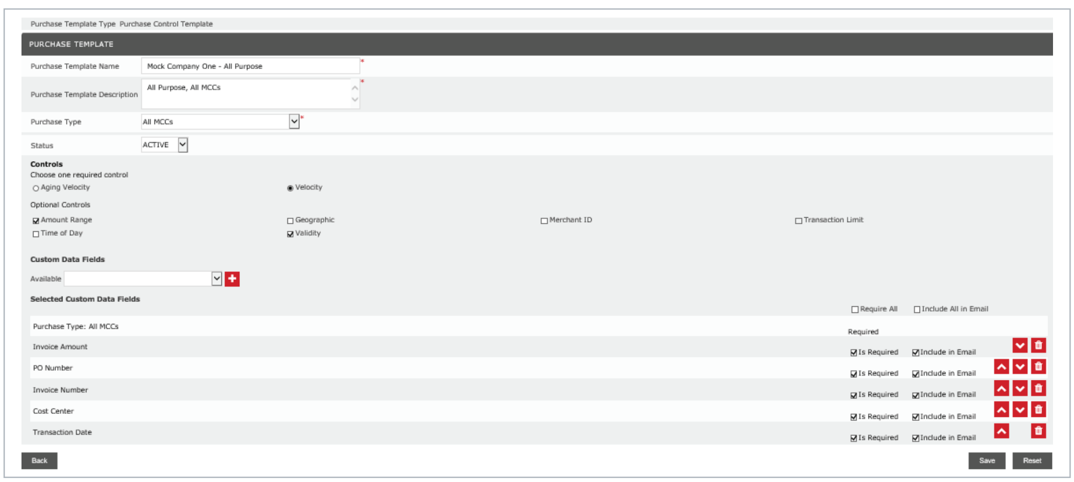


6.3 Edit a Purchase Template

1. Click Payment Control > Purchase Templates.
2. The Purchase Templates page opens.



3. To edit a Purchase Template, click on the name of the template to edit the original.
4. Make the changes required.



5. Click Save.

6.4 Delete a Purchase Template

Purchase templates that are not associated with any purchase requests for a virtual card can be deleted from Payment Control. Purchase templates that are associated with a purchase request cannot be deleted, but can be changed from the status of “Active” to “Inactive.”

1. Click Payment Control > Purchase Templates.
2. The Purchase Templates page opens.
3. Check the box next to the Purchase Template you would like to delete.
4. Click the Delete (trash icon) button to delete the template.
5. Click OK to confirm.

7. Purchase Groups

Purchase Groups combine individual users into groups with similar needs and permissions. Groups usually mirror an organization’s structure and procurement policies. All the individuals in a group will have:

- Authorization to make purchase requests based on the same set of purchase templates.
- The same purchase limits for each purchase template.
- The same approval limit for each purchase template.
- The same rules for who needs to approve their set of purchase templates.
- Transactions based on the same real card numbers.

You can view the users in a purchase group by clicking **View Users in the Group** (people icon).

There is an Exception Approval Group which is system defined, for when:

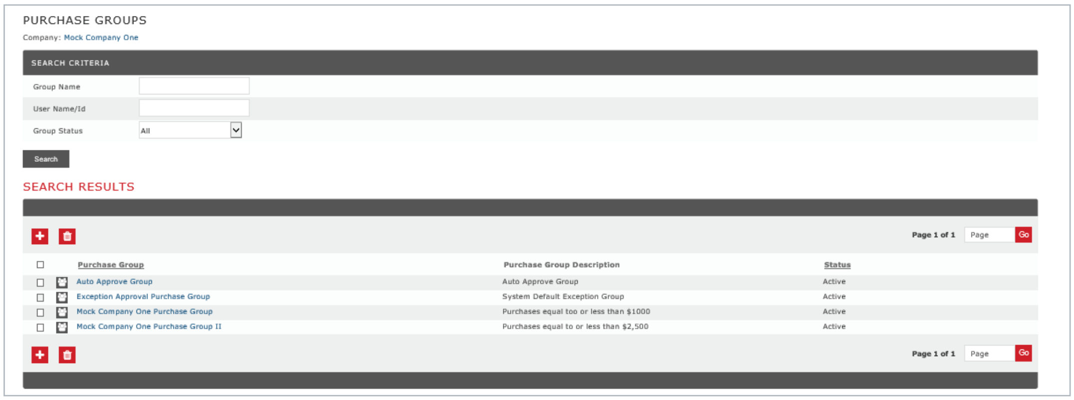
- The next level in the approval workflow is unknown.
- The approval status is pending.

An Auto-Approve Purchase Group can be selected for any purchase template if there is no approval required to create the purchase request. The Auto-Approve Purchase Group is also the default group used for batch virtual card number requests.

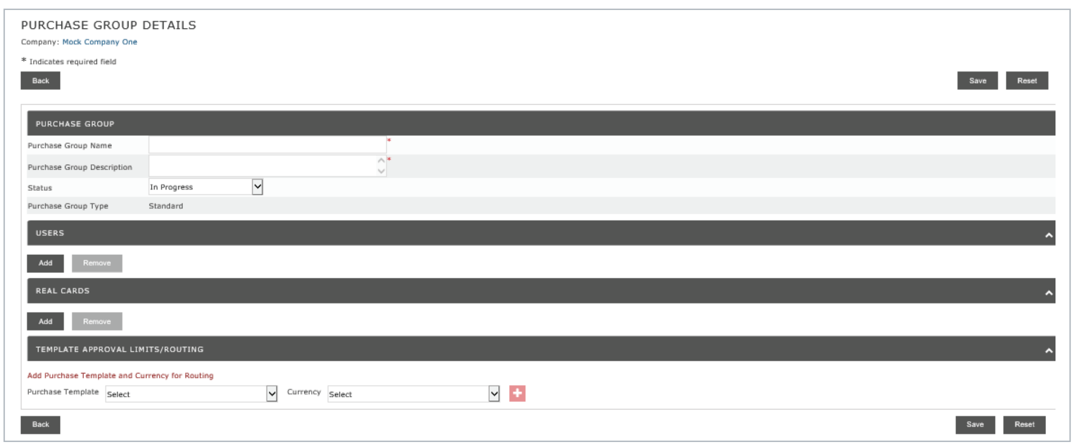
7.1 Create a Purchase Group

Create the groups in order by approval limit from highest to lowest. Create the group with the highest approval limit first, then the group with the next highest limit, and so on until the group with the lowest limit.

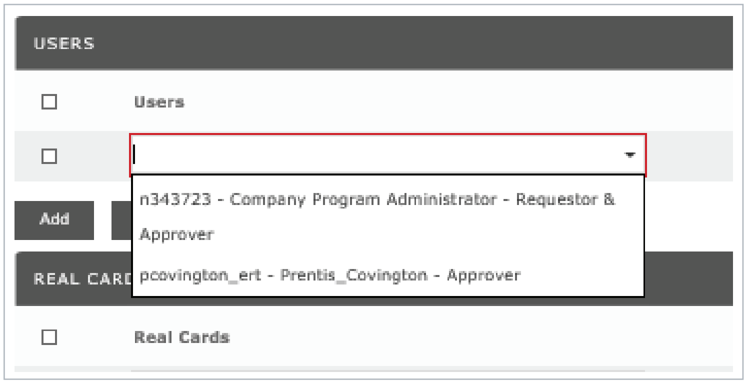
1. Click Payment Control > Purchase Groups.
2. The Purchase Groups page opens.



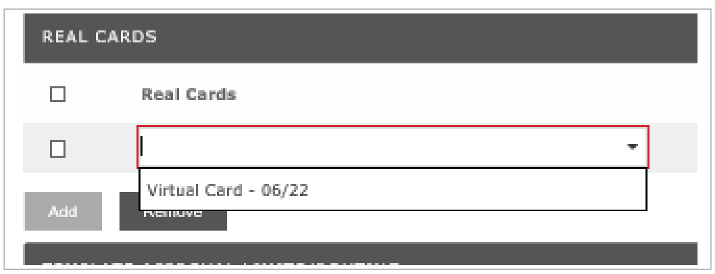
3. On the Purchase Groups page, click the + button to add a Purchase Group.
4. The Purchase Group Details page opens.



5. Type the name and a description of the purchase group. The group Status will default to In Progress. Select Standard from the Purchase Group Type drop-down.
6. In the Users section, click Add to add a user. Click the field to see a list of users that can be added to the Purchase Group. Only users not already assigned to a Purchase Group will display.

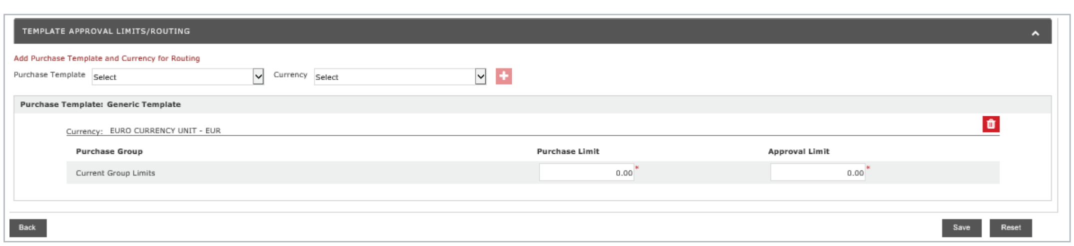


7. Select the Real Card that should be associated with the Purchase Group.

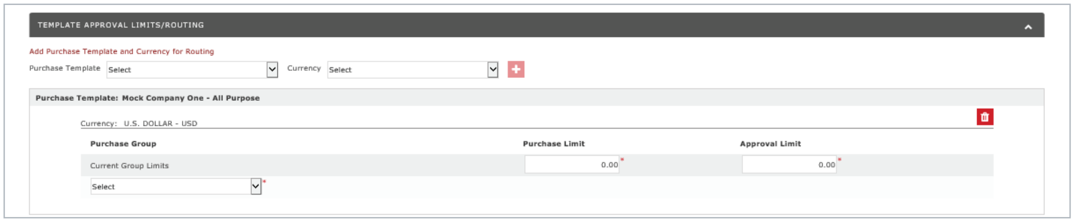


8. Select the Purchase Template(s) and currency that should be associated with this group.

9. Click the + button to add Purchase and Approval Limits for the Purchase Group. Type the Purchase Limit and the Approval Limit.



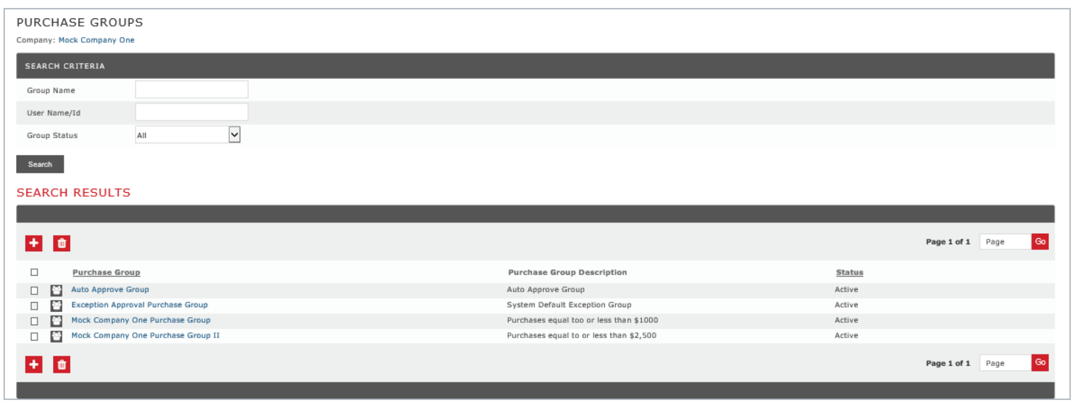
10. Select the Purchase Group that the group's purchase requests will route to and click Save.



11. Once the group is saved, change the Status to Active, and Save it again with the Active status so you can start to use the group.

7.2 Delete a Purchase Group

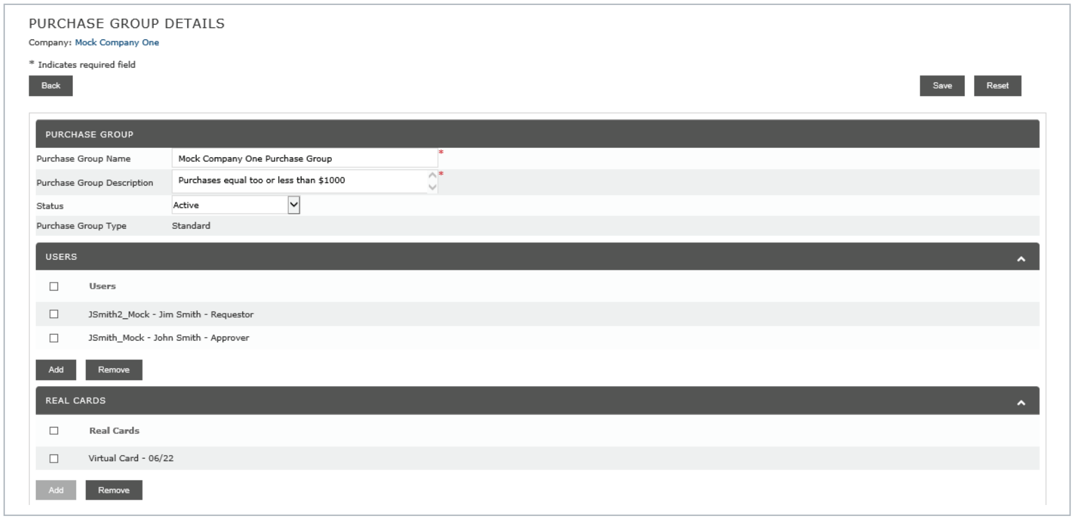
To delete a Purchase Group, on the Purchase Group page, click the checkbox next to the group name and then click the **Delete** (trash icon) button.

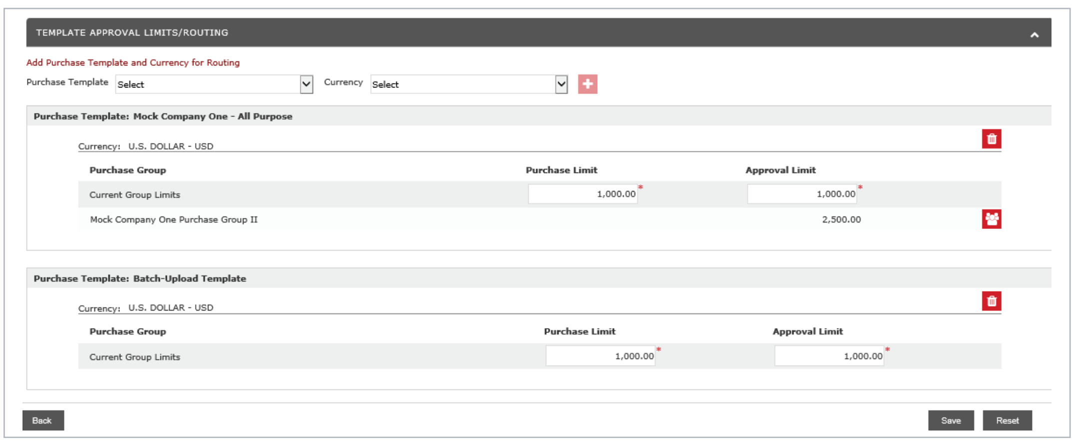


7.3 Edit a Purchase Group

1. To edit a group, click the Purchase Group name.
2. The Purchase Group Details page opens.

3. Edit the fields required.





4. Click Save.

8. Suppliers

Companies can create preferred suppliers to restrict purchases to a specific set of suppliers.

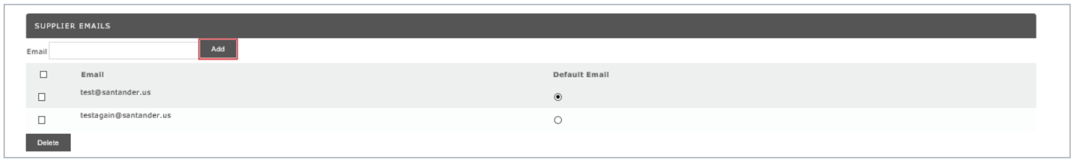
Companies can create a default supplier called “Valued Supplier” to allow for purchase requests to non-preferred suppliers, if needed. If you go down this route you will need to enter the supplier’s email address with every purchase request.

8.1 Create Suppliers

1. Select Payment Control > Supplier Setup.
2. Click the + button to add a new Supplier.

3. Enter the Supplier Name.
4. Select the Email Language in which the email notifications should be sent to this supplier.
5. In Supplier Email Notification, select how you want the virtual card number information to be communicated to this supplier.
   - **Allow VCN details to be emailed to this supplier** – InControl will send an email to this supplier for each approved virtual accounts.
   - **Allow VCN requester to manually enter a new email address when requesting a virtual card number** – InControl will send the email to the address provided in the purchase request and not to the default email address in the supplier record.
   - **Submit reminder email** – InControl will send a reminder email if the supplier has not used the virtual card number.
   - **Allow card image to be emailed to this supplier** – An image of the virtual card with the payment details will be included in the email sent to the Supplier.

6. Under Supplier Emails, add at least one email address for this supplier. This is the address to which virtual card number information will be sent. You can enter your own email address if you intend to distribute the VCN to multiple suppliers.



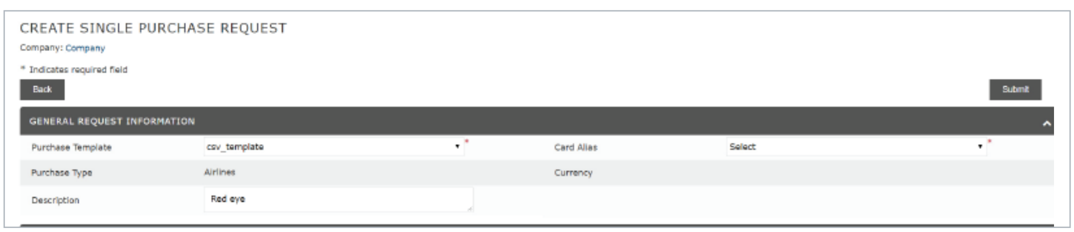
You can add multiple email addresses to a supplier record and set one as the default address. The purchase request can include only 5 email addresses.

9. Single Purchase Request

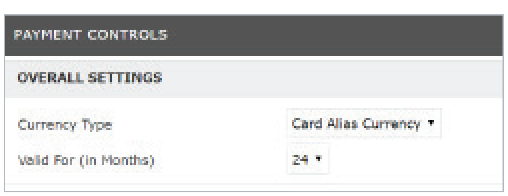
Purchase requests are used to generate virtual card numbers for companies and their suppliers. For batch purchase requests see our guide Virtual Card for Account Payables File Upload Guide.

9.1 Create a Single Purchase Request

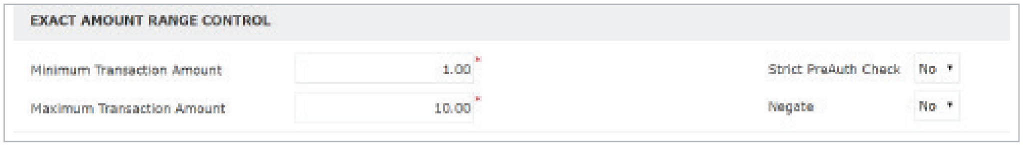
1. Select Payment Control > Purchase Requests > Create Single Request.
2. In the General Request Information section, select the Purchase Template name.



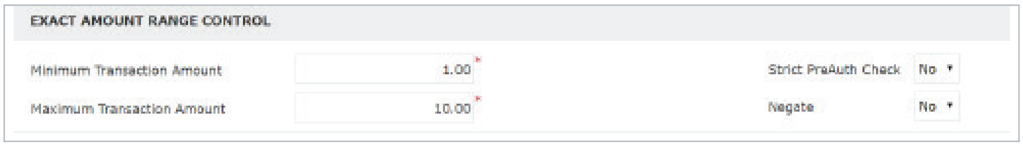
3. The Payment Controls, Custom Data Fields, and Purchase Type display.
4. Payment Controls are parameters such as the amount of payment, who payment can be sent to, where payment can be made, or when payment can be made.
5. Select the Currency Type of the payment to be either the card or merchant currency. Card Alias Currency should be the default. This is typically USD.



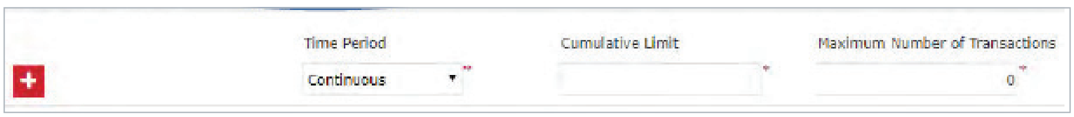
6. Set the maximum and minimum transaction amount.



7. Select the dates the virtual card number will be valid.

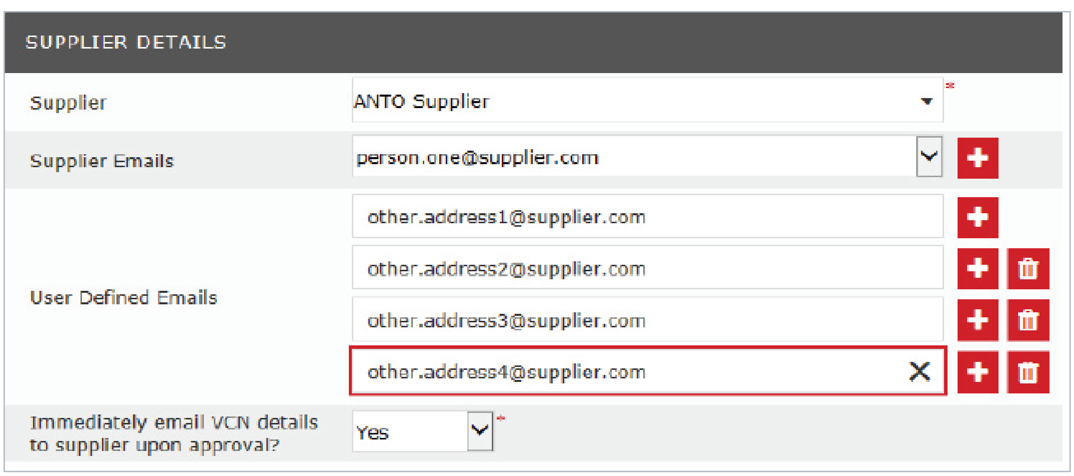


8. Select the number of transactions. Maximum number of transactions = Enter "0" for multiple transactions. Enter "1" for single use virtual card numbers.

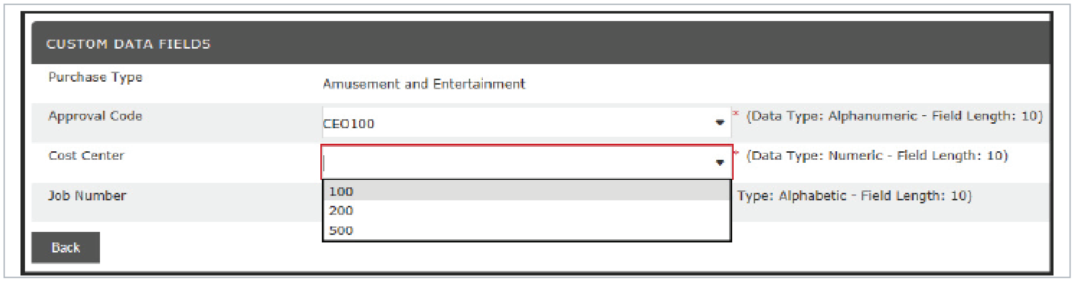


9. Select the Supplier from the list. Select Yes/No for virtual card details to be emailed immediately to the supplier upon approval.

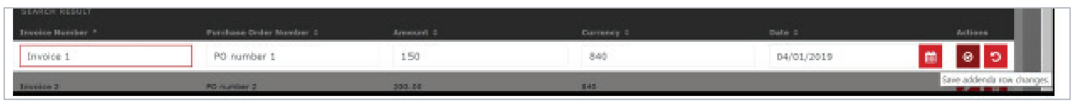
If you want a VCN emailed directly to you, select blank in the Supplier email drop-down. Click the + button. Add your email in User Defined Emails. This action will allow you to distribute multi-use VCNs to multiple suppliers provided the merchant ID control isn't being used and the right MCC codes have been selected in the purchase template. The ALL PURCHASES template can be used if this is the way you intend to pay multiple suppliers.



10. Enter any information needed in the Custom Data Fields.



11. Click Submit.
12. Click Yes if you want to add addenda data.
13. The Invoice Addenda Data page opens.
14. Click Add new addenda data (plus icon). An empty row loads. Enter the details in each field. Your details validate as you add them.



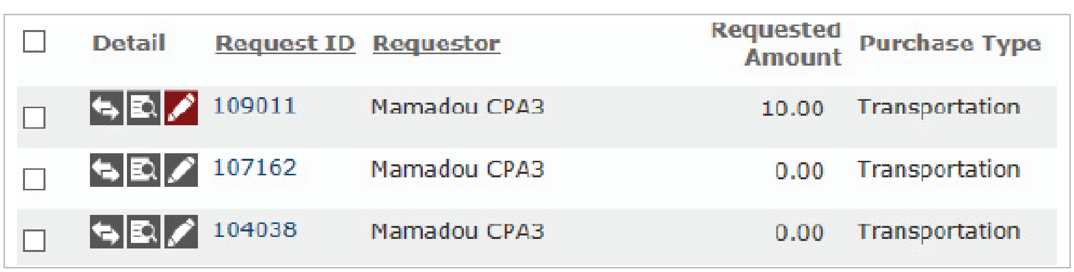
15. Click Save addenda row changes (check mark icon).
16. Click Finish to confirm the changes and return to the Purchase Request Details.
    The supplier email goes to the supplier (if configured), including the Payment Advice Details as a CSV attachment.

For batch purchase requests see our separate guide: Virtual Card for Account Payable Batch Upload Guide.

9.2 Editing Purchase Requests

You can make changes to an existing purchase request as needed. Any edits will be sent into the approval workflow, if they meet the Purchase Group criteria.

1. Click Payment Control > Purchase Requests > View Requests.
2. The View Purchase Request page opens, showing submitted requests.
3. Find a specific request by entering Search Criteria and clicking Search.
   The request displays in the Search Results.
4. Click the pencil icon to edit a specific request.

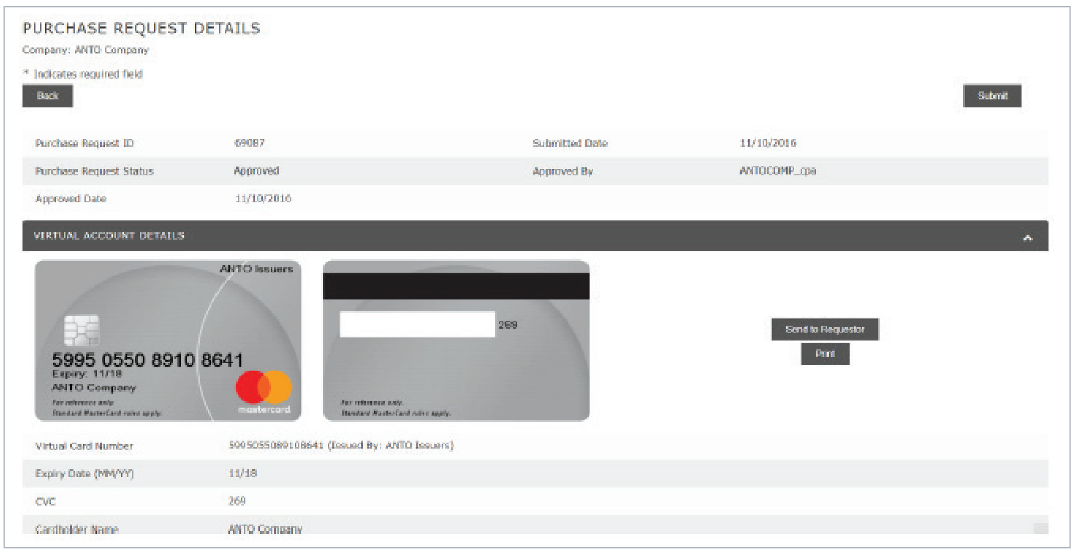


	Detail	Request ID	Requestor	Requested Amount	Purchase Type
		109011	Mamadou CPA3	10.00	Transportation
		107162	Mamadou CPA3	0.00	Transportation
		104038	Mamadou CPA3	0.00	Transportation

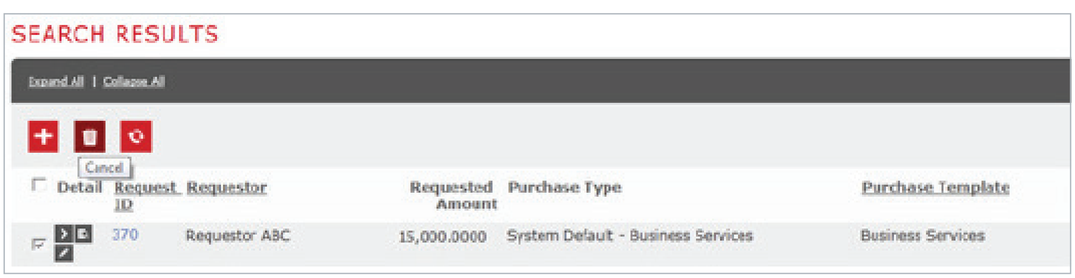
5. The Purchase Request Detail Screen will appear. Make necessary edits and click Submit.
6. If you have added Invoice Addenda Data you can add, edit, or delete it.

9.3 Cancel a Purchase Request

A purchase request can be deleted, provided the merchant has not received an approved authorization for a purchase request. It is best practice to let the merchant know that you have cancelled the transaction.



1. Click Payment Control > Purchase Requests > View Requests.
2. The View Purchase Request page opens, showing submitted requests.
3. Find a specific request by entering Search Criteria and clicking Search. The request displays in the Search Results.
4. Select the box to the left of the specific request and click the trash icon to delete. The system will ask if you are sure you wish to delete. Select Yes.



9.4 Approving or Declining a Purchase Request

Approvers in the Approval Group receive a Pending Purchase Control Request email for requests requiring approval. Approvers open the purchase request and either approve or decline. The requester then receives a corresponding email notification.

1. Select Payment Control > Purchase Requests > View Approvals. Scroll down and select a specific Purchase Request to approve.
2. Select the request and click the checkmark icon. **Tip:** You can also open the Purchase Request Details and click Approve or Decline (tick or cross).

3. Click OK to confirm.

10. Payment Control Reports

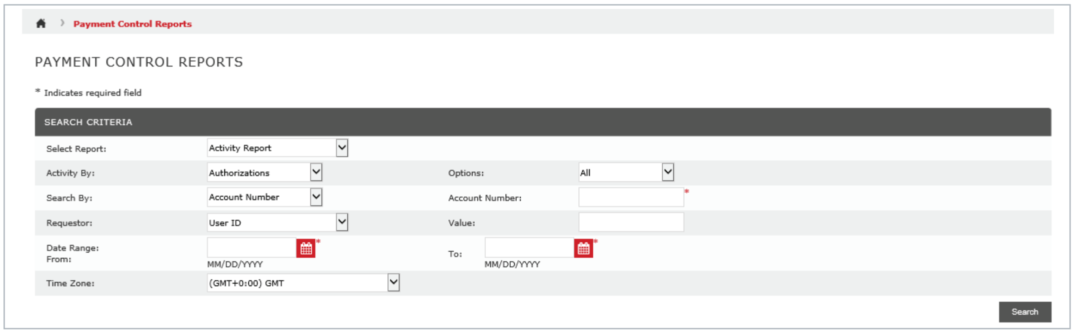
There are a few different kinds of reports you can create:

1. **Audit Report** – Displays an audit trail of actions performed for a given date range by account number (real or virtual) or by real card alias. Example actions to report: adding a real card, creating a Purchase Request, etc.
2. **Activity Report** – Displays activity for Purchase Requests, Authorizations or Clearings for a given date range by account number (real or virtual) or by real card alias.
3. **Management Reports** – Details on batch status and expiring accounts for a given date range.
4. **Virtual Account Report** – This report helps users identify authorization and clearing transaction activity for a company’s existing virtual accounts and determine the available balance on accounts that have been used.

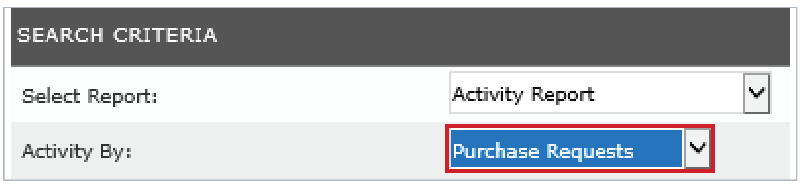
10.1 Create a Payment Control Report

The most common report you will need is a payment control report:

1. Run a Payment Control report by selecting Reports and then click Payment Control.
2. The Payment Control Reports screen displays. Select the report type you need.



Note: Activity Report > Purchase Requests is a simple way to view pending and approved requests.



3. After you have completed all required fields for the report, which will vary depending on the report type, click Search.
4. Executing a report generates a list on the screen. Click the Save icon to download the file to your Inbox Files.

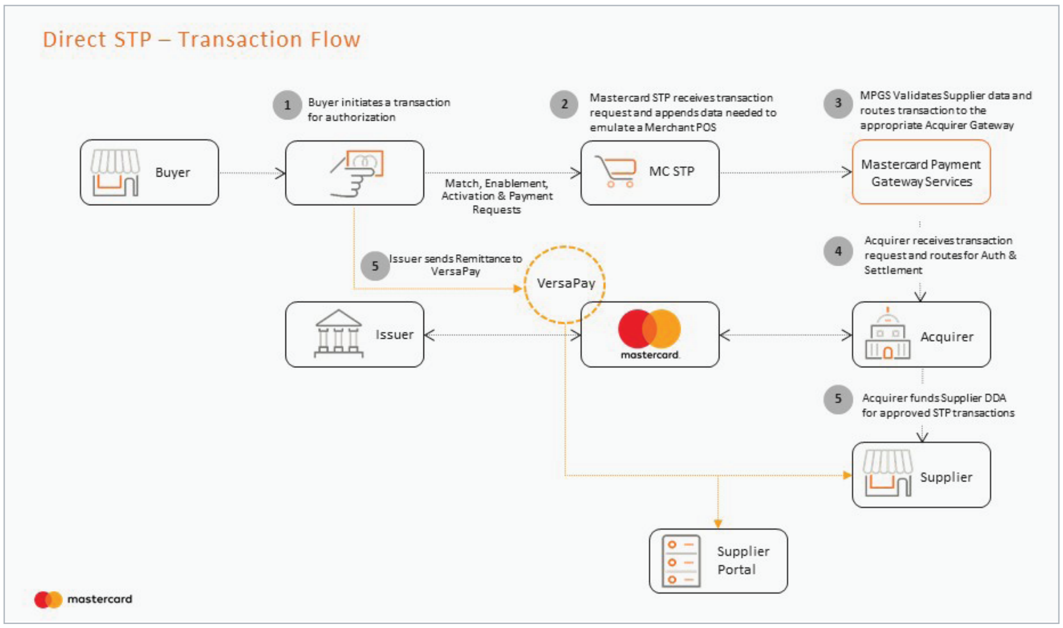
All reports include primary details such as Date, User ID, User Name, Company Name, Action, Account No, Purchase Request ID (VCN Request ID), Template Name, and Description. CVCs do not show in the download reports for information security requirements.

NOTE: Microsoft Excel processes decimal places differently from InControl. Mastercard recommends opening any CSV files in Microsoft Notepad, or a similar application. To open a file in Microsoft Excel, use the Import Wizard to import the data as text and maintain the correct format.

11. Straight Through Processing

Straight Through Processing is designed to improve virtual card acceptance by suppliers.

If a supplier receives a large number of payments it can be onerous to manage hundreds (or thousands) of emails with separate virtual card numbers. Straight Through Processing addresses this by delivering the virtual card payment directly to the supplier's acquirer, instead of sending an email to the supplier. The acquirer automatically generates an authorization request on behalf of the supplier. If the transaction is authorized, the payments are delivered automatically to the supplier's bank account by their acquirer. The supplier never has to touch to the transaction.



If you are signed up for Straight Through Processing, you will see that Santander has already configured the supplier templates for your suppliers who accept Straight Through Processing. If you have a new supplier who you think would qualify and benefit from Straight Through Processing contact your Cash Management Sales Officer or Relationship Manager.