



# Straight Through Processing (STP)

## For Microsoft Dynamics GP

### Payables

Accounting Software



Customer Account Number  
Customer Name  
Invoice Gross Amount  
Amount Paid  
Invoice Number  
Invoice Date  
PO Number  
Discount  
Adjustment Amount  
Adjustment Code

Electronic Payment

Bank



### Receivables

Accounting Software



Electronic Payment

Bank



Straight Through Processing (STP)

**Straight-Through-Processing** for Microsoft Dynamics GP enables **electronic payments** to flow seamlessly from your company's Accounts Payable system, through the banking infrastructure, and to your Vendor's Accounts Receivable system. The transaction is entirely automated and **requires absolutely no manual intervention or paper checks**. The Straight Through Processing Transaction Set 820 (hereafter "STP 820") was developed by the Electronic Payments Network and represents a **widely adopted standardized format** that enables this simple and seamless exchange of financial information.

### Benefits of Straight-Through-Processing (STP)

Payment processing is undergoing a dramatic shift as the STP standard radically simplifies the process of sending and receiving payments electronically. It provides for a **simplified remittance format** that has been approved by the American National Standards Institute (ANSI) and utilizes the existing Automated Clearing House (ACH) network. The ability for small and medium-sized companies to send and receive payments electronically enables tighter integration of payables and receivables workflow, improves cash forecasting, and supports tighter liquidity management. Based on a study conducted in 2004, estimates show that **the average business can save between \$12 and \$15 per transaction by eliminating the labor costs associated with processing paper payments**.

Business executives are beginning to recognize the value in moving to electronic payments in order to **significantly reduce the labor cost** of data entry, paper check processing, error handling, non-sufficient funds, and returned checks. Straight Through Processing is becoming the industry standard for all payables transactions much like Direct Deposit has become for payroll. The elimination of manual labor (not to mention check materials and postage) results in tremendous efficiency and massive cost savings.

### Automated Financial Supply Chain:

The ability to send and receive electronic payments with Straight Through Processing (STP) enables companies to save between \$12 and \$15 per transaction by eliminating the labor costs associated with processing paper checks.

## STP Data Elements

Customer Account #  
Customer Name  
Invoice Gross Amount  
Amount Paid  
Invoice Number  
Discount  
Purchase Order #  
Invoice Date  
Adjustment Amount  
Adjustment Reason  
Description Notes

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## How Does STP Differ from EDI?

STP uses the format of the EDI Transaction Set (EDI 820) as a starting point, then **drastically refines and simplifies** the minimum number of remittance data fields (see "STP Data Elements" in Left margin). EDI also requires an additional layer of complicated "**translation**" software in addition to reliance on a middle layer, called a Value Added Network (VAN), adding significant additional cost to an EDI implementation. STP slices through this complexity and calls upon all users, regardless of industry, to recognize a simple set of standards and specific fields providing for a seamless exchange of information between disparate business software systems.

## Is This Only for Large Companies?

**NO.** The STP standard was developed specifically with small and medium-sized companies in mind. Many of these companies are left out of the electronic payments world because their accounting systems are unable to initiate or receive appropriate data ... until now.

## Integration with Microsoft Dynamics GP

As a leading technology provider, NexTec recognizes that adoption of the STP standard offers great benefit to our clients. As such, we have developed a "bridge" for **Dynamics GP** that allows you to submit and receive electronic payments directly in/out of your accounting system in complete compliance with the STP standard. In doing so, we have brought "large company efficiency" to our small and medium-sized clients.

- ▶ Typically 1 to 2 day Implementation
- ▶ User Friendly and Simple to Maintain
- ▶ Quick Return on Investment
- ▶ Designed Specifically for Dynamics GP
- ▶ Leverages Existing Dynamics GP Functionality

Source	Batch ID	Posted Date	# of Pmts.	Batch Total	Status
Computer Checks	EPN	4/1/2007	1	\$3,500.00	X
Computer Checks	TESTEPN	4/12/2007	3	\$14,165.63	X

**STP Electronic Payments are initiated directly out of your existing Microsoft Dynamics GP Software.**



For more detailed and technical information about the Straight Through Processing standard or Electronic Payments Network, please visit [http://www.epaynetwork.com/white\\_papers.php](http://www.epaynetwork.com/white_papers.php)



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