
RBC Corporate Creditor Bill Payment Service Client Guide

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INTRODUCTION

This guide contains information on RBC's Corporate Creditor Bill Payment Service including; how the service operates; timing of payment information and funds delivery; and applicable Canadian Payments Association (CPA) rules.

RBC Corporate Creditor Bill Payment Service allows business customers to be enrolled as Billers on RBC's Online Banking and Telephone Banking services or other electronic channels as they become available. Once enrolled, RBC's consumer and business customers are able to select the company from a list of available Billers, register them as a payee, and make payments to them.

What makes electronic bill payment processing in Canada unique is that companies can establish bill payment processing with all of the major financial institutions, credit unions, trust companies and independent bill payment processors. Almost any consumer or business that has a bank account can make electronic bill payments. Due to common rules and practices among the various bill payment providers, both payors and payees are presented with a consistent and highly reliable service offering.

Adoption of electronic bill payments continues to increase as many financial institutions have or are in the process of enhancing their branches and banking machines (ATM's) to enable electronic bill payments. Branch and ATM payments are combined with the bill payments from Online and Telephone Banking.

Customer Benefits

Listed below are the many potential benefits associated with the processing of electronic bill payments. It should be noted that each company's situation and internal processes are unique so not all of these benefits may apply but there could also be others that are not listed below.

- Reduction in returned cheques and associated bank fees such as NSF charges.
- Reduction in the number of branch, ATM and mailed bill payments that need to be researched.
- Improved customer service
 - your customers no longer need to mail payments or stand in line at their bank
 - delayed payments and associated late fees may be reduced as electronic payments can often be received and applied by companies sooner than paper bill payments
 - Improved audit trail typically facilitates quicker tracing/enquires.
- Streamlined accounts receivables process as the manual entry of receivables information associated with paper documents can be automated (if the electronic file option is selected).
- Reduction in paper storage, retention and retrieval costs.
- Cost reduction associated with supplying return envelopes. Many companies are able to suppress return envelopes for any of their customers that consistently pay bills electronically.

SERVICE DESCRIPTION

Once your company is enrolled, RBC's consumer and business customers will be able to select and register your company from the payee list and make bill payments to you. At the end of each business day the proceeds from that day's bill payments are credited to your RBC business account. For Corporate Creditors with accounts at other financial institutions, RBC will affect a credit to your designated account. Although dependent on the other financial institutions' posting schedules, funds are typically available on a next business day basis.

Timely bill payment remittance information that you can use to post to your account receivables system is available in a number of different formats including; fax or email reports or electronic file (EDI 820 ASC X12 version release 3030)*. Remittance information includes your customer's unique account number (may also referred to as a reference, subscriber, or invoice number) with your company, the payor's name and the bill payment amount.

** Applicable only if consolidated processing option is selected.*

Bill Payment Processing Considerations

Available Funds - Payors must have sufficient funds or available credit in order to process a bill payment. As a result, your company should not experience returned items (i.e. NSF) as they could with paper bill payment processing.

Bill Payment Amounts/Due Dates - RBC will accept payments at any time, irrespective of the date of the statement of account, for any payment amount including partial payments or payments greater than the amount appearing on the statement being paid.

Bill Payment Cut-offs - Bill payments made at RBC, up until 6pm (local time of the payor's account) each business day, will be included in your reporting on the next business day.

Currency - Bill payments are accepted in Canadian Dollars only.

Payor Enrolment - When adding a Corporate Creditor to the payee list, the Corporate Creditor account number entered by the payor is validated against the edit routines that you have provided to RBC. This helps to ensure the accuracy of the account numbers, thereby reducing the number of misapplied payments.

Payment Errors - In the event of a payment error, a credit reversal to your designated deposit account may be required. For EFT deposits, a subsequent deposit transaction may be adjusted prior to delivery or a separate adjustment may be required.

Bill Payment Date – As reflected in RBC's Corporate Creditor Bill Payment Service Agreement and the applicable CPA rules, bill payments are deemed to be paid on the business day that the payor made the payment date and not the date that the Corporate Creditor receives the remittance information from RBC or another financial institution.

Disputes/Inquires – Disputes concerning bill payments (i.e. delayed payments, late fees, interest penalties etc.), arising between the Corporate Creditor and their customers, must be settled directly between the two parties. RBC will not be responsible for any late charges, penalties or interest the Corporate Creditor may be entitled to charge the payor.

Delivery Options

There are two different delivery options available to customers. A “**non-consolidated**” customer is one who chooses to receive their remittance information directly from each participating financial institution. A “**consolidated**” customer on the other hand, establishes one financial institution as their lead bank. The lead bank then consolidates both the bill payment remittance information as well as the associated funds from each of the other participating financial institutions.

Governing Rules

If you utilize consolidated bill payment processing, your use of the bill payment service and your acceptance of bill payments (through financial institution) are governed by Canadian Payment Association - Rule H6 (Rules Pertaining to the Inter-financial Institution Exchange of Bill Payment Remittances for the Purpose of Clearing and Settlement).

To review CPA Rule H6 please refer to the Canadian Payments Association web site:
CPA Rule H6 - (http://www.cdnpay.ca/rules/pdfs_rules/rule_h6.pdf).

Although companies utilizing non-consolidated bill payment processing are not bound by the terms of CPA Rule H6, most financial institutions including RBC require the execution of a Corporate Creditor Agreement that contains many of the same obligations as are found in CPA Rule H6. This helps ensure a high level of consistency and integrity within the bill payment system.

Non-consolidated Processing

| | |
|-----------------------------------|--|
| Typical Customer Characteristics: | Low to moderate volume of bill payments |
| | Requires daily report to support manual input of bill payment remittance information |

If you choose non-consolidated processing you will receive your remittance information directly from RBC via a fax or email report. For RBC Corporate Creditors, funds are credited to their RBC business account at the end of each business day. For non-RBC Corporate Creditors that have an account at another financial institution, RBC will credit the designated account via direct deposit. Although dependent on the other financial institution’s posting schedule, funds are typically available on a next business day basis.

On each business day that there is bill payment activity you will receive a daily remittance report (referred to as a Daily Payment Advice) that provides the name of the payor, the payor’s account/subscriber number with your company, the amount of the bill payment and trace information associated with the payment. This report can be delivery via fax or email. Optional “*No Activity*” reports are available. A sample copy of the [Daily Payment Advice report](#) is provided at the end of this guide.

If you have established bill payment processing with one or more financial institutions, you will receive your remittance information (i.e. fax or email) and funds directly from each financial institution. For your convenience most financial institutions are able to process the credit to an account held at their institution or at another institution.

Generally, you can expect to receive your Daily Payment Advice, both RBC’s as well as those from the other financial institutions, prior to 9am EST.



Consolidated Processing

| | |
|-----------------------------------|--|
| Typical Customer Characteristics: | Moderate to high volume of bill payments |
| | Able to accept an electronic file (EDI 820) and process the payments to their account receivables system |
| | Wants the convenience of receiving bill payment information and funds from one financial institution |

If you select consolidated processing and choose RBC as your lead bank, RBC will consolidate your payment information and funds from the other financial institutions that you have enrolled with. Through your communication mailbox established with RBC you will receive one electronic file per financial institution. All of the files will be in EDI H6 Version 3030 file format, the common format used by financial institutions to exchange bill payment information. Please refer to CPA Rule H6 (http://www.cdnpay.ca/rules/pdfs_rules/rule_h6.pdf) to obtain a copy of the EDI H6 Version 3030 file mapping. Remittance information, at a minimum, will contain the bill payment amount, the name of the consumer, the consumer's account/subscriber number with your company and associated tracing information.

In general, you can expect all of your daily bill payment files, both RBC's as well as the files from the other financial institutions, to be available prior to 9am EST. If a particular financial institution is experiencing technical difficulties or above average volumes, files may be sent to RBC later in the day. There are approximately twenty EDI inter-bank exchanges each business day starting at approximately 4:00am EST through to 5:00pm EST. There will also be a corresponding credit posted to your RBC business account for each file. To help you reconcile the daily payments, each credit should include a description that identifies the originating financial institution.

To facilitate consolidated processing, you must have established a Corporate Creditor Identification Number (CCIN) from the CPA. The CCIN is used to route bill payment information and funds from the each participating financial institution to your lead financial institution.

You may not be required to obtain a new CCIN if:

- You have an existing CCIN
- The CCIN is only used for one type of bill
- The CCIN is used for paper bill payment processing and you are now adding electronic bill payment processing (please note that a CCIN can only be used for one bill type. If you have more than one bill type than multiple CCIN's are required)
- You are changing your lead financial institution for an existing bill payment application

You are required to obtain a new CCIN if:

- You do not have an existing CCIN
- The CCIN will be used for a new billing application

If you have an existing CCIN and RBC is to be your new lead financial institution, RBC will assist you in making the required lead bank change with the CPA. If you require a new CCIN number, RBC can provide you with the appropriate forms and assist you in obtaining it from the CPA.

Subscriber Edit Routines/GIFS/Aliases/Hints

RBC's Corporate Creditor Bill Payment Service includes a number of features that are designed to assist consumer and business customers when registering your company as a payee. Each of these are described in the following table.

Important: It is strongly recommended that Corporate Creditors utilize appropriate subscriber edit routines to help reduce enrolment errors and greatly improve the accuracy of the remittance information provided by RBC. These edits help ensure the accuracy of your company account numbers, when entered by your customers.

RBC often suggests the other three features (Hints/Image of Bill/Aliases) when RBC identifies enrolment issues. During your enrolment please indicate if you feel that one or more of these would benefit your customers. This could be due to a more complex bill or an account number that is not readily recognisable on the bill.

| Feature | Applicable Channels | | Description |
|--|--|---|---|
| Subscriber Edit Routines | Online Banking Telephone Banking RBC Express | Optional but strongly recommended. | <ol style="list-style-type: none"> 1. Check Digit Routine 2. Account Length Check (i.e. min/max length) 3. Numeric/Alpha Validation 4. Valid Starts (i.e. Credit card Bin numbers) 5. Valid ending Characters |
| Hints | Online Banking Telephone Banking | RBC or customer recommended if account number on customer's bill is not readily apparent. | The Biller or RBC can provide helpful hints that can assist in the registration of a Biller. An example of this could include information on where the subscriber account number can be found on the paper bill. |
| Image of Client's Bill - Graphic Interchange Format (GIF). | Online Banking | RBC or customer recommended if account number on customer's bill is not readily apparent. | <p>In certain circumstances, the subscriber account number is not immediately obvious or is only one of the numbers on the face of the bill. In these circumstances an image of the client's bill can be displayed to online users with information on where the subscriber account number is located.</p> <p>Note: This option is often combined with "Hints" to assist the user in entering the subscriber account number.</p> |
| Aliases | Online Banking | Optional but strongly recommended if company is known by more than one trade name. | A Biller may be identified by both their legal name as well as one or more trade names. In these circumstances, RBC can add the client's aliases to the service so that when the consumer enters an alias, the corresponding creditor will be listed. |

Multi-bank Processing

Most new Corporate Creditors want their bills be accepted at all of the major financial institutions and credit unions. As part of your enrolment, RBC can at your request forward your enrolment package to the other financial institutions. Although RBC performs this function on your behalf, you are still required to enrol with each financial institution. It is important to note that each financial institution has their own enrolment process, forms and criteria and that their process may differ from that of RBC's. Due to volume restrictions or other enrolment criteria, some may at their discretion decline certain customer enrolment requests.

Important: Once enrolled, you must notify each financial institution of any changes to your service information or processing requirements.

SUPPORT

Tracing a Bill Payment

A unique reference number identifies each bill payment, processed by RBC. This number is provided to the payor when the bill payment is processed and it appears on both the Daily Payment Advice reports and the electronic payment files. When tracing a bill payment through the Royal Direct Support Centre (see below for contact information) please have the following information available:

1. RBC Creditor Number* and Company Name
2. Payor Name
3. Payment Date
4. Payment Amount
5. Reference/Confirmation Number (optional)
6. Audit Number from the Daily Payment Advice Report

*RBC Creditor Number is assigned by RBC at time of enrolment and can be obtained from the bottom of the Daily Payment Advice Report.

Important: When tracing a bill payment processed through another financial institution you must contact that financial institution to investigate the payment. RBC cannot trace payments made through other financial institutions.

Getting Help

Listed below are the Corporate Creditor support groups within RBC that are available to assist you.

1. Bill Payment Investigations:

Contact Royal Direct Support Centre at 1-800-898-4577, for help with:

- Missing or incomplete fax or email Daily Payment Advice Reports
- Banking and settlement issues
- RBC bill payment traces and investigations
- General inquires

2. Changes (service profile/contact information/account edits etc.) / Deletion Requests:

For all change or deletion requests, please complete the applicable sections of the Corporate Creditor Bill Payment Service Enrolment Form:

- Corporate Creditors whose funds are deposited to an RBC business account should contact their RBC account Manager or RBC branch representative.
- Customers whose funds are deposited to an account with another financial institution should fax their changes to the RBC Corporate Creditor Service Group at 416-974-5287.

3. Billing Issues

- Missing or incomplete fax or email billing statements
- Billing inquiries
- Changes to billing account information

For billing inquires contact the RBC Corporate Creditor Service Enrolment Group at 1-866-253-0348 or by fax at 416-974-5287. For billing account changes, please complete the Corporate Creditor Bill Payment Service - Biller Authorization for Pre-Authorized Debits for Service Charges form.

SAMPLE DAILY PAYMENT ADVICE REPORT

ROYAL BANK OF CANADA – TELEBANKING
DAILY PAYMENT ADVICE

DATE: 14 SEPTEMBER 2005

Audit No: 00001

Company/Organization ABC Company Inc.

Contact Name: Jane Smith

Phone#: 4165551234

Fax#: 4165557867

SPECIAL INSTRUCTIONS:

1. If you don't receive all pages call 1-800-898-4577

2. For Information related to:

>incorrect account numbers

>banking and settlement issues

>general inquires

CONTACT: Royal Bank Support

Telepayments Co-ordinator

1-800-898-4577

3. Your customers may

contact any of our

Royal Bank Agents

at 1-800-ROYAL 1-1

for assistance

anytime.

TRANSACTION DETAIL

| Acct. Number | Paymt. Amt. | CustName | Effect. Date Conf/Verif | PymtDate PymtTime |
|--------------|-------------|-----------------|----------------------------|--------------------------|
| 2374239874 | 20.00 | FRED JONES | 13-Sept-2005 1639 | 13-Sept-2005 13:17:10 |
| 4983298472 | 131.00 | ROSS SMITH | 13-Sept-2005 0061 | 13-Sept-2005 14:55:15 |
| 4575982409 | 171.00 | TERESA JACKSON | 13-Sept-2005 1765 | 13-Sept-2005 15:34:34 |
| 7958704326 | 45.00 | JEFF SAMSON | 13-Sept-2005 2435 | 13-Sept-2005 16:01:12 |
| 9872598543 | 30.00 | ELISABETH BLACK | 13-Sept-2005 1651 | 13-Sept-2005 16:15:10 |
| 5878598743 | 100.38 | SUSAN CRANE S | 13-Sept-2005 04605 | 13-Sept-2005 16:46:05 |

TOTALS 497.38 (6 payments)

Financial Summary

F.I.

0003 497.38

(6 payments)

To be deposited to Account of Creditor # 310

TOTAL 497.38

(6 payments)