



# ANNUAL CONFERENCE

ORLANDO, FLORIDA | OCTOBER 23–26, 2016

ORIGINAL/ESSENTIAL/UNBIASED/INFORMATION

## Crusade for Provisional Credit without Smart Safes

**Susan Colross**

**Jason Ishiguro**

T-Mobile US, Inc.

**Peter Faas**

SunTrust Bank

**Lou Salafia**

International Financial  
Services, Inc.

# About T-Mobile USA, Inc.

As America's Un-carrier, T-Mobile US, Inc. (NASDAQ: TMUS) is redefining the way consumers and businesses buy wireless services through leading product and service innovation. The company's advanced nationwide 4G LTE network delivers outstanding wireless experiences to 67.4 million customers who are unwilling to compromise on quality and value. T-Mobile US provides services through its subsidiaries and operates its flagship brands, T-Mobile and MetroPCS.

- **Headquarters**  
Bellevue, Washington
- **Number of Retail and Dealer Locations**  
Approximately 4,000, and growing



# About SunTrust Banks, Inc.

SunTrust Banks, Inc., one of the nation's largest and strongest financial holding companies, is a purpose-driven company dedicated to "Lighting the Way to Financial Well-Being" for the people, businesses, and communities it serves.



- **Headquarters**

Atlanta, Georgia

- **Footprint**

Approximately 1,400 retail branches and 2,160 ATMs across Southeast and Mid-Atlantic states, along with 24-hour digital access. Certain business lines serve consumer, commercial, corporate, and institutional clients nationally.

- **Total Assets** (as of June 30, 2016)

\$199 billion

# About IFS Services, Inc.

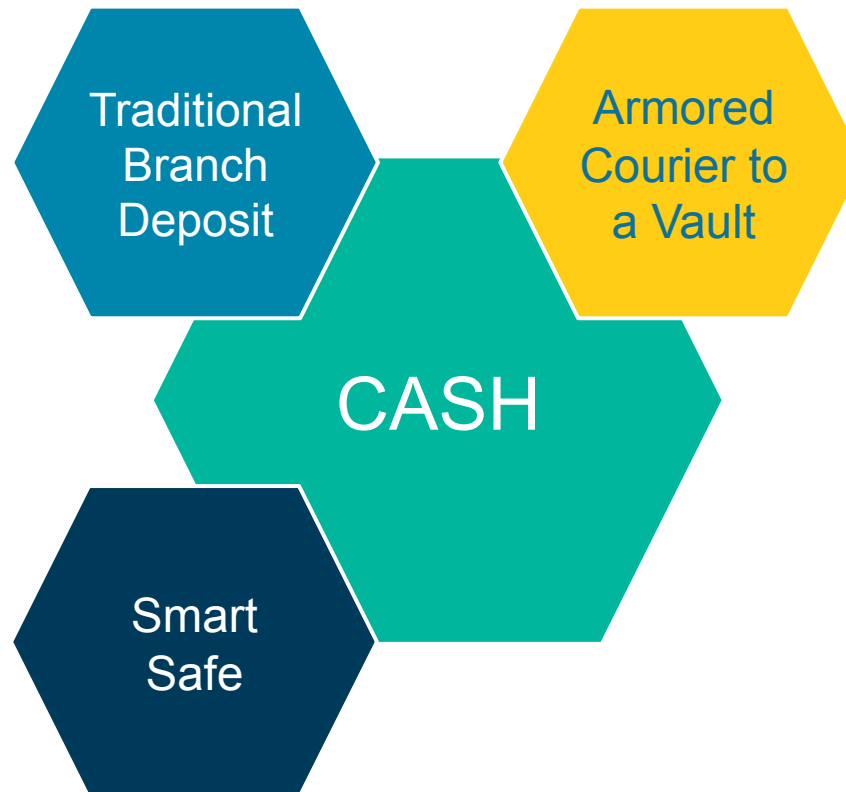
International Financial Services (IFS) was founded in 1996 and launched DTS Connex™ in 2003. DTS Connex is a leader in web-based financial solutions for retailers and multi-location businesses helping them enhance operational efficiency, centralize their data, and connect with their partners.



- **Headquarters**  
Westminster, Maryland
- **Number of Retail Locations Supported by DTS Connex**  
We serve over 28,000 locations nationwide with our suite of online cash management tools.
- **Platform integrates with any armored carrier or bank**

# Moving Cash from Store to Bank

Traditionally, retailers who accept cash have three choices:



# Traditional Branch Deposit



## Pros:

---

- Flexibility of daily cash banking (except weekends and holidays)
- Proximity to branches

# Traditional Branch Deposit



## Cons:

- Labor intensive – management time off-site
- Security risk
- Higher shrinkage
- Higher banking costs
- Multiple banking relationships; may contribute to reconciliation issues
- Limited reporting until cash is deposited into account
- **NO provisional credit**

# Armored Courier to a Vault



## Pros:

---

- Secure from point of collection
- Economies of scale reflected in pricing
- Cash handling fees typically lower than branch deposit
- Change deliveries available
- Frees up management time on-site

# Armored Courier to a Vault – continued



## Cons:

---

- Lost interest as deposits may not occur on a daily basis
- Challenges when scheduling (balancing cash flow, risk and costs, possible servicing issues)
- More pick-ups so more carrier research
- Large merchants have to manage multiple contracts
- **NO provisional credit**

# Smart Safe



## Pros:

---

- Streamlines end-of-day cash balancing
- Reduces bank costs and armored courier expense
- Reduces theft
- Reduces shrinkage
- Cash insured on-site by smart safe provider
- Improves staff productivity
- Provides data set to track real-time transactions and armored courier metrics of timely deposit pick-ups
- **Provisional Credit available**

# Smart Safe – continued



## Cons:

---

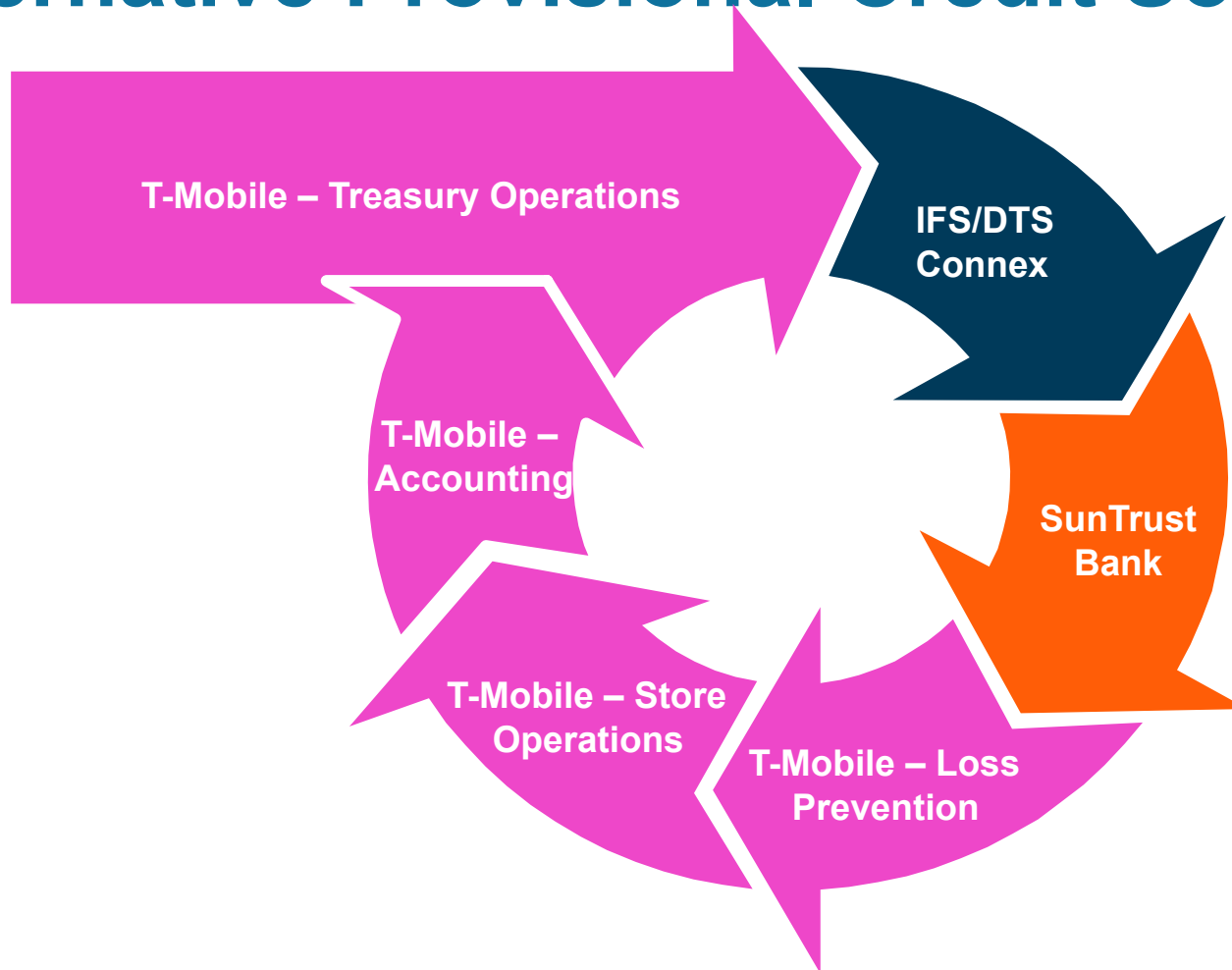
- Upfront and ongoing hardware costs
- Reconciliation challenges
- Safes can be difficult and expensive to remove once implemented
- Potential maintenance and data transmission issues

# T-Mobile and the Cash Conundrum

How to manage cash across T-Mobile's growing network of approximately 4,000 retail and dealer locations?

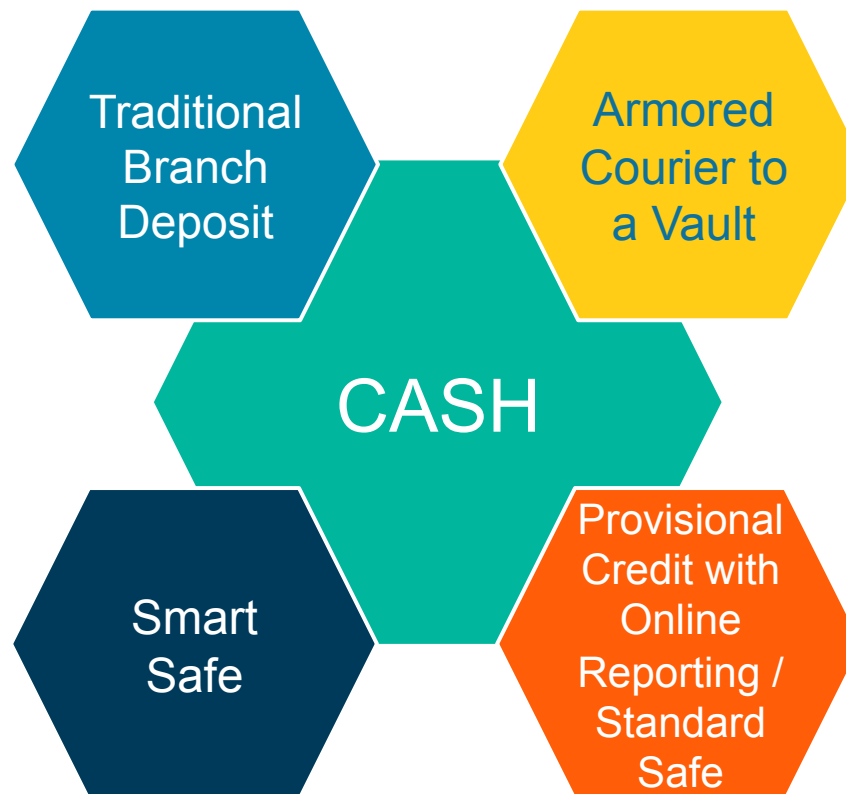
- **Standardized Deposit Process**
  - Deposits prepared nightly and tracked through web-based deposit tracking system
  - Validated against integrated POS feed
- **Process is heavily reliant on armored courier services to transport cash to bank vault**
- **Desire to receive provisional credit on cash reported and not yet verified by the bank**

# Collaboration – Developing an Alternative Provisional Credit Solution



# Moving Cash from Store to Bank

Retailers who accept cash now have another choice:



# Provisional Credit with Online Reporting and Standard Safe



## Pros:

- Flexibility to modify armored courier pick-up schedules
- Reduces shrinkage because management has online cash visibility
- Streamlines end-of-day cash balancing
- POS Integration reduces deposit adjustments
- Elimination of MICR Deposit Slips
- Tracks transactions, armored courier and bank metrics
- **Provisional Credit available**

# Provisional Credit with Online Reporting and Standard Safe – continued

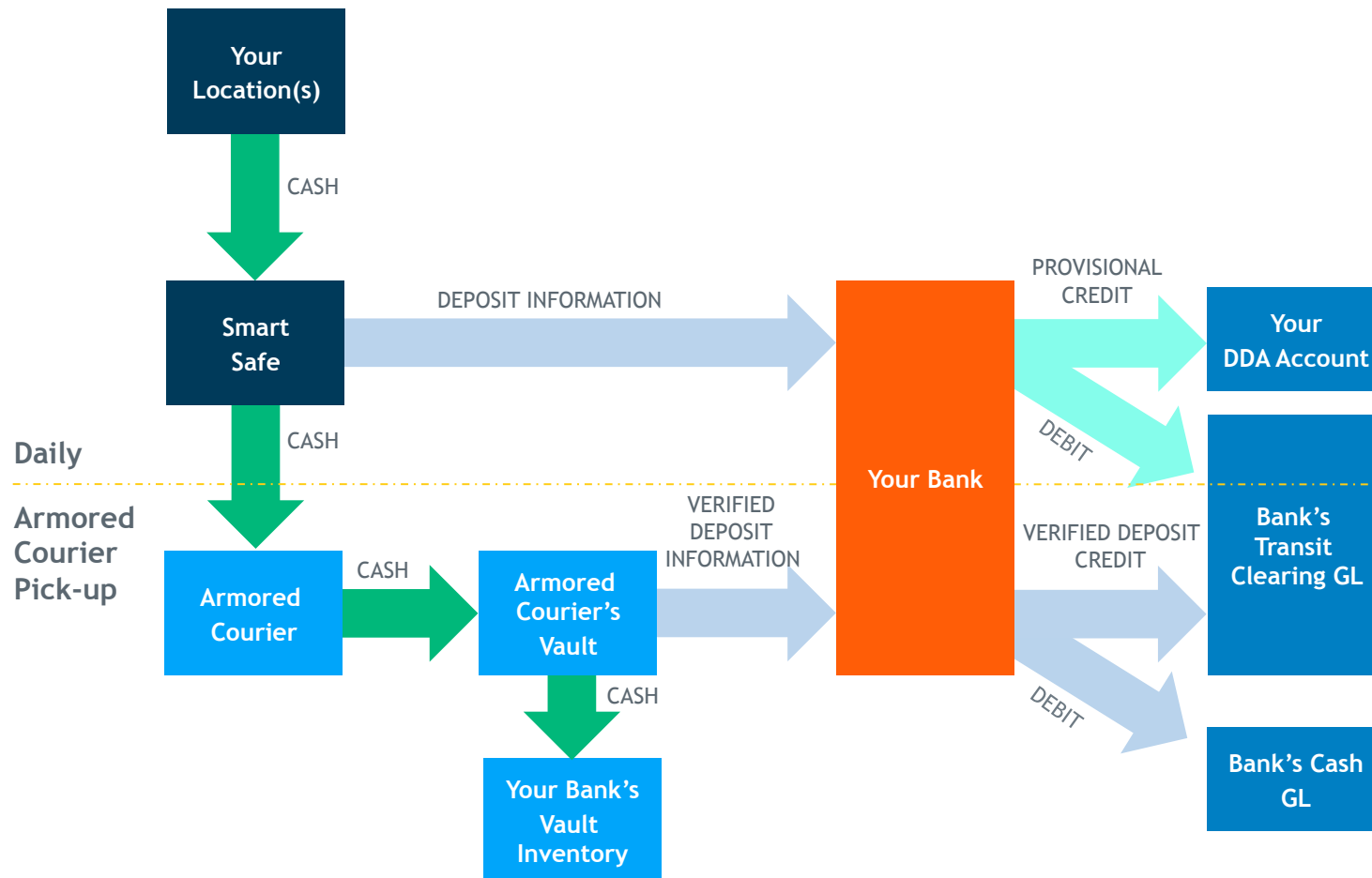


## Cons:

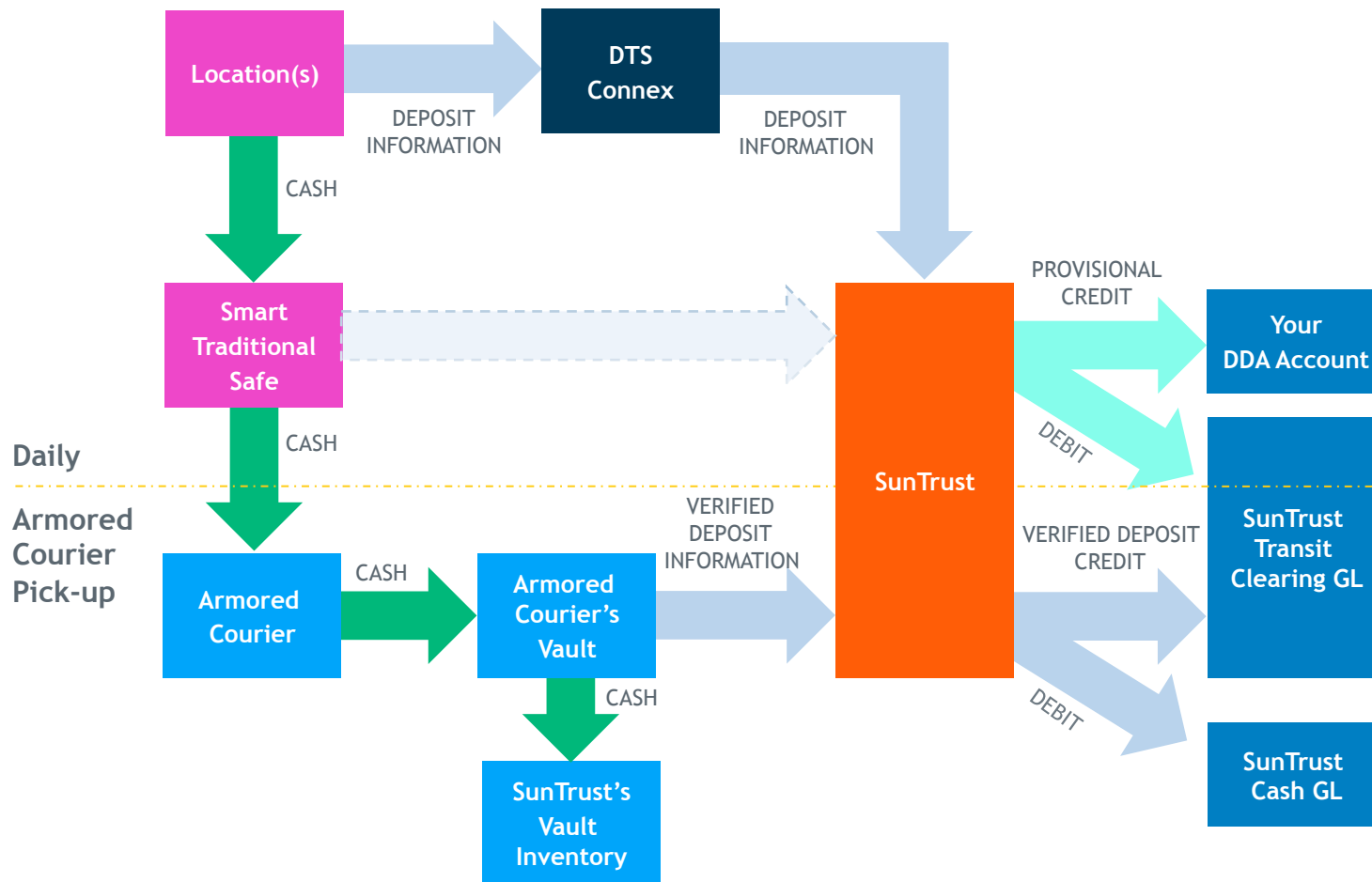
---

- Increased cash in safe
- Cash in transit cycle increases
- Delay in deposit adjustment

# Smart Safe Depository Service Flow



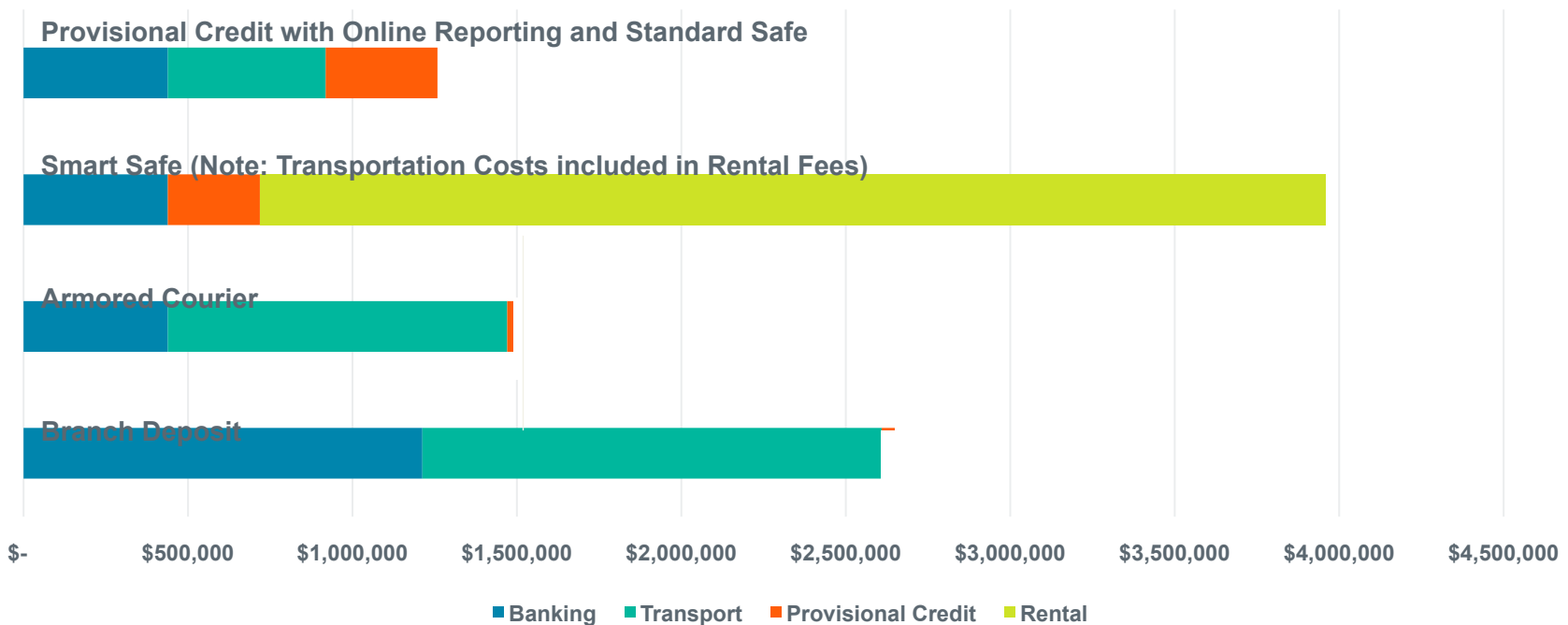
# Provisional Credit with Standard Safe Depository Service Flow



# Cost Comparison



What is the estimated annual cost of a retailer with 500 locations each with an average weekly cash till of \$20,000?



Source: CMS Payments Intelligence ("CMSpi"), an independent international payments consultancy. This analysis is for educational purposes only. Actual results may vary.

# Value Proposition of Provisional Credit with Online Reporting and Standard Safe

- **Costs are significantly lower than smart safes with many of the benefits**
  - Investment returns continue even as cash sits in safe
  - Provisional Credit available so frequency of armored courier service can be modified
  - Reduced shrinkage because cash is tracked
- **Deposit Creation and Tracking System**
  - Standardized process across enterprise
  - Bank is pre-advised of incoming deposits
  - Provisional credit based on actual deposits

# Questions & Answers



# Thank You!

# Appendix

# How a Deposit Creation and Tracking System Works

Retail Manager at your store location – Daily Deposit Entry:

Home Create Manage Analyze & Report Local Admin Admin Training

Hello, Customer Location from Customer

### DTS Deposit Wizard

Step 1 2 3 4

Cash	
Value of \$1 Bills:	
Value of \$2 Bills:	0
Value of \$5 Bills:	0
Value of \$10 Bills:	0
Value of \$20 Bills:	0
Value of \$50 Bills:	0
Value of \$100 Bills:	0
Coin	
Value of Coins:	0

Checks/Batches:	0
Food Stamps/Batches:	0
<a href="#">List Checks</a>	

**Food Stamps (Coupons)**  
Not Available

Totals	
Total Cash Amount:	\$0.00
Total Coin Amount:	\$0.00
Total Checks Amount:	\$0.00
Total Coupons Amount:	\$0.00
Total Foreign Amount:	\$0.00
Total Deposits:	

Deposit Details	
Date of Sale:	9/29/201
Sales Type:	Regular

<< Back Calculate Clear All Finished

Manager keys in deposit information, which can be verified against POS system to mitigate risk/fraud

System automatically totals deposit and captures date of sale

- A 10-digit identification number is generated for each transaction
- Manager prints the deposit advice and places in deposit bag with cash/checks for armored courier pick-up
- Deposit is processed by bank, updated in system, and unique identifier is placed in BAI file for your organization

# How a Deposit Creation and Tracking System Works

Treasury/Store Operations – Deposit/Provisional Credit Tracking:

Home Create Manage Analyze & Report Local Admin Admin Training

Hello, Customer Location

**Search Deposits**

Search  From 8/1/2016 To 8/30/2016

Enter a location #, bag #, deposit amount, transaction id. You can also enter terms like adjustment, late credit, no pickup, etc. Finally, you can use combinations of these. [Click Here for Keywords and Examples.](#)

Next Page of Data >> Now showing 500 deposits at a time (1 up to 500 on-screen) Download

Transaction	Location	#	Sales Date	Bag #	Total	P	PC	A	R	C	V
NH30E47EJH46	0414 - RB	0414	8/29/2016	15903122	\$3,499.69	✓	✓	✓	✓	✓	✓
NH30E47EDC00	1111 - Biloxi 1-1 step	1111	8/30/2016	67316808	\$3,674.21	✓	✓	✓	✓	✓	✓
NH30E46IEB58	1404512663	1404512663	8/30/2016	91103822	\$4,094.69	✓	✓	✓	✓	✓	✓
NH30E46HFD55	10501 - Westwood	10501	8/29/2016	47625363	\$4,129.13	✓	✓	✓	✓	✓	✓
NH30E46AJJ53	235 - Raleigh-verification...	235	8/29/2016	66389025	\$3,954.31	✓	✓	✓	✓	✓	✓
NH30E46FGI52	10501 - Westwood	10501	8/30/2016	97964985	\$3,079.52	✓	✓	✓	✓	✓	✓
NH30E46HJ50	235 - Raleigh-verification...	235	8/30/2016	53213271	\$3,604.27	✓	✓	✓	✓	✓	✓
NH30E46CHG49	242 - Winston, safe	078066	8/30/2016	29080855	\$3,464.19	✓	✓	✓	✓	✓	✓
NH30E46HID47	210 - Burlington, safe	210	8/30/2016	75713626	\$2,624.72	✓	✓	✓	✓	✓	✓
NH30E46DDG46	184 - Redmond, Safe	184	8/28/2016	82281543	\$3,254.91	✓	✓	✓	✓	✓	✓
NH30E46HJG44	1111 - Biloxi 1-1 step	1111	8/29/2016	75110396	\$2,939.32	✓	✓	✓	✓	✓	✓
NH30E46BGB43	10501 - Westwood	10501	8/30/2016	12182323	\$2,659.85	✓	✓	✓	✓	✓	✓
NH30E46HCJ41	10501 - Westwood	10501	8/30/2016	89801700	\$3,464.98	✓	✓	✓	✓	✓	✓
NH30E46CBB40	8824 - 1st St 142nd	8824	8/30/2016	94541610	\$3,954.20	✓	✓	✓	✓	✓	✓
NH30E46HBF38	8788 - Miami Ave NE 36th...	8788	8/30/2016	59767298	\$3,219.95	✓	✓	✓	✓	✓	✓
NH30E46BIE37	8762 - Emerson Lake	8762	8/30/2016	46014453	\$2,624.29	✓	✓	✓	✓	✓	✓
NH30E46HDI35	8501 - I-70 Quebec (Nor...	8501	8/28/2016	79399394	\$3,324.09	✓	✓	✓	✓	✓	✓
NH30E46CFC34	7886 - Redmond Town Cente...	7886	8/29/2016	11568208	\$3,289.18	✓	✓	✓	✓	✓	✓
NH30E46GEI32	7882 - South Dixie Hwy	7882	8/30/2016	76634803	\$3,919.23	✓	✓	✓	✓	✓	✓
NH30E46BJJ31	7857 - Excelsior Blvd Gr...	7857	8/29/2016	39269560	\$4,234.64	✓	✓	✓	✓	✓	✓
NH30E46HDA29	521 - CENTRE CITY PKWY F...	521	8/29/2016	86945614	\$3,849.03	✓	✓	✓	✓	✓	✓
NH30E46CFR28	520 - 76 HWY DOWNS AS DR	520	8/30/2016	77085353	\$3,814.64	✓	✓	✓	✓	✓	✓

Transaction	Location	#	Sales Date	Bag #	Total	P	PC	A	R	C	V
NH30E47EJH46	0414 - RB	0414	8/29/2016	15903122	\$3,499.69	✓	✓	✓	✓	✓	✓
NH30E47EDC00	1111 - Biloxi 1-1 step	1111	8/30/2016	67316808	\$3,674.21	✓	✓	✓	✓	✓	✓
NH30E46IEB58	1404512663	1404512663	8/30/2016	91103822	\$4,094.69	✓	✓	✓	✓	✓	✓
NH30E46HFD55	10501 - Westwood	10501	8/29/2016	47625363	\$4,129.13	✓	✓	✓	✓	✓	✓
NH30E46AJJ53	235 - Raleigh-verification...	235	8/29/2016	66389025	\$3,954.31	✓	✓	✓	✓	✓	✓
NH30E46FGI52	10501 - Westwood	10501	8/30/2016	97964985	\$3,079.52	✓	✓	✓	✓	✓	✓

Deposit Verified

Deposit Counted

Received at Bank

Received by Courier

Provisional Credit

Deposit Prepared

Deposit identification number

Store Location

# Appendix – Provisional Credit Example for a Single Store/Weekly Armored Transport

	MON Day 1	TUE Day 2	WED Day 3	THU Day 4	FRI Day 5	SAT Day 6	SUN Day 7	MON Day 8	TUE Day 9	
DTS Outstanding Deposits	\$ 0	\$ 2,000	\$ 4,100	\$ 6,000	\$ 8,200			\$13,975	\$ 2,150	SunTrust queries DTS
Armored Carrier Pick-up								\$13,975		Deposit picked up at store
Deposit Amount	\$ 2,000	\$ 2,100	\$ 1,900	\$ 2,200	\$ 1,800	\$ 2,050		\$ 1,925	\$13,975	\$ 2,150 Store creates deposit through DTS
Provisional Credit Posting(s)		\$ 2,000 \$ 0	\$ 4,100 (\$ 2,000)	\$ 6,000 (\$ 4,100)	\$ 8,200 (\$ 6,000)			\$13,975 (\$ 8,200)	\$ 2,150 (\$13,975)	SunTrust provides daily provisional credit for outstanding deposits in DTS and debits previous day
Individual Deposits Posted									\$ 2,000 \$ 2,100 \$ 1,900 \$ 2,200 \$ 1,800 \$ 2,050 \$ 1,925	Deposits delivered to SunTrust verified and credited to DDA