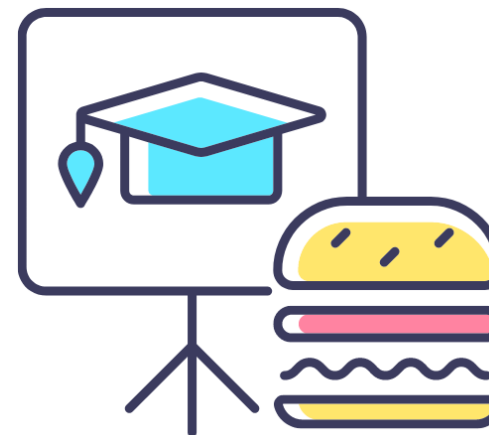




UNDERSTANDING WHAT PAYMENT METHODS ARE AVAILABLE BY CURRENCY

Monthly Lunch & Learn Series presented by the **FAST Team**

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AGENDA

- Understanding Currencies and Payment Methods
- When do cheques, drafts, and electronic funds transfer's (EFT) get issued or transmitted?
- Currencies available in FIS to be paid via draft
- When is it appropriate to request an outgoing wire transfer?
- How can you help speed up the Wire Transfer process?



LEARNING OBJECTIVE



Whether it's a payment to a supplier, or a reimbursement, it's important to understand what payment methods are available based on the currency of payment.

This session will outline the payment methods, as well as review the implications and things to consider with these payment methods.

CURRENCIES AND PAYMENT METHODS

The currency that a vendor or claimant requests payment in will dictate the available payment options.

If possible, please use a **PCard** to purchase goods/services **up to \$10,000**. For more information, [visit the Procurement Services website](#).

Currency	Method of Payment
CAD	Cheque, EFT
USD	Cheque, Wire Transfer
EUR HKD (Hong Kong Dollar) JPY (Japanese Yen) SGD (Singapore Dollar)	Draft, Wire Transfer
All other currencies (if permitted – refer this page for a list of Sanctioned Jurisdictions)	Wire Transfer *NOTE: Payments in British Pounds can only be paid via Wire Transfer.

WHEN DO CHEQUES, DRAFTS, AND ELECTRONIC FUNDS TRANSFER'S (EFT) GET ISSUED OR TRANSMITTED?

For vendor invoice payments, the clearing/transmission dates for each payment depends on the Payment Terms (e.g. 35 days net, 7 days, 20 days), which defaults from the **Vendor Master Record/Business Partner** and the **Invoice Date**. [Click here to learn more.](#)

Common Reasons for payment delay:

- Incorrect Invoice Date (e.g., 2205 vs 2025)
- Incorrect Invoice # in the **Reference field**

[Please see this KC article](#) for more information.

Transaction	Payment Method	Currency	Issue/Transmission Date
Invoices, Expense Reimbursements, Refundable Deposit Refunds	Cheques (CAD/USD) Drafts	CAD USD EUR (Euro) JPY (Japanese Yen) HKD (Hong Kong Dollar) SGD (Singapore Dollar)	Wednesdays <i>Invoices should be posted by end of day Monday (11:59PM EST) to be eligible for inclusion in the current week's cheque payment run.</i>
Invoices	EFT	CAD	Tuesdays <i>Invoices should be posted by end of day Sunday (11:59PM EST) to be eligible for inclusion in the current week's EFT transmission run.</i>
Expense Reimbursement Direct Deposits (ERDD)	Direct Deposit	CAD	Tuesdays and Fridays <i>Reimbursements should be posted in FIS by end of day Monday or Thursday (11:59PM EST) to be eligible for inclusion in the current week's direct deposit run.</i>

PAYMENTS IN CANADIAN (CAD) CURRENCY

<p>Expense Reimbursements (via FIS or Concur)</p>	<p>Direct Deposit (Employees ONLY): Expense reports will be deposited in CAD into the same bank account they get paid by the University. Payment terms are immediate, and deposits are done twice weekly (Tuesday and Fridays).</p> <p>Cheque (Non-Employees): Expense reports for non-employees or employees who request reimbursement in non-CAD. Processed in FIS.</p>
<p>Invoices (via FIS or USOURCE)</p>	<p>Electronic Funds Transfer (EFT): Vendors who have a vendor account and has been vetted by Procurement Services and Accounts Payable and have been set up in FIS to be paid via EFT.</p> <p>Cheque:</p> <ul style="list-style-type: none">• Vendors with a vendor account in FIS but who have not yet been transitioned to EFT.• One-time-account (OTA) vendors who do not have a vendor account, where the department decides not to create one due to the frequency of the purchase.

CURRENCIES AVAILABLE IN FIS TO BE PAID VIA DRAFT

The following currencies can be paid via draft through FIS:

- Euro (EUR)
- Hong Kong Dollar (HKD)
- Japanese Yen (JPY)
- Singapore Dollar (SGD)

For a detailed breakdown, please see the table below and [refer to this article](#).

NOTE: Payments in British Pounds (GBP) are now **ONLY** permitted via Wire Transfer.

Currency	Draft	Wire Transfer
AUD – Australian Dollar	No	Yes
DKK – Danish Krone	No	Yes
EUR – Euro	Yes	Yes
GBP – Great Britain Pound	No	Yes
HKD – Hong Kong Dollar	Yes	Yes
JPY – Japanese Yen	Yes	Yes
NOK – Norwegian Krone	No	Yes
NZD – New Zealand Dollar	No	Yes
SEK – Swedish Krona	No	Yes
SGD – Singapore Dollar	Yes	Yes
ZAR – South African Rand	No	Yes
INR – Indian Rupee	No	Yes
AED – United Arab Emirates Dirham	No	Yes

WHAT ARE OUTGOING WIRE TRANSFERS?

Definition: A wire transfer is an electronic transfer of funds through a network that is administered by **banks** and **transfer service agencies** around the world.

Wire transfers provide a reliable and safe method of transferring funds when all other available options are exhausted.



[Click here for the GTFM policy](#) on Foreign Wire Payments.

FOREIGN PAYMENTS BY WIRE TRANSFERS

According to the GTFM, payment via wire transfer is not cost-effective method of making foreign payments and should be avoided.

Preferred method for foreign payments:

- Foreign draft
- PCard

[Click here to learn more about PCard and watch the Lunch & Learn on Travel & Hospitality card, PCard and other payment methods.](#)



[Click here for the GTFM policy](#) on Foreign Wire Payments.

WIRE TRANSFERS VS ELECTRONIC FUNDS TRANSFERS (EFT)

EFT

Since August 2022, many CAD suppliers have transitioned to receive payment via electronic funds transfer.

Electronic Funds Transfers are limited to Canadian currency and enable the University to streamline payments to suppliers through transfer of funds **between Canadian bank accounts**.



Wire Transfers

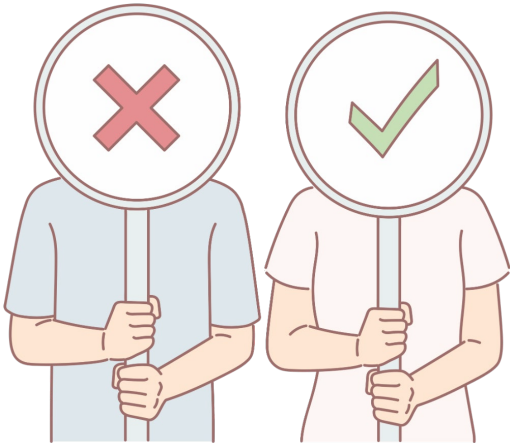
A wire transfers is a type of **electronic funds transfer that is used for payments in a foreign currency**, particularly when the currency used is different then the local currency of the recipient (e.g., CAD payment for a resident of China).

Wire transfers involve sending funds from Canadian banks through transfer service agencies (e.g., Convera, ACH) and then to the foreign bank.



[Click here to learn more about the EFT Initiative.](#)

WHEN IS IT APPROPRIATE TO REQUEST AN OUTGOING WIRE TRANSFER?



Wire transfers should only be requested when all other payment options have been exhausted.

This is due to:

- the cost (i.e. \$7 per wire transfer)
- how time consuming it is for both the department and Financial Services

Common reasons to use Outgoing Wire Transfers:

- the currency is not active/available in FIS
- the payment will be in a currency different than payee's local currency. In these situations it may be prohibited or expensive to convert to the local currency or deposit



[Click here for Knowledge Centre article on Outgoing Wire Transfers](#)

HOW CAN YOU HELP SPEED UP THE PROCESS?

Some tips to make the process easier for your unit and FSD:

- Complete and submit the [wire request PDF form](#) (not a handwritten or a scanned form)
- Approvers should **digitally sign the form**. Ensure all required approvers are identified.
- Send 1 email per wire transfer request
- Clearly identify the purpose of the email (e.g., Wire Transfer – invoice #)
- Ensure attached invoice correctly identifies the buyer (i.e. University of Toronto). [See this article](#) for more information on HST requirements.
- Send any follow-up/additional information in the same email thread and email address
- Ensure payment currency is clearly identified on invoice




Causes for delay after FSD Processes Wire Transfer

- International holidays, bank holidays
- [Prohibited jurisdictions](#)
- Differences in time zone and international weekend/business hours
- Intermediary or corresponding banks (sometimes more than one) are involved
- Compliance checks, anti-money laundering (AML) and fraud prevention procedures



WHAT SHOULD YOU DO WHEN YOU SEE A “CURRENCY IS EXPIRING” MESSAGE?

 Currency "XXX" is expiring; from 24.04.2024, use currency "UUU"

If you see this error message in FIS when processing a payment transaction (e.g., vendor invoice), your options are:

1. Contact the vendor to ask if they will accept payment in another currency (i.e. EUR in lieu of DKK).

[2. Request an Outgoing Wire Transfer.](#)



[Click here for Knowledge Centre article](#)
on this topic.

WHO DO I CONTACT?



FAST Team

For question regarding **processing Purchase Orders and invoices in AMS, please contact your [FAST Team representative](#).**

Procurement Services

For questions about:

- PCard
- Travel & Hospitality Card
- uSOURCE
- Approved Suppliers

email purchasing.help@utoronto.ca or uSOURCE@utoronto.ca.





THANK YOU!