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Virtual Credit Cards:

# The Next Best Practice For Corporate Travel?



**The pandemic has made business more virtual and at the same time, has also challenged how business travel occurs. But with change can also come new opportunities and innovations. And the companies who adapt will be the ones to thrive.**

One of the opportunities has been a new push for a touchless travel experience as businesses recognize their Duty of Care requirements to provide employees with “safe” travel in the new age of business travel.

Enter virtual cards.

Virtual cards are an exciting step toward smart corporate spending. By removing the traditional plastic card from the equation, business travel expenses are automatically reconciled and the total trip cost is captured in one place.

In 2017, AAA Corporate Travel partnered with Conferma Pay, a global payment technology company that works directly with travel management companies to deliver innovative and flexible virtual payment solutions. Many of AAA’s clients use virtual cards to pay for travel expenses, particularly hotel expenses. But recent demands are increasing client interest in touchless payment options.

How virtual cards work for hotel expenses.

“The beauty of using a virtual credit card to pay for hotels today is that it’s a frictionless method of payment for the traveler and it negates the manual work and reconciliation pain for companies,” says Anthony Jover, AAA Travel Technology & Meetings Manager. “And each card is only good for a particular trip or purpose. It’s loaded with an amount for a specific purchase or need and that’s it.”

Better than Lodge cards, an employee’s personal card or even one centralized card for hotel payments, the virtual card is fraud-free.

“As soon as a traveler books their hotel, our system, Sabre Virtual Payments, pushes a virtual card number to the hotel with the reservation. When the traveler arrives, the hotel sees that the room has a virtual card on file and there is no need to present a plastic card at all,” explains Jover. “It’s 100% contactless.”

“It can be configured to allow additional hotel charges. But once it’s used, that virtual card number is closed and becomes unusable,” says Jover.

Benefits of a virtual credit card program for your company:

- Touchless hotel interaction for travelers
- No more lost corporate cards
- No hacked accounts
- No manual contacting of hotels or faxing
- No reimbursement or cash advances
- Extend your account to your employees and non-employees
- Easy reconciliation
- Real-time visibility of payment/transaction activity



Can companies use a virtual credit card for other travel and business expenses?

Legacy accounts receivable (AR) methods have come under increased scrutiny during the pandemic as they have become more difficult to carry out from home. For many companies, and their increasingly remote workforce, running a paper-based AR department is no longer an option — and the financial pressure to cut costs is creating a need for more transparency and control in employees' everyday spending.

According to the Mercator Advisory Group, “there will be \$315 billion dollars a year in commercial purchasing with virtual cards” by 2021.

“With employees working from home, the ability to monitor and approve expenses becomes far more difficult for a company. With once-centralized procurement teams now dispersed into a work-from-home ecosystem, the controls and workflows that once consolidated procurement spend management are not applicable anymore,” says Julie Costa of Conferma Pay.

Virtual credit cards provide online retailers with dynamic information so that every time you pay using a virtual credit card, the verification data is different. It's 16 digits and created solely to pay for a single transaction at a predetermined amount, by a specific person—but, again, without a physical card.

For the business you are paying, the virtual card looks the same as any other card. Virtual cards can generally be accepted by any vendor or business that accepts card payments.

For traveling employees, VCCs can be used for Uber or other rideshare services, cards can be loaded with per-diem amounts to cover any online or in-app purchase.

How can your company get access to Conferma Pay virtual credit cards?

Jover explains that a company need only let their AAA Corporate Travel Account Manager know they wish to begin using virtual cards for hotel reimbursement. “Conferma works directly with Travel Management Companies like AAA Corporate Travel,” says Jover. “So once we connect you, you're good to go. We will also work with you on your travel policy concerning how you want to use your VCCs and what personnel you wish us to use the cards for.”

Imagine being able to have an infinite number of virtual credit card numbers ready to push out to employees who are traveling or whom work from home and request money for purchasing work items. You set the vendor, the amount and the expiration date. It works for hotels and for most retail purchases as well.

Innovative payment tools are an important and efficient way for businesses to operate not only in the time of a pandemic, but as they move into the future. Virtual cards are one of those tools. No fraud worries. No time-consuming reconciliation. Easy validation and spending control.

