

# IAM Knowledge Lab: Non-Temporary Storage

All of **us** serving you®

Presented by Eric Schoo, U.S. Bank

*September 13, 2011*



# Discussion Topics

- What is Non-Temporary Storage (NTS)?
- What is U.S. Bank Freight Payment?
- NTS Implementation Overview
- Rollout Schedule
- TSP Onboarding
- Training
  - Dates
  - Communication
  - Signing up



# Glossary of Terms

- CG ISC = Coast Guard Integrated Support Command
- CO = Certifying Official
- CONUS = Contiguous United States (48 contiguous states)
- DFAS = Defense Finance and Accounting System
- DOD = Department of Defense
- HHG = Household Goods
- JPPSO = Joint Personal Property Shipping Office
- LOA = Line of Accounting
- NTS = Non-Temporary Storage
- OCONUS = Outside 48 contiguous states (e.g., Hawaii)
- PPSO = Personal Property Shipping Office
- TPPS = Third-party Payment System
- TSP = Transportation Service Provider
- vTOPS = DoD Shipper System

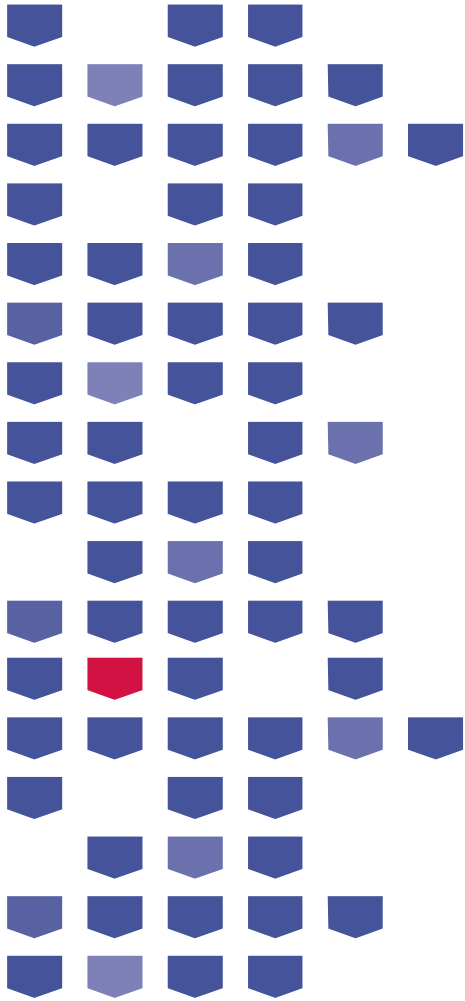
# What is the NTS Program?

- U.S. Bank is the third-party payment system provider (TPPS) for the U.S. Department of Defense (DoD) including:
  - HHG Program
  - NTS HHG Program
- U.S. Bank Freight Payment provides electronic invoice and payment to TSPs including:
  - Movers/Carriers
  - Storage Providers
  - Third-party payment services (e.g., Daycos)
- U.S. Bank Freight Payment provides robust reporting tools to assist the DoD and NTS TSPs in gaining greater oversight, control and management of their NTS programs

# What does this mean to IAM Attendees?

- This session applies to:
  - ✓ TSPs already working with the DoD in the NTS HHG program
  - ✓ TSPs interested in learning more about the benefits of U.S. Bank Freight Payment





# What is U.S. Bank Freight Payment?

# U.S. Bank Profile and Expertise

## 2Q11 Dimensions

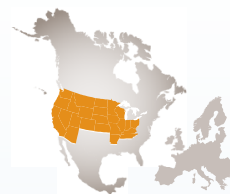
Asset Size	\$321 billion
Deposits	\$215 billion
Loans	\$200 billion
Customers	17 million
NYSE Traded	USB
Founded	1863
Bank Branches	3,086

## USB Capital Position

	2Q11 USB	"Well-Capitalized" Requirements
Tier 1 Capital Ratio	11%	6.0%
Total Risk-based Capital Ratio	13.9%	10.0%
Leverage Ratio	9.2%	5.0%
Tier 1 Common Equity Ratio	8.4%	
Tangible Common Equity Ratio	6.5%	

## Regional

Consumer & Business Banking & Wealth Management



## National

Wholesale Banking & Trust Services



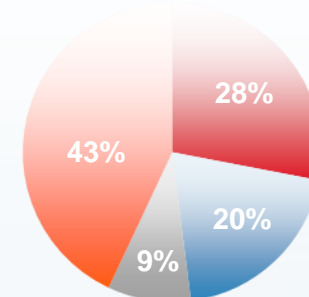
## International

Payments



## Diversified Revenue Mix

Revenue by business line 2Q11 YTD



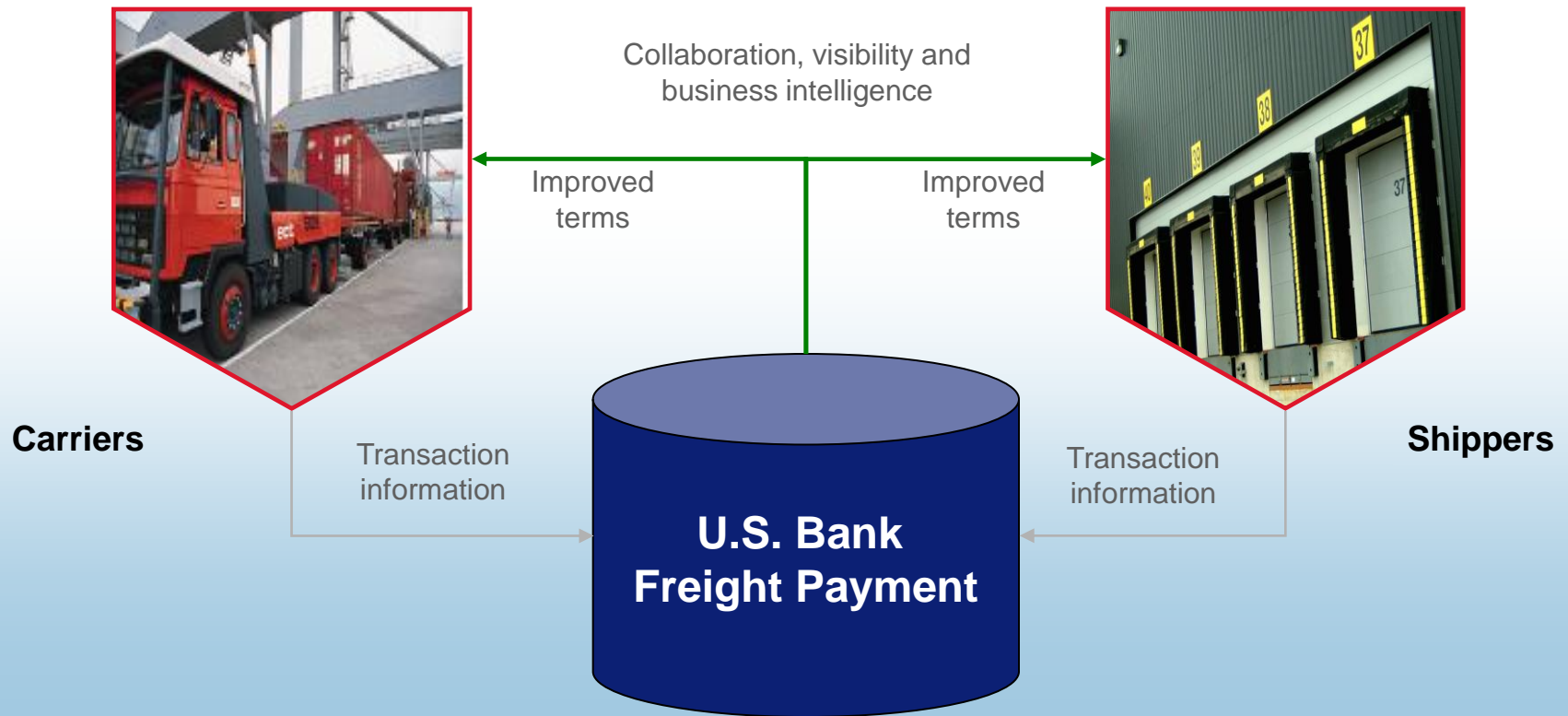
- Payment Services
- Wholesale Banking and Commercial Real Estate
- Wealth Management and Securities Services
- Consumer and Small Business Banking

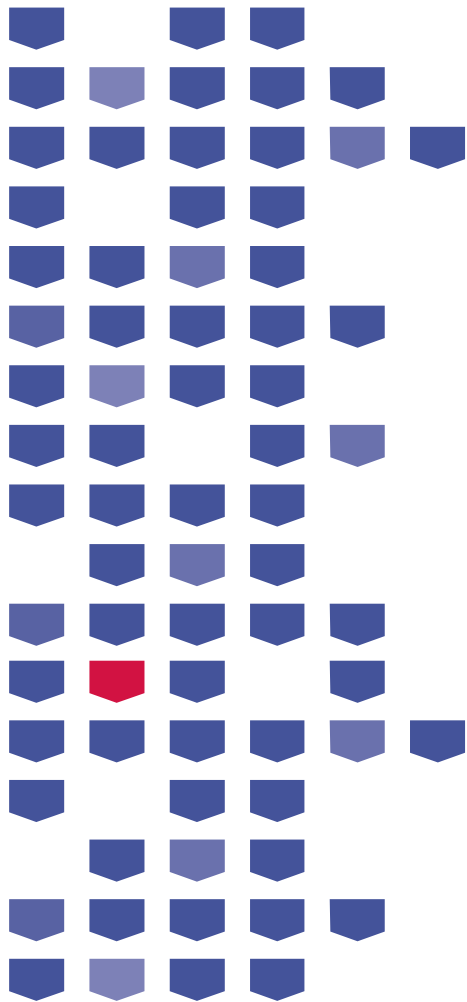
# U.S. Bank Freight Payment

- Automated business-to-business payment solution:
  - Automated invoice processing and payment
  - Integrated trade finance
  - Robust business intelligence
- Specialized for transportation
- Largest freight payment provider in the world
- Leverages Syncada<sup>®</sup> from Visa network

# Collaborative Network Solution

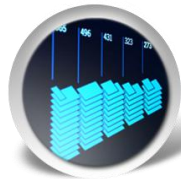
- Fully electronic invoice, payment and exception management by collaboration





# NTS Implementation Overview

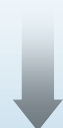
# NTS Invoice/Payment Process



858 Order is sent to U.S. Bank for processing. Once order is received, U.S. Bank will auto create the TSP invoice



DoD and TSP review transactions and make adjustments as needed



TSP updates Notice Status to "Delivered" and DoD approves transaction for payment



Payment initiated to TSP

Federal Reserve posts funds to TSP's bank account

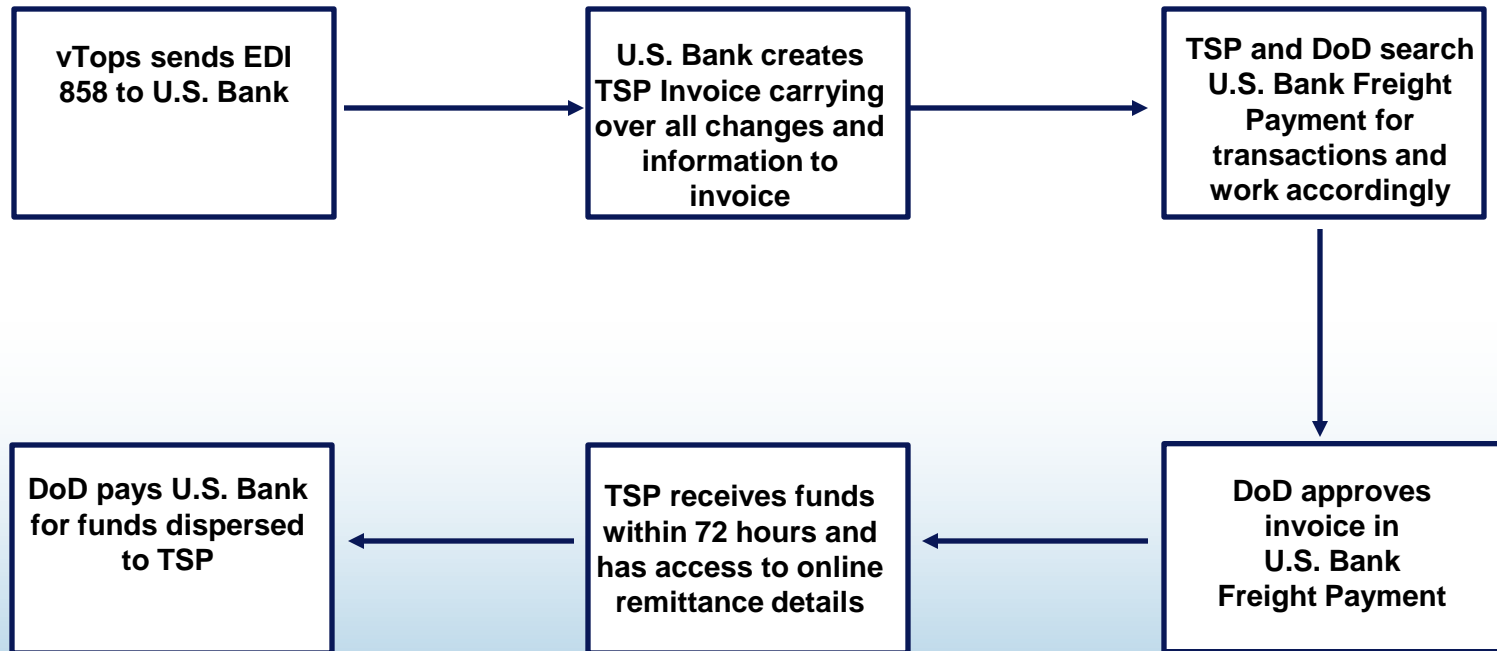


TSP reviews daily statements of deposits made. DoD reviews Summary Invoice



Data available in U.S. Bank Freight Payment for reference and analysis

# High Level Process Review



# NTS Item Codes

- **CONUS NTS (Handle in) Charges**

- 134a Packing Cost
- 134b Wardrobe Cost
- 134c Expensive Item Charge (per carton)
- 139a Drayage In
- 188a Handle-in Cost
- 188c Re-handle Cost
- 226a Miscellaneous/Additional Services

- **CONUS NTS (Handle out) Charges**

- 189a Accrued Storage
- 139b Drayage Out
- 188b Handle Out
- 138a Unpacking Charge

- **OCONUS NTS (Handle in) Charges**

- 534a Packing Cost
- 534b Wardrobe Cost
- 534c Expensive Item Charge (per carton)
- 539a Drayage In
- 588a Handle-in Cost
- 588c Re-handle Cost
- 533a Miscellaneous/Additional Services

- **OCONUS NTS (Handle out) Charges**

- 589a Accrued Storage
- 539b Drayage Out
- 588b Handle Out
- 538a Unpacking Charge

# Responsibilities

## ■ TSP

- Searches for “Approval Required” invoices with a Notice Status of “Not Complete”
- Verifies charges are correct (Update charges when needed)
- Update notice status to “Complete”
- TSP searches for transactions in “Audit Exception” and resolves disputes via Notes with PPSO.
- Monitor Statement for payments

## ■ DoD

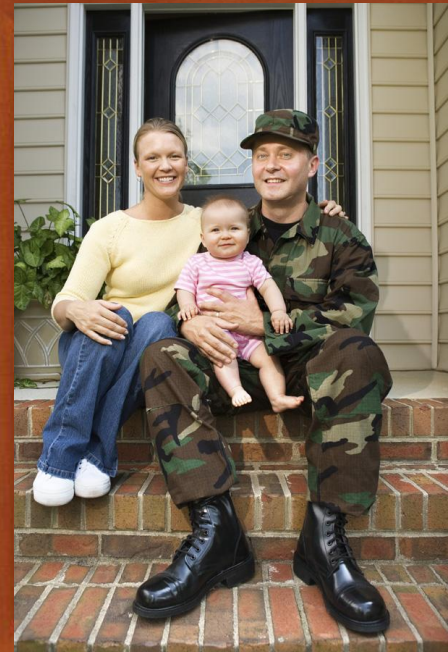
- Submits “Order” to U.S. Bank
- PPSO searches for transactions in “Approval Required” status with a notice status of “Complete” and approves transactions
- PPSO searches for transactions in “Audit Exception” status with a notice status of “Complete” and resolves disputes with TSP via Notes
- DoD/DFAS verifies LOA information via the Summary Invoice and makes updates accordingly
- DoD certifies monthly invoice for payment back to U.S. Bank

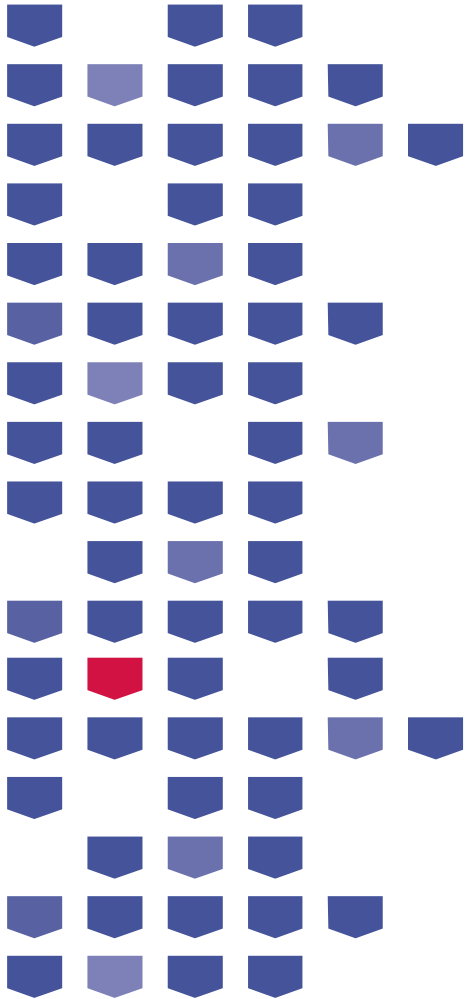
## Four Key Benefits / Savings

1. Accelerated cash flow (No waiting)
2. Electronic billing and payment (No paper)
3. Easy and rapid exception resolution (No invoices past due, short paid or written off. Catch under billings.)
4. Management time spent managing vs. chasing receivables. Reporting included.

# Additional Benefits

- Reduced Average Days to Pay
- Individual Electronic Invoices –
  - No Delays Due to LOA Issues between DFAS and PPSO
- Online Collaboration –
  - Elimination of Paper Chase
  - Real Time Dispute Resolution
- Electronic Payment
  - Online Statements
- Electronic Remittance Detail
- Data Mining – Business Intelligence
- Data Analysis
  - Standard Reports
  - Ad Hoc Reports





# Rollout Schedule

# Project Timeline

1. Launch pilot of select TSPs for NTS
2. Dates for online training sessions will be determined once launch dates are finalized
3. Launch Phase 1 of NTS implementation

# Rollout Schedule

## 1. Phase 1:

- JPPSO COS
- CG ISC, Miami FL;  
NTSCLPK
- CG ISC, Ketchikan, AK;  
NTSMAPK
- CG ISC, Kodiak, AK;  
NTSMAPS
- CG ISC, Alameda, CA;  
NTSLHNQ

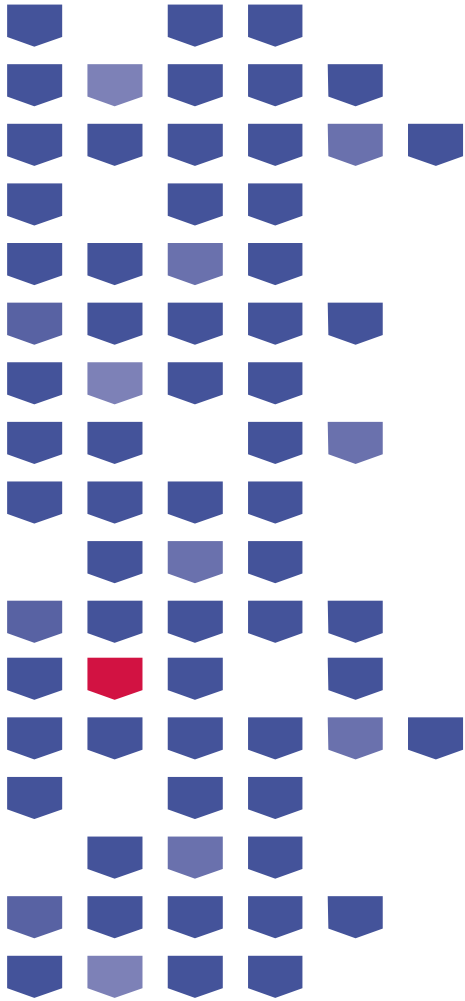
## 2. Phase 2:

- Remaining Air Force  
Shipping Locations and  
Marine Corps

## 3. Phase 3:

- All remaining sites



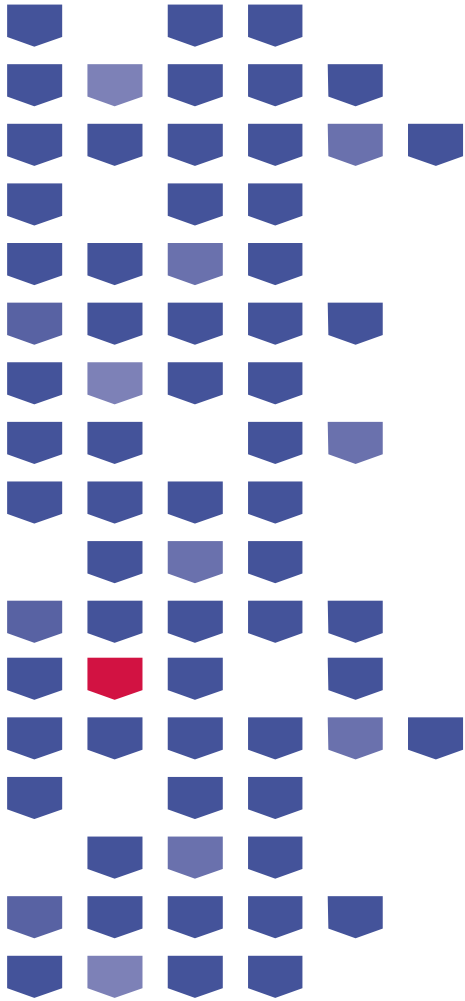


# TSP

# Onboarding

# What do I need to do to get payment?

1. Get your organization set up in U.S. Bank Freight Payment
  - New TSPs:
    - ✓ Contract and W-9 form required
  - Existing TSPs:
    - ✓ New contract not needed if already in place
    - ✓ Update banking information and account information as needed
    - ✓ Update/add locations (e.g., storage lots) as needed
    - ✓ Advise U.S. Bank if a third party will be managing NTS transactions
2. Attend training
  - ✓ Schedules will be published shortly at [www.usbpayment.com](http://www.usbpayment.com)
3. Login and check it out
  - ✓ Familiarize yourself with U.S. Bank Freight Payment



# Training

# NTS Training: Coming Soon

- Web-based training (webinars)
  - Instructor-led sessions with live question/answer forum
- Invitations will be sent via email or you may register from [usbpayment.com](http://usbpayment.com)
- Choose a time and date that work best for you



**U.S. BANK FREIGHT PAYMENT**

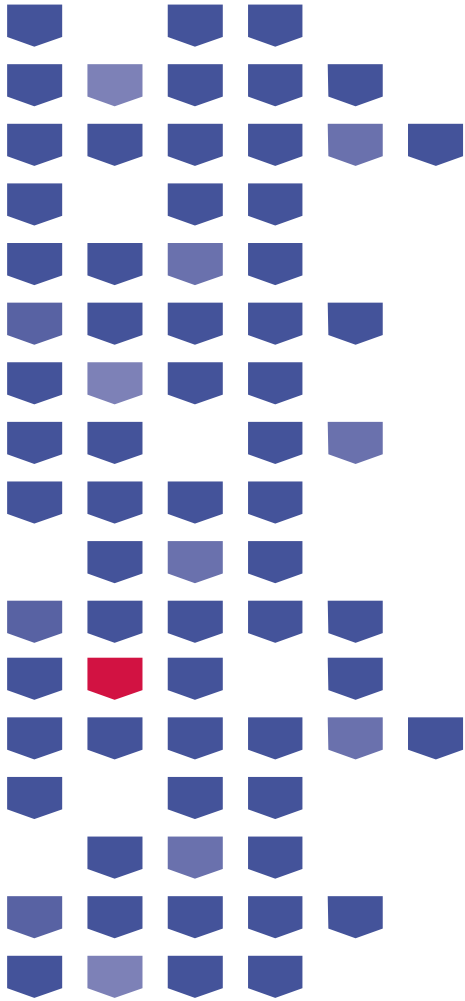
**WEBINARS**

Convenient online classes provide all you need to work with the Household Goods Program.

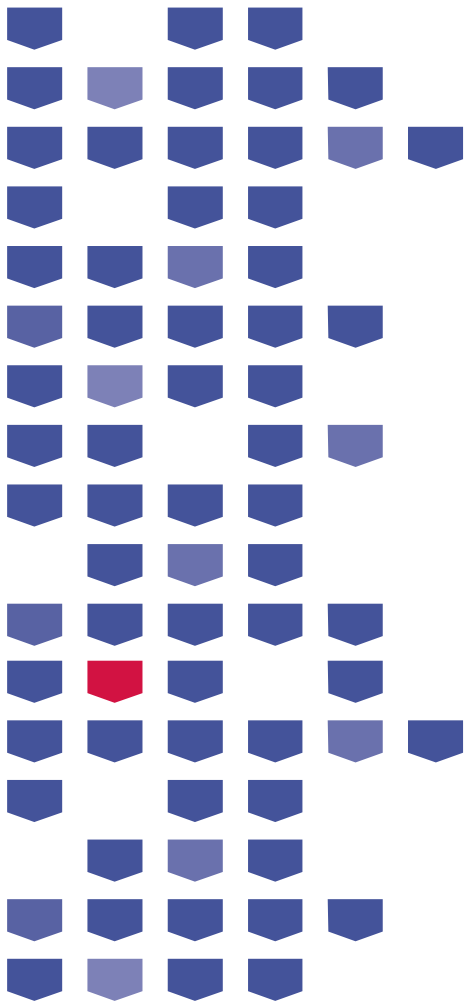
The advertisement features a dark brown background with several light brown, semi-transparent rectangular shapes. On the right side, there are two inset images: one showing a person in a uniform standing next to a large piece of furniture wrapped in protective material, and another showing a person in a uniform standing next to a large piece of furniture wrapped in protective material.

# Summary

- U.S. Bank Freight Payment increase efficiencies and decrease costs
- Delivers greater process flexibility with tighter control
- Designed to fit your organization's needs
  - Lowered procure-to-pay costs
  - Expanded spend management and control



# Questions?



# Thank you!

Eric Schoo  
U.S. Bank Implementation Consultant  
Telephone: 630-512-8059  
Email: [eric.schoo@usbank.com](mailto:eric.schoo@usbank.com)

Customer Service  
Toll-free: 800-417-1844, option 2  
Email: [Customer.support@usbank.com](mailto:Customer.support@usbank.com)