

# NOW YOU CAN PAY IN ALL MAJOR CURRENCIES RIGHT FROM YOUR DESKTOP



## International Payments using TelPay for Business

**Overview:** With the international payments module added to your software you can use T4B to pay bills in currencies other than Canadian dollars. The payment instructions are entered in the same way as any other bill except that when you enter the foreign currency amount, that amount is converted to Canadian dollars. The foreign currency amount is retained for transmission to one of two foreign exchange providers who then provide a quotation rate. If accepted by you it will remain in effect until the end of the next business day. You must initiate the transfer of funds to TelPay immediately. TelPay will forward the Canadian dollars to the foreign exchange provider the next business day who will promptly forward the requested amount to the party you have directed it to. In the process, all the required accounting requirements, payment history, etc. are retained in T4B, as with any other transaction.

**Application Procedure:** To utilize this feature you must download the international payments module and complete the administration requirements for International Payments. These are accessed from the main menu of your system. This should take about 10 minutes and must be completed by a System Administrator.

You also must have an agreement with one of the two foreign exchange service providers with whom we have made payment arrangements. You can visit their websites by clicking on the following:

[www.customhouse.ca](http://www.customhouse.ca)

[www.paylinefinancial.com](http://www.paylinefinancial.com)

To go directly to their Application Form use either of these links:

[www.customhouse.com/landing/telpay/](http://www.customhouse.com/landing/telpay/)

[www.paylinefinancial.com/register/register.aspx](http://www.paylinefinancial.com/register/register.aspx)

The application process may take a little time. Current regulations regarding international payments are extensive and those providing these services are closely regulated.

**Cost of Service:** Adding the international payments module to your T4B adds \$10.00 to the monthly fee. There is no set up fee. Rather than the usual 50 cent fee for regular payments, we charge \$2.00 for these payments as the payment has to be directed to the FX supplier and the payment details to the recipient of the funds. These fees may make it impractical for small volumes of payments of small amounts, especially where the alternative is to pay by credit card. The annual cost of \$120.00 needs to be weighed against savings from alternative methods and the convenience of paying from a system handling your other payments.

## NOW YOU CAN PAY IN ALL MAJOR CURRENCIES RIGHT FROM YOUR DESKTOP



The FX suppliers will not likely charge a fee. They make their money on the spread between the buying and selling of the funds. There could be exceptions for small payments. That will be covered by the agreement between you and your FX supplier. These suppliers offer competitive foreign exchange rates which are, in most cases, better than those provided by your bank or by a wire transfer company. The TelPay system makes it easy for you to check rates before and after transactions are processed.

The recipient's bank may charge a fee for the deposit. We have very limited experience in this. It no doubt depends on the recipients banking arrangements. It will likely be less than credit card or wire transfer fees the recipient might pay.

**Advantages:** This method of making international payments can provide significant advantages over other methods. TelPay's fees are much lower than wire transfers, for example. Where the biller accepts payment by credit card, a discount may be able to be negotiated if paid via TelPay. The TelPay system also provides a record of variances between booked rate (the Bank of Canada published rate) and the actual rate for each session.

Another advantage is the convenience and time saving of being able to complete an entire international transaction from one combined payment and accounting system. Not only is the transaction completed in the foreign currency, it is recorded in Canadian dollars in the accounting records.

**Making International Payments using TelPay for Business:** With the international payments module installed on your computer, the process of paying bills is much the same as any other payments made directly with T4B. Differences include:

- (a) When the biller is set up the currency in which that biller's invoices are provided must be entered. A wide range of currencies are permitted.
- (b) When a payment is to be made to that biller, the amount will be entered in the invoiced currency. That amount will be immediately converted to Canadian dollars so that accounting entries can be generated. The conversion rate used at that point is the rate downloaded that day from the Bank of Canada. It is the average between the "buy" and "sell" rate for relatively large transactions.
- (c) At the point where the system requires you to fund the payments you are making, the system will connect you to your chosen FX supplier to get their rate for the transactions entered. You will get a separate rate for each currency you have requested. If accepted by you, TelPay will send the FX supplier the information they require to complete the transactions. They will do so as soon as they receive the funds from TelPay, which will be the next business day if TelPay has received the required funding. The date the funds will be received by the biller

**NOW YOU CAN PAY IN ALL MAJOR  
CURRENCIES  
RIGHT FROM YOUR DESKTOP**



may vary country to country depending on their clearing system. U.S. payments will be received the next day if the biller's bank is part of the U.S. electronic clearing system.

The difference between the Bank of Canada rate and the FX supplier rate will be debited or credited to an exchange adjustment account. These differences occur because of the timing difference between the recording of the invoice and the actual payment.

Mixtures of international payments to various countries and payments to Canadian billers can be combined in one TelPay session and one funding transaction can cover the entire session.

**Receiving Payments from your International Customers:** Your international customers can also use T4B to pay you. They use the system as any Canadian user would. They do not have to use the international payments module unless they wish to use Custom House or Payline FX as their foreign exchange supplier but would likely find it advantageous to do so. In that case, they would settle the required funds with the company they choose, who would forward the funds to TelPay. Any other FX supplier could do the same. On receipt of the funds TelPay will distribute them as instructed and provide details of the payment to the recipient.

The accounting entries will remain in Canadian dollars so the customer will have to convert them to their local currency before entering them into their records.