I. Introduction to TelPay for Business

(a) System Overview

You may access the TelPay Bill Payment Services system using a software system called TelPay for Business. TelPay for Business allows for the payment of any bill to anyone in Canada. Once you have obtained your TelPay Access Number you are ready to set up the software on your computer.

A TelPay Access Number and a TelPay Supplied PIN are obtained by sending a signed application and a voided cheque to TelPay. The Application Form can be obtained at www.telpayforbusiness.ca. For TelPay for Business systems requirements see also Hardware and Software Requirements. For your protection, TelPay will ask you to perform other steps to ensure that access to your bank account has been properly authorized.

An extensive list of TelPay Standard Billers totaling over 4000 utilities, phone companies, credit and charge card companies, and cable companies is provided. Most regular remittances to government, such as taxes are also included. In addition, TelPay for Business users can create their own biller list referred to as Customer Specific Billers. Each time you pay a new biller it is added to your list for easy access for future payments.

TelPay has developed a unique, proprietary method of identifying the biller you wish to pay. Enter the last three (3) digits of the billers account number as shown on the biller's bill. This reduces the risk of making payment to an incorrect account and simplifies the process of accessing the correct biller account.

Bills can be entered for payment at the current session or held in Accounts Payable for payment at a future date. The Accounts Payable module produces aged accounts payable analyses and allows release for payment when desired. The system generates a journal entry for each session. Payroll payments and other regular files of payments can be submitted through TelPay for Business. In certain circumstances files of collections for donations or other regular payments due can be processed.

Once you have entered all of your payments, the system will report the total amount of the bills to be paid, the amount of TelPay's service fee, and the total amount required to be paid to TelPay to facilitate the payments. The system requests that you indicate the manner in which you wish to provide funds to TelPay.

Assuming there are no delays due to funding, your payments will be made on the date specified by your instructions and the bank accounts of the respective billers will be credited. In cases of a first payment to a biller or where we may have been unsuccessful in obtaining a bank account we will mail them a cheque on the business day specified. We will ask for a bank account in order that future payments will be made electronically.

The system will automatically assume the next Wednesday as the date for payment. This allows us to combine payments to the billers and to generate a single debit to your bank account. You can change the date on which payments are made to any other date of your choice. If the payment date is not a Wednesday, a higher transaction fee will apply.

The TelPay for Business system provides reports of both the current payment session and past payment sessions. It also allows you to link the bill payment system to various accounting systems such as Quicken®**,** ACCPAC® (Accpac Plus), Simply Accounting, QuickBooks and Adagio. The file containing payment details; including distribution and description, can be formatted to suit any accounting system.

An extensive history of all payments processed, all system administration changes, and session detail is accessible. Specific biller accounts can be viewed as payments are being entered to help avoid the possibility of duplicate payments.

The TelPay system provides for automatic distribution of Goods and Services Tax (GST) and other conveniences. Where desired, dual authorization of payments may be specified.

The TelPay system provides extensive controls for security and audit purposes. These are particularly important for business users and include:

- password access
- optional duplicate approval before transmission of payments
- single person or dual control for all changes to signing officers and system administration details
- audit trail for payments made, biller additions and modifications, and changes to administration details
- complete history of all payments made with easy search and reporting capabilities
- in the case of payment of ebills, the bill image will also be stored with the payment history
- encryption of certain data and backup records retained by TelPay add to overall security and confidence

(b) What's new in Version 6.5?

TelPay maintains a summary of important changes to TelPay for Business on its website at www.telpay.ca. To view the most recently updated list of changes, copy the following website address into your web browser: http://www.telpayforbusiness.ca/downloads/txt/releasehistory.txt.

Here is a list of changes to version 6.5.

1. Import payables from QuickBooks and Simply Accounting: The "Auto-import" button can be used for both payroll and payables.
2. Fees will not be charged in the software: The customer will not pay for their fees along with their session. Instead, customers will be billed at the end of the month for their fees, along with their usual monthly fee.
3. The System Administration area has been reorganized to reflect the different purposes of the software (e.g. bill payment or payroll remittance).

Here is a list of the changes included in version 6.4.

1. International Payments: Click and pay virtually any bill or anyone, anywhere in the world - in all major currencies, right from your desktop. Get rate quotes instantly in a few mouse clicks, anytime you need to pay in most foreign currencies. To get started, click the International Payments Setup button on the Main Menu.
2. Accounts Payable menu: The Accounts Payable menu item now displays the number of items that have been accrued but not yet paid.
3. System Backup and Restore Procedures: To ensure a proper backup of your TelPay for Business data is made, the built-in backup software will no longer allow you to backup to your local computer's hard drive. A network, USB or CD/DVD drive should be used for backup.

4. Remittance dates for CRA and Revenue Quebec Source Deductions can be set automatically when submitting employer remittances within payroll files.

II. Applying for TelPay for Business Service

If you wish to apply for a TelPay Access Number, please visit our website at http://www.telpayforbusiness.ca and fill-in our online TelPay for Business application . Alternatively, you can call our toll free line at 1-800-665-0302. We will send you an application and pre-authorized debit form. Please complete these forms fully and ensure they are signed by an appropriate signing officer(s) of the Company. Mail or fax these forms to the address below accompanied by a Void cheque for the bank account from which you wish your transactions debited to:

TelPay Incorporated
298 Garry Street
Winnipeg, MB R3C 1H3
Phone: (204) 947-9300; Fax: (204) 947-2591
website: www.TelPay.ca
email: sales@TelPay.ca

III. Accessing TelPay

(a) Initial Logon to TelPay Bill Payment Service

Before you can access TelPay to pay your bills you must enter your TelPay Access Number. This is sent to you once you have sent TelPay your Application.

You should then proceed as follows:

(a) TelPay provides you with a set of Installation Instructions. We recommend that you complete this form to assemble the information needed to establish the initial parameters you will need to get the best use of your TelPay system.

(b) After entering your TelPay Access Number, you will be able to setup your bills and review the software prior to the completion of the TelPay application approval process. Once you have received your approval notice, you must log onto the software and enter the amount that has been credited to your bank account by TelPay. A connection is made to TelPay to validate and update your system.

(c) It then takes you to the System Administration screen where the System Administrator(s) will be able to setup the "Authorization Passwords" for all parties authorized to access the system. You will not be allowed to exit the System Administration screen until you have registered at least one System Administrator and password. From then on you and other users will use your own "Authorization Password" to access the TelPay for Business software instead of the amount credited to your bank account by TelPay.

(d) Once you have completed the above steps, click the "Main Menu" button and then select the "View/Transmit Payments" button on the Main Menu. There may be no payments to transmit but you will receive a printed report showing the information (excluding passwords) that was entered on the Administration screens. The report should be retained for future reference. You should then exit the system.

For an on-line explanation of all fields on the System Administration screens, click the "?" beside the applicable field or see IV(x) System Administration.

(b) Multiple Users of TelPay for Business

You may require multiple TelPay Access Numbers for more than one company or business unit or if you pay bills from more than one bank account. If you have a large volume of accounts to pay, you may wish to set up portions of your accounts on separate computers. Each will require a separate TelPay Access Number. You must apply separately for each TelPay Access Number.

Remember TelPay Access Number

To have the system automatically remember each TelPay Access Number, mark the appropriate box and click on "OK" button on the Logon screen.

You can use the "Logon Again" button on the Main screen to conveniently go from one company to another.

If you have any problems, please contact TelPay at 1-800-665-0302 between the hours 7:00 and 17:30 CT.

IV. Bill Payment Process

(a) Signing on to TelPay for Business

After clicking on the TelPay icon that will appear on your desktop, you will be presented with a Logon screen. It will ask you to enter the TelPay Access Number (the seven (7) digit number supplied by TelPay) and the User's Password. The User will be limited to the functions authorized by the System Administrator on the System Administration screen; i.e. System Administration, Data Entry, or Authorized Officer. The operations that can be carried out are limited accordingly.

At times it may be advisable to update your TelPay Standard List of Billers before starting a session. Usually you will be advised by TelPay if this is required.

The system will "remember" your access number if you wish. If more than one access number has been registered on this computer, a list will appear along with the identifying name.

If you have asked TelPay to change your bank account information and you have found the small deposit that TelPay placed into that new bank account, click the "Enter New Deposit Amount" box. That will allow you to enter the amount of the deposit and continue using the software.

Once you have entered your password, the system will advance to the Main Menu.

(b) Main Menu

The Main Menu enables the user to navigate to the various functions provided for by the software. These functions are described below. At the top of the screen you will see the name of the particular company that has been accessed.

The ten (10) Main Menu selections are:

(i) Pay Bills and Setup Payables

This section allows you to make payments to virtually anyone in Canada. There are three categories of payments; to TelPay Standard+ Billers, your own Customer Specific Billers, and to make Funds Transfers to other party's bank accounts.

(ii) Receive/Pay Emailed Bills

This section allows you to view and pay bills that may have been sent to you by email. The system allows you to select items from your INBOX, make the requested payments, and store the email image in your payment history.

(iii) Accounts Payable Reporting and Payment

The system provides a comprehensive Accounts Payable system for accounts that are to be accrued and paid later. Full enquiry and reporting capability is provided. Payments can easily be generated at a later date.

(iv) Importing or Creating Payroll, Payable, and Collection Files

This section allows you to import or create a file of payments from your payroll system for direct deposit to employees' bank accounts. Files of payments from other accounts payable systems can also be imported. Collection files can be generated subject to requirements of the banking system and Canadian Payments Association.

(v) Add New Billers

This section lets you select billers from the TelPay Standard Biller list or to add your own Customer Specific Billers and Funds Transfer information.

(vi) View/Modify Billers

Allows you to review all the billers you have set up and to make certain modifications to the information about each one.

(vii) Review and/or Transmit Payments

At the end of each session you can review the payments to be transmitted for TelPay to process. The review shows the payment items entered, the distribution generated for entry of the payments into your general ledger, obtain the approvals required for making the payments, and arrange for the funding of the payments to be made by TelPay.

(viii) Delete Transmitted Payments

Payment instructions sent to TelPay but not yet remitted to the biller can be deleted using this section.

(ix) View/Print History

A comprehensive history of all payments made through the TelPay for Business system. In the case of ebills, the bill image can also be accessed.

(x) System Administration

System Administrators (i.e. corporate signing officers) can control who accesses the system, what authority each has (data entry, payment authorization, and system administrator). A variety of system options can also be chosen.

At the bottom of the screen, there is a **"Logon Again"** button.

For those who make payments to a number of clients or from more than one bank account, this button allows for quick restart of the software.

TelPay for Business Fee Schedule

A new Fee Schedule may be introduced by TelPay from time to time. When fee changes arise, the software will notify you of the new rates and the date they become effective. You can view the TelPay for Business Fee Schedule online at any time by clicking the new "More Information" button at the bottom of the screen.

Services Charges are calculated on the assumption that we can make the remittance electronically. If, in fact, we have to pay by cheque, an extra charge will be added to your Monthly Fee.

The Service Charges for your transactions and your Monthly Fee will be automatically debited to the bank account that you have provided.

Full details of the contents of each section are provided in the following section.

(b) Main Menu

(i) Pay Bills and Setup Payables

Making Payments with TelPay

Three categories of payments are accepted by TelPay for Business. Payments to TelPay Standard Billers, those set up and maintained by TelPay; payments to Customer Specific Billers, those set up by you; and funds transfers to bank accounts specified by you (no detail provided to the recipient) Payments can be made directly at a date specified or held in Accounts Payable until a later date.

TelPay Standard Biller Payments:

All payments to TelPay Standard Billers should normally be paid directly (see (1) below) or by forward dating (see (2) below). If it is desired to Accrue them to Accounts Payable, each account must be set up separately. TelPay handles these payments in a different manner than the Customer Specific Billers set up by you. Standard Billers generally do not require any information other than customer name, account number, and amount. Added information such as invoice number is not required (there are exceptions). They are generally high volume accounts for which TelPay maintains special arrangements regarding the formatting of the payments submitted and other details.

Customer Specific Biller Payments:

Customer Specific Billers can also be paid directly or forward dated, but also can be recorded as payments to be made from Accounts Payable (see (3) below). This permits, among other features, the ability to record the expense in the current accounting period while deferring payment until a later date. These payments are charged for at a higher rate than the other types.

Funds Transfer

Simple funds transfers can be made if you can supply the bank account number of the recipient and you do not have to provide them with details of what is being paid. An example of this type might be payment of expense accounts where an internal notice of payment is already generated.

Options Available for Recording and Making Payments:

(1) Payments may be entered, transmitted, and paid either the next business day or the next Wednesday.

(2) Forward dated payments can be paid on any desired date up to 24 months in the future. These will be retained at TelPay for payment as specified. This feature can be convenient for payments that have discount or penalty dates. It can also be used for repetitive payments where the amount is known in advance.

(3) Set up for future payment by recording as Accounts Payable. By checking the "SETUP IN ACCOUNTS PAYABLE" box on the Pay Bills screen, the transaction will be added to Accounts Payable rather than being included in the file of payments being sent to TelPay. These transactions can be released for payment in a later session.

General:

Some general rules apply to all transactions as they are entered:

(a) The accounting distribution will be included in the journal entry generated with this session. Transactions of the types (1) and (2) will be debited to the account(s) specified at the time of entry and credited to the bank account specified in the Administration section. Transactions of type (3) will be debited to the account(s) specified and credited to the Accounts Payable account specified in the Administration section.

(b) Any payment transmitted to TelPay can be canceled by accessing the Deletions screen. Deletions must be transmitted the day before the due date or earlier to be accepted. (There is a fee for processing deletions.)

(c) Payment on the date specified is dependent on TelPay having the Funding in hand the day before the due date. Otherwise payment, particularly larger payments, may be held for four days until the debit for funds clears the banking system.

(d) All payments, whether made directly or through Accounts Payable, are recorded in the Payment History. It will provide a complete record of all payments to each biller.

Paying or Accruing a Bill:

Select Payment Date: When you first select "Pay Bills and Set Up Payables", a small screen will appear asking you to select the default payment date or accrue the payments to accounts payable. The selection remains in effect for the session but can be overridden for any entry.

Pay Bills screen: Session totals for Bills Paid, Payroll files and Accounts Payable entries are displayed near the bottom of the screen.

Navigation is provided for access to View Billers already set up on your system, Adding New Billers and displaying the Payment History for billers you are about to enter payments for.

Last Three Characters

The **Pay Bills** screen asks you to identify the **last three characters** of the account number for the biller you wish to pay. You will find your account number on the invoice/bill you are keying. (Note: Account numbers for existing Billers can be found on the View/Modify Biller Information screen. You can access the View/Modify Biller screen with the button at the top of the screen.) If you have two or more accounts with the same last three digits, all matching biller entries will appear and you will be asked to select the appropriate biller. If there is no match you will be asked if you wish to Add a New Biller.

Having identified the biller to be paid, the company's name will automatically appear and the amount to be paid and any applicable GST can be entered. This screen will normally reflect our standard payment date. Once you have specified another payment date, that date will continue to automatically appear as the payment date for subsequent payments until you change it.

This screen will show the distribution code for this biller and allow you to enter additional general ledger account codes and descriptions.

If you wish to check on previous payments made to that biller, click on the Biller History button at the left of the name.

Different screens or procedures may be required if you need to send additional payment details to that biller, such as;

(a) if the payment requires additional payment information to accompany it. This occurs primarily with government remittances such as sales tax, income taxes, and workers compensation premiums. These are TelPay Standard Billers and the system automatically presents an appropriate screen so that information required by these billers can be entered.

(b) if the payment is to a Customer Specific Biller, in which case you will always be prompted with an additional information screen. This screen provides the information we need to allow your biller to correctly apply your payment to outstanding invoices. It may also include special instructions such as where to send a receipt. The "Invoice No/Description" field can contain up to 250 characters of single line text. This text will be edited for presentation in biller and customer documents. This eliminates the need to go to a second line to enter lengthy descriptions.

Where applicable, the following fields will have to be completed

Setup in Accounts Payable

Where the date of payment cannot be determined "SETUP IN ACCOUNTS PAYABLE" may be indicated in the box provided. This will cause the payment and supporting details to be added to the TelPay Accounts Payable Reporting and Payment module. In all respects the information will be processed as though a payment date had been given except that, instead of forwarding the payment and attached details to TelPay for payment, that portion of the entry will be added to an Accounts Payable file maintained on your computer. The accounting distribution will be included in the session's Distribution Summary and the designated Accounts Payable account will be credited. You may access your Accounts Payable at any time file from the Main Menu by selecting "Accounts Payable Reporting and Payment". Payments of accounts set up or Accounts Payable can be made when appropriate.

Reminder

A field is provided for "Reminders" for entries that are designated "SETUP IN ACCOUNTS PAYABLE". This is intended to be a reminder of discount dates or other information that may be needed when it comes time to pay the accounts.

Payments with Details

i.e. payments where the biller may require invoice numbers or other details in order to properly account for the payment. These are generally your own Customer Specific Billers (but may include others such as certain government payments). If payment details are required, you will first be asked to provide the invoice numbers, GST if applicable, and the amounts of each invoices being paid or accrued. As each invoice is entered you are also asked to enter the accounting distribution for that invoice. When all invoices for that biller have been entered, click the Accept button and the screen showing the total Payment, total GST, and Net Expense will appear. By again clicking Accept, the payment to that biller will be recorded for transmission to TelPay or accrued to Accounts Payable.

Payments to TelPay Standard Billers

If the biller selected is a TelPay Standard Biller, you will be asked to enter the Payment Amount, the GST amount and the Net Expense directly from the invoice. The Distribution Details will then be requested. The standard accounting distribution entered when this biller was set up will appear but can be changed, if required.

A further description of various fields

Goods and Services Tax (GST)

This appears only for Business Payments. Enter the amount of GST provided on the invoice (unless you are unable to claim GST credits). If you do not have a registered GST number, no entry is required. In setting up your TelPay system initially, you were asked to indicate the general ledger account code to which all GST payments were to be charged. That distribution will be debited for all amounts entered in this space.

Net Expense

This amount will be calculated automatically as the difference between the amount to be paid and the amount coded to your GST account. As accounting distributions of an invoice or bill are made, the net still to be distributed will appear in the next distribution line.

Payment Date

If the payment is to be made at a time other than the next Wednesday (or the following business day if Wednesday is a holiday), you can change it. It will remain the same date for subsequent payments until changed again. The payment details can be warehoused for up to two years by TelPay for release on the specified date. If the date falls on a weekend or holiday, you will be prompted to change the date until you enter a valid business day.

Note: that a group of payments made on a given day will be debited to your bank account as one sum and a corresponding accounting entry for your bank account will be generated. This reduces your bank service charges and simplifies your bank reconciliation process.

Payment details transmitted before midnight will be processed as follows:

- Most payments will be debited to your bank account and credited to the biller's bank account the next business day or the date specified by you. Payment details will be forwarded by fax, email or electronic file to that biller the same day as the payment is made (normally by Noon CT). Note that payment details are not forwarded to the biller in the case of Funds Transfer or Payment Files (usually payroll files).

- Some payments will be made by cheque and mailed to that biller. These will normally be temporary situations until arrangements have been made with that biller to have a bank account credited.

- Payments designated as "SETUP IN ACCOUNTS PAYABLE" will be retained as accounts payable within the TelPay for Business system, but included with the accounting distribution of the current session. They will not be transmitted to TelPay for payment until you Release them from the TelPay Accounts Payable Reporting and Payment module.

Regardless of the above, TelPay reserves the right to delay payment(s) until it is satisfied that the funds debited to a customer are on hand in its Trust Account. This may mean withholding the payment up to four (4) days. TelPay recommends prefunding of payments to be made by utilizing the bill payment or funds transfer facilities of financial institutions. TelPay will notify you promptly of any delays. TelPay may also request a letter of credit or guarantee to ensure funds availability.

See also "Fund Payments" in the View/Transmit Payments section.

General Ledger Account No., Description and Amount

If a general ledger account number and description were provided when this biller was set up, that information will automatically appear here. The company expense amount will also automatically appear and will be equal to the Amount. If this is the allocation desired, then you may click on the **Accept** button and the entire transaction will be complete.

If only a portion of the Amount is to be charged to this ledger account, then the value should be changed to the desired amount. Press enter and that information will be saved in the "Payment Distribution Summary" location. If necessary, you then can manually enter additional general ledger accounts, descriptions, and amounts. Negative as well as positive distributions can be made. You may continue to enter distributions and amounts until the amount field is zero. At that point the **Accept** button may be clicked. If additional information is not required by this biller (i.e. this is not a Customer Specific Biller), you are ready to pay your next bill.

The general ledger account number and description are separated by a comma. The maximum number of characters allowed for the two is 30. The general ledger account must be entered before the comma and the description after the comma. Either or both can be omitted.

If the transaction as shown on the screen is not acceptable, you can cancel it by clicking on the **Cancel** button.

If you finish payment entries, click on the Payment Entries Complete button at the top of the screen and you will be provided with a List of Current Payments. You can then review all the payments entered and have the option to transmit them to TelPay at this time. If necessary, payments can be **Canceled** before being transmitted.

As each distribution is entered, it will appear in the summary. If you have entered any distributions incorrectly, press cancel and start again. Alternatively, you can cancel an individual entry by keying the reversal.

Additional Payment Information - TelPay Standard Billers

Certain billers require that additional details accompany their information. Payments to governments, such as GST, sales tax collection, and Workers Compensation payments, are examples. When you select such a biller, you will be presented with an extra screen to be completed after you have entered the usual payment details.

This screen will ask for the information required for that particular biller. It will be necessary for you to have the remittance form available so that the required information is at hand. If the form has numbered or lettered fields, you merely have to fill in the amount in the comparable field on the screen. In other instances, fields are identified in a manner similar to that shown on the form. Where a payment on account is all that is being made, you will be asked to indicate this.

Additional Payment Information - Customer Specific Billers

All Customer Specific Billers are assumed to require additional information and therefore, a specific screen always pops up. On the Invoice Payments screen, you can enter the invoice numbers that you are paying or enter "Paying Statement of Account Only". The **Invoice Payments Details** section allows you to enter multiple invoices; their total must agree with the total being paid. This function allows TelPay to notify the Biller of all invoices paid so they may correctly apply your payments to outstanding invoices.

It is important that an accurate description of what is being paid is provided. This information is passed on to the Biller so that your account can be correctly credited. If no invoice number is available, a description such as "Travel Advance - Toronto Trip", "Progress Payment No. 1 re: contract", etc. In the case of donations, be sure to indicate where the donation receipt is to be sent. If more information must be sent than can be accommodated on one line, enter a zero amount and proceed with additional information on the next line.

(ii) Receive/Pay Emailed bills

Bills that have been sent to you via email may be viewed and paid within the TelPay software. The process is similar to the processing of a paper bill, but no paper need be involved. The bill image is stored in your Payment History file (to view at a later date) so that converting the bill to paper is not necessary.

Note: If you have not previously setup the ebill functionality in the Administration Screens, please do so under the "Email Send and Receive Settings".

This TelPay feature will work best if you organize the receipt, approval and payment of your electronic bills as follows:

- You should have your billers direct their electronic bills to a special email address dedicated to the receipt of ebills (e.g., ebills@xxxx.xxx). This will help separate bills from other emails not related to bill payment. From this central location you can forward the ebill to the person(s) whose approval is required before the bills can be paid.
- Once approval(s) is obtained, the approver can forward the email to an email address dedicated for approved ebills (e.g., approvedebills@xxxx.xxx). It is from this email address that ebills with their corresponding approval(s) can be imported into TelPay for Business to be viewed, paid and stored.

Bills imported into TelPay for Business from approvedebills@xxxx.xxx will appear on the "Ebills Received but Unpaid" screen. As bills are paid they will be removed from this screen. At any time you can select to "Receive more Ebills" on the "Ebills Received but Unpaid" screen which will allow the software to display the additional contents of your approvedebills@xxxx.xxx. Payment details will be stored with the bill image in your Payment History file. Ebills can be reviewed by selecting the “View/Print History” option from the TelPay for Business Main Menu and clicking on the letter “e” for the related ebill.

View / Pay Ebill

When you are ready to pay or accrue an ebill you can double click on the bill on the “Ebills Received but Unpaid” screen and an image of the email will be presented (the actual bill may appear as an attachment) to view; a payment window will be available directly beneath the displayed ebill. Entering the last three digits of the bills account number. If the proper biller name appears, proceed with entering the required payment fields at the bottom of the screen. If not, you must add the biller by selecting the “Add New Billers” button on this screen and entering the required details.

Some additional features to bear in mind:

- If an ebill has a TelPay “Pay Now” button on it, you may be able to click that button on the ebill and certain information will be taken directly from the bill into the fields on the payment portion of the screen. The amount can be edited by the user email, if required.
- Some billers display their bills on their website rather than emailing them. You can send the bill image to ebillsxxxx.xxx using Internet Explorer. From the File Menu select “Send”, then “Page by Email”.

(iii) Accounts Payable Reporting and Payment

TelPay for Business includes a comprehensive Accounts Payable module. (This module should not be confused with Accounts Payable Payment Import Files which provides for importing payments from external accounts payable systems.)

Adding Accounts Payable

Entries to accounts payable are made via the Pay Bills and Setup Payables screen by checking the “SETUP IN ACCOUNTS PAYABLE” box. In all respects the information will be processed as though a payment date had been given except that, instead of forwarding the payment and attached details to TelPay for payment, the entry will be added to an Accounts Payable file maintained on your computer for payment at some future date. Meanwhile the expenditure can be accounted for in the current accounting period.

Viewing and Making Payments from Accounts Payable

You may access your Accounts Payable file at any time from the Main Menu by selecting “Accounts Payable Reporting and Payment”. Features of this module include:

- an aged trial balance of all outstanding accounts payable
- ability to view all the invoices making up an entire account or just those in a particular age group
- ability to indicate payment of the entire account, a particular age group or individual invoices
- ability to review and change payments selected before submitting for transmission to TelPay
- ability to list invoices which have “Reminder”; i.e. discount indicators or special requirements
- generation of postings to general ledger
- payments can be future dated
- the accounts payable module can be exited and re-entered without losing any items signaled for payment

- ability to print the entire accounts payable trial balance

Once a selection of payments has been made, they are "Submitted" for payment which incorporates these payments with any other payments generated during the session. Then, subject to the usual approval process, they can be transmitted to TelPay for payment.

If adjustments to accounts payable need to be made, they must be made from the "Pay Bills" screen. For example, recording a discount or adjustment to an invoice. This allows for including that adjustment in the accounting distribution. The above information deals only with outstanding items in the accounts payable system. For detailed transaction history see View/Print History on the Main Menu.

Database Compression

Periodically, it is advisable to compress your Accounts Payable file (click the "Database Compression" button on the Aged Trial Balance screen). This has the effect of removing all previously paid items from the file making future access more efficient. Immediately after a year end cut-off might be the best time to do this.

(iv) Importing or Creating Payroll, Payable and Collection Files

Type of Files

The following types of files can be processed:

File of Payments or Direct Deposits (e.g. payroll deposits)

File of Collections or Pre-Authorized Debits (e.g. collection of rent payments)

Files of Payments imported from an Accounts Payable system.

The file to be processed must be in a specific format. For details please contact TelPay at 1-800-665-0302.

If you are using a payroll software program to create a payroll file, please select "TelPay" as the file format. If "TelPay" is not on the program's list of file formats, choose "CIBC". Follow the instructions in your payroll software program to create the payroll file. Note: If you choose "CIBC", you will use the "Import a Bank File" button in TelPay for Business.

You can also maintain payment and collection files on the TelPay system, modifying it as needed prior to each transmission.

You will be asked to identify the type of file being transmitted and, in the case of pre-authorized debits, confirm that Canadian Payments Association Rule H1 (see www.cdnpay.ca) has been adhered to.

The following are screens associated with Direct Deposits or Payment Collections:

Payment/ Collection File Information

Data Entry File Information

File Confirmation prior to transmission

Files of Accounts Payable Imports are first edited and listed for review. Once accepted, they are incorporated with other payments generated from the TelPay for Business system.

Note: Because payment files cannot be recalled once submitted to the bank, it is necessary that TelPay have assured funds on hand prior to releasing the file. In most cases this will be accomplished by debiting your bank account a specified number of days prior to the date of release of the funds. (See Funding Payments)

Also note that in order that payroll funds be in the recipients bank account on the morning of pay day, these files must be submitted to the bank the day before pay day.

Accounts Payable Payment Import Files

Payment files generated by an external accounts payable system can also be processed. These, too, must be in a specific format. The type of file being imported must have been identified in the System Administration screen. Generally speaking they will be processed in the same manner as if the payments had been initiated on the TelPay system. You cannot create your own Accounts Payable files with TelPay for Business. For this reason, the "Files Generated within TelPay for Business" section will not be available when you choose the "Accounts Payable" type. You can, however maintain an Accounts Payable system within TelPay for Business. (See "**ACCRUE PAYABLES**")

Programs for Conversion of export files from some accounts payable systems may be available "off the shelf". For information about importing payment files from your system, please contact TelPay at 1-800-665-0302.

Examples of accounting systems from which accounts payable files can be imported are QuickBooks, Simply Accounting, AccPac and Adagio.

The system will automatically display files awaiting import from other Accounts Payable systems. To import one of these files, select the file from the list and click the **Next** button. You can re-import a file by clicking on the **Re-import a File** button. This will display a list of files you have previously imported.

If you are importing payables from QuickBooks or Simply Accounting, you can retrieve your payables by using the "Auto-import" button. For more information, please review the TelPay for Business Payables Import Guide for your particular account software. Please note: Changes to fax numbers / email addresses, etc. in accounting software will not be sent to TelPay.

Payment/Collection File Information

The TelPay system requires you to select which type of files you wish to have processed. If you wish to deposit funds to your employees or clients, select "File of Payments"; if you wish to collect preauthorized debits from clients, select "File of Collections"; if you are importing an accounts payable file, select "Accounts Payable".

Source File Description

You need to indicate the Source File Description by selecting one of the descriptions listed on the field of Source File Description. The list of Source File Descriptions is associated with the type of files selected. If File of Payments is selected, the list will contain 200 Deposit, 230 Pension and other items. If File of Collections is selected, it will contain 260 Investment, 261 Mutual Funds and other items. Accounts payable files are forwarded to TelPay along with any payments generated during the TelPay for Business session and not as a separate file as is the case with Payments and Collections files.

Direct Deposit

The following is a list of Direct Deposit descriptions you can select from the File description field:

200 Payroll Deposit

230 Pension

240 Annuity

250 Dividend

280 Interest

330 Insurance

350 Loans

400 Rent/Leases

430 Bill Payment

452 Expense Payment

These codes are provided by the Canadian Payments Association so that the purpose of the payment and be indicated on the recipient's bank statement.

Pre-Authorized Debits

Preauthorized debits can only be used for specific types of businesses. If you feel you have a use for this feature, please contact TelPay with details of the application you have in mind. Since the Canadian Payments Association provides regulations regarding the use of Preauthorized Debits, your system must be authorized to utilize this feature.

TelPay will provide detailed instructions once requirements are understood.

TelPay File Format

(Files Awaiting Import from Other Systems) The system will automatically display files awaiting import from other systems. For example, if you use a compatible third-party payroll program, that program will create a file that can be imported by TelPay for Business. To import one of these files, select the file from the list and click the **Next Step** button. You can re-import a file by clicking on the **Re-import a File** button. This will display a list of files you have previously imported.

Create or Reuse a File Generated within TelPay for Business

If you do not have a compatible third-party program that can create files for TelPay for Business, you can create your own. To do this for the description selected, click on the **Create a New File** button. If you have already created a file for the description selected, click on the **Reuse or Revise an Existing File** button. The TelPay system will search the files with the same file description you had created in the past sessions and list them. You can select one of them and make modifications if you wish to, then send to TelPay. Note: you cannot create files for Accounts Payable. Please use the **Pay Bills and Setup Payables** item on the Main Menu instead.

Bank File Format

TelPay for Business can also import files that are in a bank format. Click the **Import a Bank File** button to select a bank format file to import into TelPay for Business.

Ledger Account

The ledger account for file transmission field is automatically filled in if you entered a File Transmission Ledger Account in the Systems Administration screen. You can enter a ledger account in this field. If this field is empty, when you click on the **Next Step** button, you will be asked whether or not you want to continue. You can process the file without entering the ledger account if you wish to do so.

If you wish to cancel the operation, click on the **Main Menu** button to go back to Main Menu screen.

Data Entry File Information

This screen contains four sections; they are File Information, File Contents, Rejections/Warnings, and File Submitting for Transmission.

File Information section: displaying what you selected from the File Information screen, such as file name and description.

File Contents section: lists payment/collection item data. You can enter, modify or delete client data. It lists in the following ten (10) items:

Del: Click this button to delete data for a client (one line of data).

Spl: Indicates whether an item has been split into several payments (see Spliting a Client's Data below).

Rejections/Warnings: If the file was imported into TelPay for Business, some items may have been rejected or have warnings associated with them. If so, a letter will appear in this column and the entire row will be colored yellow, blue or red. Records that have been rejected (colored red) cannot be submitted for transmission. Records with warnings (colored yellow or blue) can be submitted for transmission, however, you should verify their accuracy first. The Rejections/Warnings area will be displayed at the bottom-left of this screen. See the Rejections/Warnings section below for more information.

No.: displays the record number sequentially. This field cannot be altered. **Reference**: a number (up to 9 digits) to represent a client/employee. This is a required field.

Name: a client's/employee's name (Max. 30 characters). This is a required field.

Bank Transit: a client's/employee's bank transit number. A bank transit number is a particular branch of a financial institution.

Bank ID: a client's/employee's bank ID number. A bank ID is a number that uniquely identifies a financial institution.

Bank Account Number: a client's/employee's bank account number to which an amount will be credited to or debited from. The Bank Account Number is checked for errors in account formats. Some bank account numbers may have to be entered twice for verification purposes.

Amount: an amount to be credited to or debited from a client/employee.

The total number of records and the total amount in a file are also indicated in the bottom of the File Contents section.

Add a new client's data: go to the next empty record and place the cursor in the reference field and enter new information.

Modify a client's data: put the cursor into the field of the record you wish to modify and enter the new value for that field.

Splitting a client's data into multiple payments

Once a payroll file has been imported or created, you can split a single payment into multiple, smaller payments. Payments can be made to a different bank account or to any Standard Biller on the TelPay Biller list. Select the payment you wish to split and then click the "Split Deposit" button. Enter the banking information, type of split (Fixed Amount or Percentage) and then the amount to split. If the split payment is to be made to a credit card or other standard biller, click "Select" and the Standard Biller List will appear. Choose the Biller, enter the employee's account number and the amount to be remitted. You can add up to three bank accounts. Click the "OK" button to return to the data entry area.

Delete a client: click on a trash can (in front of the Spl column) of the client you wish to delete from the file. You will be asked to confirm the deletion.

Save File: click on the Save File button to save all the records entered into a file. If the file is created in current session, it will be saved in the same file name displayed in the Source File Name field in file information section. If the file is created in the past session, it will be saved under the new file name, and the new file name will be displayed in the Source File Name field on the top section of the screen. If changes have been made to this file, the File Change Report will be printed (make sure that your printer is on line and set up properly). The File Change Report will state the records which are being Added, Deleted or Changed From/To.

The system will construct the file name as following:

TPNNNXY.SSS

Where:

NNN is a 3 digit number to represent the file description. If Payroll Deposit is the file description, NNN will be 200. If Investment is the file description, the NNN will be 260, etc.

X may be A, B, C, ..., Z. It is used to represent how many files created with the same file description in one session. If it is the first file for a session, it will be A, if it is second file, it will be B and so on.

Y is either C for Payment File or D for Collection file.

SSS is a session number.

Example: a file name TP200AC.001 indicates that the file is the first Payroll Deposit file, and it was created on session 1.

Cancel: If you just want to enter the new data and submit to TelPay later, you can click on the Cancel button to return to the Main Menu screen. If the data entered or modified has not been saved, you will be asked whether or not you wish to save the changes. If you wish to save the file, it will be saved and the file name will be indicated in the Source File Name field, and the File Change Report will be printed.

Rejections/Warnings Section

If the file was imported into TelPay for Business, some items may have been rejected or some items may have warnings associated with them (see the File Contents Section above). The area will only appear if rejections or warnings are present. You can print a list of the rejections and warnings by clicking the **Print** button. The rejected items can also be exported to a comma-delimited file by clicking the **Export** button.

Submitting your file for Transmission

In order to submit the file for transmission, you have to fill in the Payment Date field.

Payment Date: a date which indicates that funds will be credited to your employees/clients if the file is a File of Payments or debited from your clients if the file is a File of Collections. Generally, the date has to be at least two business days greater than today's date if the file is a File of Payments, or the date has to be at least one business day greater than today's date if the file is a File of Collections. The system will check the date to make sure it meets the requirement. TelPay will arrange the terms and conditions with each Customer individually. These terms are dependent upon credit arrangements made with TelPay.

If you wish to print the file contents, select Print File from File Menu on the screen. The print out will state the session number, file description, file location and file creation date, list transactions in Ref.

#, Name, Bank Account Number, and Amount. It also indicates the number of transactions and the total amount in the file.

After you provide the Payment Date, you can click on the **Next** button to continue. It will lead you to the Remittance of Payroll Deductions screen.

Remittance of Payroll Deductions

Remittance of Payroll Deductions can be included in the payroll file sent to TelPay. Government and other deductions from payrolls can be designated for remittance with payrolls by checking the PD (Payroll Deduction) box of the applicable billers. Those billers will then appear on the list of deductions/remittances from then on – enter the amount to be remitted and the remittance date required and the payment will be looked after by the TelPay system. For CRA and Revenue Quebec Source Deductions, the payment date will be entered for you automatically based on your Average Monthly Withholding Amount – see System Administration for more details.

If there are regular remittances that you wish to make, but they are not on the Standard Biller list, contact TelPay and they may be able to be added.

File Confirmation Prior to Transmission

This screen requires you to confirm that the information received by TelPay is correct. The system requires you to click on the confirmed box opposite the information requiring confirmation. If these items are not confirmed, the file cannot be processed.

If the file is a File of Payments, details of the Date of Credit and TelPay's right to withhold processing the payments until funds have cleared are described on the screen.

If the file is a File of Collections, details of the Date of Debit and your certification that all the Debits to the bank accounts of third parties are made in accordance with all terms and conditions of the Canadian Payments Association are indicated (see CPA Rule H1 at www.cdnpay.ca for their requirements). You must click on the confirmation box opposite the certification before the file can be released.

After you check all the confirmed boxes, click on the Accept button to add the file for transmission.

(v) Add New Billers

Before you can make a payment to a particular company, you must set up that company on the Add New Billers screen.

The Add New Billers screen permits the set up of all the biller information that will be necessary for making all future payments. You only need to enter this information once for each biller. (If you have multiple account numbers with the same biller, just type in the biller name and enter a new account number or add the account number via the Modify Biller Information screen.)

If you no longer need to make payments to a biller you can delete that biller using the Modify Biller Information screen which is available from the Main Menu.

Type in the Company Name

Please provide the name exactly as shown on the statement or invoice. If the Biller is a TelPay Standard Biller or a previously set up Customer Specific Biller, the name will appear on the biller list on the screen.

If the account you wish to pay has not been previously setup, enter your account number from the biller's invoice. For most TelPay Standard Billers there are account number specifications that must be adhered to.

Account Numbers

It is important that you enter the correct account number for each biller to ensure your payment is properly applied to your account.

Note: In certain cases, an invoice may not have a customer account number. In these circumstances, you could utilize the company's phone number or other easily determined identifier as your account number. It is permissible to use any identifier but you should be consistent so that when you have to pay the same party again you will be able to determine what the last three (3) numbers were.

A column PD (Payroll Deductions) has been added which, if checked for a Standard Biller (ST), will cause that biller to appear with a list of other billers to whom payroll deductions can be remitted along with the payroll file. TelPay will remit the funds on the specified due date.

General Ledger Number

You can add a general ledger code and description field for each particular biller. Ensure that you use a "comma" after the ledger account number and before the payment description. This option is convenient when the majority of payments to a particular biller get charged to the same general ledger account. This is an optional feature and additional distributions can be made at the time of paying the bill. If you contemplate using the accounting file export feature, you should assign the general ledger account distribution that is compatible to your accounting system. For a more detailed description see Accounting Distribution and Description.

Note: If you wish to export the payments into your accounting package, all transactions must have been assigned an appropriate general ledger code.

Vouchers

A voucher can be automatically printed for each payment made to a biller. You may wish to attach this to the invoice before filing. If you wish to have a voucher printed automatically, click on the appropriate box.

TelPay Standard Billers

The TelPay Standard Billers list has been accumulated by TelPay. It consists primarily of utilities, credit card companies, and other billers that send monthly accounts. Care should be taken to select billers on this list rather than setting them up on the Customer Specific Biller list. TelPay maintains all the detailed information about these billers. The list is automatically updated each time you connect to TelPay. All we need is for you to add your account number with that biller and your general ledger code and description. If the biller cannot be found in the TelPay Standard Biller list, you should click on either the "Add Customer Specific Biller" or "Add Funds Transfer" options.

Funds Transfers

If you are adding a Customer Specific Biller, an additional screen will appear and you will need to enter all detailed information relating to that biller. You also need to check the Type of Payment. If you have banking information for Customer Specific Billers, click on the Bank Account button and complete the information requested on the pop up screen. Bank Account information is mandatory for a Funds Transfer.

Customer Specific Billers

Customer Specific Billers are companies that you wish to pay but are not included in the TelPay Standard Billers list.

If you are adding a Customer Specific Biller, an additional screen will appear and you will need to enter all detailed information relating to that biller. You also need to check the Type of Payment. If you have banking information for Customer Specific Billers, click on the Bank Account button and complete the information requested on the pop up screen.

For these you have to provide the following:

Mailing Address

The complete mailing address exactly as shown on the bill and phone number are required. The address should be the one to which remittances are to be sent. You may also add the biller's email address, website, and contact person. The Supplier's Business Number (GST or Charitable Number) is also requested (first nine (9) numbers only). If the Supplier's Business Number begins or ends with letters, do not enter the letters.

Contact person

Enter the individual's name and/or department to whom all payment details should be directed.

Bank Account Number to be credited

If you have the bank account numbers available for a Customer Specific Biller, please enter this information here. This information will assist us in speeding up the payments to your billers. The system will check your entry for proper banking format. Exclude the cheque number if it appears to the left of the Bank Account number.

Currency: If you wish to pay the biller in a currency other than Canadian dollars, you can indicate the currency required for the biller here. You must have completed the "International Payments" section of the Main Menu in order to make use of this feature.

(vi) View/Modify Biller Information

The **Modify Biller Information** screen allows the deletion of billers and/or the ability to modify the general ledger code or payment description. **Note: you cannot modify the account number of a biller you previously setup. If you have two accounts with a biller, each should be set up separately.** In addition, you may turn on or turn off the print voucher function. All billers who have been previously set up by you are listed here; select the one to be deleted/modified and either click the Delete or the View Biller Details button.

All modifications made are summarized in the Payment and Journal Report produced at the end of each session.

You can obtain a printed list of all billers you have set up accounts for. The code letters opposite each name signify:

ST - TelPay Standard Biller

CS - Customer Specific Biller

FT - Funds Transfer

General Ledger Account Number/Name

To change or add the general ledger account number and payment description, just type in the new account number and/or payment description. Ensure that you use a "comma" after the account number and before the payment description.

Voucher Required

If you wish to change the function to receive a voucher each time you enter a payment, click the VR box.

Employer Remittance

If a biller represents an Employer Remittance that you would like to make when sending a payroll file, click the PD box.

Biller Import

This column indicates whether or not the biller was imported from your accounting software. Note: you cannot modify this setting – it is for your information only.

(vii) Review and/or Transmit Payments

Canceling a Payment

Before a payment has been sent to TelPay you may cancel the payment. After entering a bill for payment, the bill payment information appears in the List of Payments on the transmission screen. Click on the trash can to the left of the payment that you wish to cancel.

If the payment was a direct payment (as opposed to one that was submitted from Accounts Payable) the original entries will be reversed with the journal entry generated with this session.

If the payment was submitted from Accounts Payable, we cannot accurately reverse the original entry. A message to this effect will be generated to remind you to make the necessary entry in your accounts.

Provision is also made to **Cancel All Payments**.

Note that once the payment has been transmitted to TelPay, you will not be able to cancel the payment using this function. See “Delete Transmitted Payments” for deletion of payments already sent to TelPay.

List of Payments

This screen lists the transactions that you have entered and/or imported that are pending approval. Once approved by the authorized officer(s) and the funding method has been selected, you may transmit the entire session to TelPay.

The List of Payments screen reports the Payment Session number (which you could log for control purposes) and summarizes the total of the transactions to be paid. At this point, you can still cancel one or all of the transactions listed. If you wish to cancel only one transaction, click that transaction’s trash can button.

Approval of Payments

To transmit the list to TelPay, the authorized officer(s) must provide their personal approval. This can be done by entering their password(s) on this screen in the space(s) provided. If one or more wish to approve remotely via email, click on the “**Email for Approval**” button. A screen will appear showing the email addresses of those who have been given this authority by the Systems Administrator(s). Clicking on the desired address will cause the entire List of Payments, Payment Journal, and System Changes to be emailed to those addresses. If you wish to limit the amount of information sent by email, you can choose options to do so on the System Administration screen. Included will be a unique password applicable to that email only. The authorized officer can return that password to the person at the computer to provide the required authorization. If changes are requested, the approval process must begin again. Changes include entering new payments, cancelling payments, submitting files (payroll, collection or payables files), making changes to billers included in the current session and making changes to user accounts in System Administration.

Funding Payments

All funds received for the purpose of paying your bills or your payroll deposits are received in and processed through TelPay Incorporated Trust Accounts. As a result, all funds received into these accounts **must be guaranteed** and cannot be returned once we have paid your bills/payroll (e.g. because of non-sufficient funds in your account). It is important that you review the five (5) different payment options that we provide, especially when transfers will be required to be received into our Trust Accounts prior to your payments being made.

The funding screen you will be presented with shows the details of the payment required for the session and the date on which you need to submit your payment file and initiate the transfer of your funds to TelPay (Options 1 to 3) or the date on which you must submit your payment file to TelPay and we will debit your account (Options 4 to 5).

You can access the website of your Bank to initiate a transfer directly to our Trust Account (Option 1) or to transfer to TelPay via online Bill Payment (Option 2). Once you have completed the online transfer, you will be provided with a reference number for the transaction. This number should be included in your payment file.

Other things to consider when choosing an option:

- With each option, you must be aware of the lead times required for transferring your funds to TelPay and any cut-off times at your financial institution.
- Payroll funds are due one (1) day earlier than funds for bill payments.
- By selecting Options 1, 2, or 3, you are transferring funds to TelPay from your account; whereas under Options 4 and 5, TelPay is withdrawing funds from your account.
- Options 1 and 3 require you to provide your financial institution with our TelPay Trust account number.
- When using your financial institution's online payment systems (Option 2) your TelPay ACCESS number is your account number.
- Should a statutory holiday occur at any time during the processing time required for your payment, you must transfer your payroll file and funds one (1) day earlier.
- Consult your financial institution regarding additional fees **<u>they may charge</u>** associated with Options 1, 2, and 3; cutoff times and setup requirements for online banking and wire transfers.

Five options appearing on your Funding Screen are:

Option 1 – You initiate a transfer directly to TelPay's Trust Account

This option may be available to you if you bank with the following financial institutions:

- Canadian Imperial Bank of Commerce (CIBC)
- Royal Bank of Canada (RBC)
- TD Canada Trust (TD)
- Bank of Montreal (BMO)
- HSBC Bank Canada (HSBC)

If your bank does offer a suitable option, please contact TelPay Customer Service at 1-800-665-0302 or (204) 947-9300 for information about TelPay's bank account. In most cases you will need to have on-line banking in order to use this option and you may need a letter of authorization from TelPay. If you decide to use this option, the following timelines will apply for transfers:

<u>Transfer Timelines</u>

Payroll: Your file and transfer of funds must be received by TelPay by 15:00 CT two (2) business days prior to payday. For example, for Friday payday your transfer must be received no later than 15:00 CT on Wednesday.

Bill Payments: Your transfer and transfer of funds must be received by TelPay by 15:00 CT one (1) business day prior to payment date. For example, for Friday payment your transfer must be received no later than 15:00 CT on Thursday.

Option 2 – You transfer to TelPay via online/phone bill payment

You may transfer your funds to TelPay utilizing internet/phone banking provided by your financial institution. TelPay appears as a biller on these payment systems, much like a utility or a credit card company.

<u>Transfer Timelines</u>

Payrolls: Your transfer and payment file must be received by TelPay by 15:00 CT two (2) business days prior to payment date. For example, a **Friday Payment = Wednesday Transfer**.

Bill Payments: Your transfer and payment file must be received by TelPay by 15:00 CT one (1) business day prior to payment date. For example, a **Friday Payment = Thursday Transfer**.

Option 3 – You transfer to TelPay via wire transfer

You may transfer your funds to TelPay via a wire transfer initiated by your financial institution on your behalf. Please note there may be additional bank fees for this option.

<u>Transfer Timelines</u>

Payrolls: Your transfer and payment file must be received by TelPay by 15:00 CT three (3) business days prior to payment date. For example, a **Friday Payment = Tuesday Transfer**.

Bill Payments: Your transfer and payment file must be received by TelPay by 15:00 CT two (2) business days prior to payment date. For example, a **Friday Payment = Wednesday Transfer**.

Option 4 – We debit your account

TelPay will debit (withdraw from) your account four (4) days in advance of your payment provided that we have already received your payment file in advance.

<u>Transfer Timelines</u>

Payrolls: TelPay will debit (withdraw from) your account four (4) business days prior to payment date. In order that we debit your account on time, we must receive your payroll file no later than one (1) day prior to us debiting your account. For example, a **Friday Payment = Debit Monday and Payroll File sent the previous Friday**.

Bill Payments: TelPay will Debit (withdraw from) your account three (3) business days prior to payment date. In order that we debit your account on time, we must receive your payment file no later than one (1) day prior to us debiting your account. For example, a **Friday Payment = Debit Tuesday and Bill Payment File sent on Monday**.

Option 5 – We debit your account (possible 3-day hold on remittances)

This option is NOT available for payroll files.

TelPay will debit (withdraw from) your account on the payment date that you request. However, payments may be held for up to three (3) business days from the payment date you have requested. You will be notified if a payment is being held by TelPay.

Transfer Timelines

Bill Payments: TelPay will debit (withdraw from) your account three (3) business days prior to payment date. In order that we debit your account on time, we must receive your bill payment file no later than one (1) day prior to us debiting your account.

After Selecting your Payment Option

If a funding option is highlighted in RED, you will be required to select another funding option to transfer your funds in order that your payment is made on the date you require. If the funding option you desire is unavailable, you may either choose an alternative option (if they are available to you) or adjust your payment date, possibly making your desired funding option available.

If you are funding by using Options 1, 2 or 3, please indicate your bank name and the website address for your online banking service.

Once a choice of payment method has been made, clicking the “Accept” button will take you to a summary screen. From that screen you can “Send Payments”.

Note: If your payment session includes payments that are to be made at different dates, they will be “grouped” by date and the Fund Payments process must be repeated for each.

If you have further questions, please contact our Customer Service Department at 1-800-665-0302 or email service@telpay.ca

Send Payments

The Send Payments button on the Funding screen transmits the bill payment information to TelPay and causes your bank account to be debited on the next business day or on a designated future date. You may send your payments after you have entered your payment details using the Pay Bills screen. If you installed the TelPay software to use the Internet for your communications, ensure that you have an Internet connection established before attempting to send your payments. Otherwise, ensure that a modem is connected to the Communications Port of your computer before selecting Send Payments. After selecting Review and Transmit Payments, a number of operations will automatically occur on your computer:

1) A file transfer screen will indicate the progress of the transfer of bill payment information from your computer to TelPay.

2) After the bill payments have been transferred to TelPay, a second file transfer screen will indicate the progress of the transfer of acknowledgment information from TelPay to your computer. TelPay will acknowledge payments only if you entered your correct TelPay Access Number and PIN when you logged on to TelPay.

If for any reason you do not wish to, or are unable to, send the file to TelPay at that particular time, the file will be saved for future transmission. You will be notified the next time you Logon that there are payments waiting to be transmitted. You can add more payments or simply select Review and Transmit Payments on the Main Menu.

For business users, authorization to transmit must be provided by one or two authorized persons, depending on options chosen on the Administration screen. Their passwords will be requested at this time. The System Administrator(s) will establish and maintain the options.

Payment and Journal Report

The Payment and Journal Report will be automatically produced at the end of each session. This report has three (3) sections: Payments Transmitted; Payment Journal, and Systems Changes.

The Payments Transmitted section of the report contains the following information:

> **Reference #**: If the payment was successfully processed, TelPay responds with a Reference #. If TelPay was unable to process your payment, it will respond with an error. Please see Error Messages if you are having a problem sending your payments to TelPay. If you have payments that have not been successfully sent to TelPay, they will be saved until successfully sent or deleted by you.
>
> **Payment Date**: This is the scheduled date for payment.
>
> **Paid to**: This is the name of the company to which you made the payment.
>
> **Account Number**: This is the general ledger code to which the payment will be distributed.
>
> **Amount**: This is the amount of the payment, excluding Services Charges, which are identified on a separate line. The Service Charges and session total are identified separately. The Service Charges will be applied to your monthly invoice.
>
> **GST:** This is a memo amount that indicates the amount of GST that was recorded with each payment.
>
> **Session Amount**: This is the total amount of payments, net of collections, you have made.
>
> **Total Bank Debit**: This is the total amount that will be debited to your bank account.

This report also shows who approved of the transmission of payments.

If you have indicated that you want an Export file created to update your accounting system automatically (see Systems Administration screens to select the type of Accounting system you wish to export to); the name of that file and location will be indicated on this screen and report. The file name will have the following format:

> **PPPPPXXX.TXT**

where PPPPP is the first five characters of the accounting package you are exporting to and XXX is the TelPay session number. The export file will be placed in the following folder:

> **C:\Billpay\TelPay\AAAAAAA\TPGLEXP**

where AAAAAAA is your TelPay Access Number.

Different accounting systems will have their own importing procedures. The following is the procedure for Simply Accounting.

1. Start Simply Accounting
2. Enter the session date when prompted
3. Click the File menu, then Import/Export and choose “Import Miscellaneous Transactions”
   (a) When prompted to back up your data, click Yes, then OK and follow the on-screen instructions.
   (b) Select the file that TelPay for Business created. By default, this file will be located in your C:\Billpay\TelPay\AAAAAAA\TPGLEXP folder, where AAAAAAA

is your TelPay Access Number. The Transaction Report that TelPay for Business creates will list the full path to the file.

(c) Once you have selected the file, click Open.

4. The file will be imported into Simply Accounting.

Exceptions

- The session date should be, at least, the latest date within the import file
- If you are using "Accounting Terminology" in Simply Accounting, the Import/Export menu item will read "Import General Journal Entries"
- If you are using Simply Accounting on more than one computer, you must switch to Single-user mode before importing
  - All other users must exit their copies of Simply Accounting
  - Click the File menu and choose "Switch to Single-user Mode"
  - Click Yes
  - Simply Accounting reloads in Single-user mode

Errors During Import

- Simply Accounting does not allow imports to "linked accounts"
  - Linked accounts are used to link subsidiary modules to a corresponding account in the General Ledger. When a transaction is entered in a subsidiary module, all relevant linked accounts are updated automatically
  - To avoid this import error, you should create a "TelPay for Business Payables" account instead of using the Accounts Payable subsidiary account
    - Once you have setup this account in Simply Accounting, assign this account number as the General Ledger account for Accounts Payable in TelPay for Business
- Simply Accounting will not import files that cross fiscal year boundaries
  - Please ensure that the batches of payments you make in TelPay for Business apply to the current fiscal period

See Also:

Report Options

Printing Reports

Payment Journal

The Payment Journal section of the report is a summary of the journal entry to account for the entire payment session. This detail is identical to the accounting totals contained in the electronic file produced for exporting to your computerized accounting system (see above).

This report will be automatically produced at the end of each session. The report contains the following information:

- **Payment Date:** this is the date the payment is made to selected billers.
- **Acct #:** this shows the last six digits of the account number of the biller that was paid.

- **Paid to:** this shows the Company's name to whom you made the payment.
- **G/L Account:** This is the general ledger account that you identified with each payment. If there was no ledger account referenced with the bill payment, the related line will indicate "no ledger reference". We recommend that all your bills have a general ledger reference; to add a reference use the "Modify Biller Information" function.
- **Dr./Cr. Amount:** This indicates the accounting sign relating to the transaction; and the debits and credits that appear on the report balance.

Note: Service Charges are no longer included in your Payment Journal since they are applied to your monthly invoice.

System Changes

The System Changes section of the report records all additions/modifications to biller accounts and any changes to System Administration details.

This session report is numbered so that a complete audit trail of all significant changes is maintained.

(viii) Delete Transmitted Payments

If you have previously transmitted a payment to TelPay you have the ability to delete it. Note that this even includes any payment that you would have transmitted today. A fee is charged for deleting a payment. This must be done before midnight CT the day before the payment is scheduled to be paid.

You can cancel payments already transmitted to TelPay by using the **Delete Transmitted Payments** icon on the Main Menu. Payment instructions dated for payment today or prior to today cannot be deleted.

If the payment was a direct payment (as opposed to one that was submitted from Accounts Payable) the original entries will be reversed with the journal entry generated with this session.

If the payment was submitted from Accounts Payable, we cannot accurately reverse the original entry. A message to this effect will be generated to remind you to make the necessary entry in your accounts.

There is a fee for deleting a payment that has been previously transmitted to TelPay.

Note: Once the payment date has arrived and TelPay has processed the payment, TelPay cannot stop the payment.

(ix) View/Print History

By selecting the View/Print History icon on the Main Menu, the user is able to recall various combinations of information from the record of payments made by the system. The History file also includes transactions that have been set up as Accounts Payable, but not paid.

The information required is selected in three steps:

Step 1: Payments to Billers

This can include all payments (default), just payments made via accounts payable or direct payments. The report can also be limited to transactions over a specified amount (default $0.00)

If Accounts Payable have been included in the report, then additional options are available; such as accounts with balances only and account balances plus transaction details.

Reports can also be limited to transactions affecting a specific General Ledger account.

Step 2: Scope of Report

Reports can be limited to certain session numbers (default) or sessions transmitted within a certain time period.

If a reprint of the entire report for a particular session is required, that may be requested here.

Step 3: Select Billers to be Reported

A choice can be made to select only certain billers by highlighting those required or to select all billers by clicking the “Select All” button.

Once the desired report has been identified, the “Display Selected Items” button may be selected. A screen showing the selected items will appear and can be printed.

At this point additional refinement of the report can be made by choosing from options shown at the bottom of the screen.

History File Maintenance

Periodically it will be necessary to remove old transactions that apply to prior years. Doing so will speed the generation of history reports and save storage space. Transactions cannot be removed unless the session number is 15 months or more earlier than the current date. This is to ensure that transactions for the current fiscal period are not removed. The transactions are removed to a file that can be accessed later if desired. The removed transactions may also be printed in order that a hard copy record is maintained.

It is important to ensure that all transactions for a current financial year be maintained in the history file until all year end activities are completed. Ideally, no payment sessions for the next fiscal year should be processed until the last transactions for the current year have been entered and transmitted. This is not usually practical so that a mix of current and past year’s sessions will exist. This can create a problem in removing the previous year’s records. It will be important to keep track of which session numbers apply to which fiscal year.

Reviewing a Payment Session

You can view and print any payment session not already deleted. Choose the session desired and the entire session summary will appear.

(x) System Administration

When first receiving your TelPay Access Number, you should assign one or more signing officers as System Administrator(s). The System Administrator(s) must complete the Business Information, Accounting, and Administration Details requested before you can start paying bills. (See System Administration in Accessing TelPay for further details).

TelPay supplies a form “Installing TelPay for Business” which you should refer to for completing and maintaining your Systems Administrator information.

Number of persons required to authorize payments

The TelPay for Business software allows the System Administrator(s) to choose whether each transmission of payments requires one or two authorizations. Select the number of authorizations required by your organization.

Remote Authorization Settings

Remote authorization of payment sessions involves sending all details included in the Session Summary for authorization. If you wish to limit these details, you can do so here.

Number of persons required to authorize system administration changes

Persons designated System Administrator(s) can access the System Administration screens to make changes and to add Data Entry persons and Authorized Officer(s). One person alone can access these screens or you may require that two persons must do so.

User Setup

Only the System Administrator(s) has access to the Systems Administration screens.

The Data Entry person can pay bills, add billers and modify biller information, but cannot access the Administration screens or approve transmission of transactions to TelPay for payment.

Authorized Officers should be signing officers of the company and must approve the transactions for transmission to TelPay. As you assign the Authorized Officer(s) authority you will be asked if that person would like to be able to provide approval by e-mail rather than at the computer itself. If so, the e-mail address must be entered. The process of approval by e-mail is described fully in the section Review and/or Transmit Payments.

Import files authority allows the indicated individual(s) to import files from accounts payable or payroll systems.

Each person can be allowed to perform more than one of these functions.

Passwords

A different password must be entered by each person. This password will allow each individual access to the system, if applicable, and will allow them to approve the transmission of payment instructions to TelPay and access the Administration screens.

Bill Payment and Accounts Payable Settings

If you wish to import payment transactions from an external Accounts Payable system or export the accounting entries to a General Ledger system you will have to choose the appropriate system. This identifies the conversion program that must be used to properly format the file(s). If the system you use is not shown, contact TelPay to determine how to obtain the required conversion.

Bank Account Number to be credited

Enter your general ledger bank account number or name so that all banking entries will be allocated to the appropriate G/L coding.

Accounts Payable Account for bills accrued

A separate field is provided for the debit for Accounts Payable file imports. This would be the ledger control account for Accounts Payable paid through TelPay. Do not assign an account number that your accounting system thinks is a control account for its own subsidiary ledger.

General Ledger clearing account for accounts payable file import

If you are importing payables transactions from your accounting software, enter the G/L account you are using in your accounting software to process payables against. TelPay for Business will debit this account and credit your Bank Account G/L when payables transactions are transmitted to TelPay.

GST Number Refund Collectible Account

If you are a company with a registered GST number, enter your GST recoverable account number or name for general ledger distribution purposes.

Change existing e-mail settings

The Change existing e-mail settings button is used to enter or change settings for downloading e-bills.

TelPay for Business can detect your e-mail settings if your computer's e-mail program is either Microsoft Outlook, Microsoft Outlook Express, Mozilla Thunderbird, or Netscape Mail. Click the Import E-mail Settings button to view a list of e-mail accounts that are have been set up on your computer. Select an E-mail Program from the list and then click the Import E-mail Settings button. *Please note: for security reasons, TelPay for Business does not import your e-mail passwords. You will need to manually enter this.*

If the e-mail settings you wish to use with TelPay for Business are not already setup in your computer's e-mail program, you will need to manually enter them. See Appendix I for assistance in customizing your e-mail settings.

Payroll Remittance Settings

If you wish to import payroll transactions from an external system or export the accounting entries to a General Ledger system you will have to choose the appropriate system. This identifies the conversion program that must be used to properly format the file(s). If the system you use is not shown, contact TelPay to determine how to obtain the required conversion.

General Ledger clearing account for Payroll Payments

If you are importing payroll transactions from your accounting software, enter the G/L account you are using in your accounting software to process payroll transactions against. TelPay for Business will debit this account and credit your Bank Account G/L when payroll transactions are transmitted to TelPay.

Bank Account Number to be credited

Enter your general ledger bank account number or name so that all banking entries will be allocated to the appropriate G/L coding.

International Payments Settings

Overview

The process for making International Payments in TelPay for Business is very similar to the current process for paying other bills. The main difference between paying a biller in Canada and paying an international one is that the final amount of the payment in Canadian dollars isn't known at the time the payment is entered. Just before the payments are transmitted to TelPay, a quote is obtained from the customer's International Payments Provider. To obtain the quote, a "Web Service" (a request for information over the Internet) is used. Details about the payment amounts (in the foreign currencies) and billers are sent to the provider. The provider then sends the software the amount required in Canadian dollars to make the payment. Two International Payments Providers are currently supported: Custom House and PaylineFX.

System Requirements

Same as in previous versions, aside from two new requirements:

- An Internet connection
- The TelPay International Payments Module

TelPay International Payments Module

This module will not be distributed with the software since it is a large (35 Megabyte) download. Instead, you can download the module from the software if you would like to start making International Payments. To download the module, click the new International Payments Setup button on the Main Menu. That opens a screen with a button to download the module. This is a one-time download. Updates to the module will be automatic and will involve a small file.

Agreement

Before making International Payments with TelPay for Business, you need to sign two agreements: one with an International Payments Provider and one with TelPay. The TelPay agreement provides that TelPay is responsible for getting the Canadian funds to the Provider and the Provider is responsible for getting the converted funds to the biller.

You can view the list of International Payments Providers the software works with by clicking a link within the International Payments Setup screen. The link takes you to a page on our website where you can get more information about the providers by clicking the hyperlinks there.

Once the module has been downloaded and you have entered into an agreement with the provider of your choice, you can return to the International Payments Setup screen and select the provider you have signed-up with. You also must enter the Customer ID your provider assigned to you. You will then be prompted to agree to the addendum to your TelPay for Business agreement. An Authorized Officer (or two, depending on your settings in System Administration) will need to enter their password to “sign” the agreement.

A $10.00 monthly fee will be charged for using the new module. The fee instruction is sent to TelPay for processing at month-end and will appear on your monthly invoice.

System Administration

Accounting entries for International Payments are made in Canadian dollars. In order for these accounting entries to be created, the program needs to estimate the Canadian dollar equivalent of the foreign currency being paid. The software automatically produces this estimate based on that day’s Bank of Canada exchange rate. Once the final quote has been obtained from the International Payment Provider, the difference between the final quote and the estimate is placed into an Exchange Adjustment General Ledger (G/L) account. You enter this G/L account number into the System Administration screen, where the other G/L account numbers (such as the Bank Account G/L account, GST G/L account, etc.) are stored.

Adding Billers

As with other bill payments, a biller entry must be added before an International Payment can be made. The process for adding a biller to make an International Payment is the same as for adding Customer Specific Billers. A few new fields must be entered, though:

- **Currency:** The foreign currency that the payment will be made in.
- **Country Codes:** Phone and fax numbers now have fields for Country Codes. The country code fields are automatically populated based on the country field.
- **Banking Information:** An Enter Banking Information button appears for International Payments instead of the Bank ID, Transit Number and Account Number boxes. Once this button is clicked, detailed bank information can be entered. For International Payments, you need to supply the destination bank’s name and address. If the biller is outside the United States, you will need to supply an IBAN (International Bank Account Number) and a SWIFT

code (which uniquely identifies the recipient bank). If the biller is inside the United States, you will fill-in the bank account field with their ABA Routing Number (like Canada's Bank ID and Transit Number) and bank account number.

An email address is required for these billers.

You can create several copies of the same biller and account number as long as the currencies are different. For example, one could be for US Dollars (USD) and one could be for Euros (EUR).

Entering Payments

If the last 3 digits entered match multiple accounts, a list of matches appears (as it did before). However, the foreign currency codes are now listed.

As mentioned in the System Administration section above, the software obtains a rate from the Bank of Canada. A rate file (with exchange rate information for that day) is downloaded from the Bank of Canada website for the first International Payment entered since the program was last run.

You can enter amounts in either the foreign currency or in Canadian Dollars (CAD). The same applies to G/L distributions. If a foreign currency amount is entered, the CAD amount is automatically calculated based on the Bank of Canada rate (and vice versa).

International Payments cannot be post-dated beyond three days. That is because the value of foreign currencies changes rapidly and the rate quoted can only be held by the provider for three days.

Of course, International Payments can be accrued to and paid out of our Accounts Payable module.

Getting a Quote

Once all payments have been entered for a session, click the Review and/or Transmit Payments button on the Main Menu. Enter your password (or passwords) and then click the "Select Payment Option" button. International Payments in that session are grouped by foreign currency and payment date for quoting. You will be prompted for your password (supplied by your International Payments Provider). The software then contacts the provider over the Internet for a Canadian Dollar quote on the payments. You have a limited amount of time to accept the quote (varies between 30 and 60 seconds, depending on the provider). The software displays a countdown while you decide if the quote is acceptable.

If you accept the quoted amount, the provider returns a Book Identifier Code (Book ID) to the software. You should keep this Book ID with your records. You can click the Print button to make a copy of the current screen, including the Book ID.

The provider may also apply a Service Charge (in Canadian Dollars), which is added to the final payment amount and sent to the provider by TelPay. This Service Charge covers the cost to send the funds to the biller. Billers can be sent funds via ACH (Automated Cleaning House – United States), low value wire and other methods. The provider determines how the payment will be sent. The Service Charge amount varies by provider and how the funds are sent.

General Ledger Entries

If an International Payment is not accrued, three entries would be created:

1. Debit to the biller's G/L account (expense), using the estimated amount from the Bank of Canada rate file.
2. Debit to the Exchange Adjustment account. This is calculated by using the final quoted amount minus the estimated amount plus the provider's Service Charge.

3. Credit to the Bank G/L account for the total of 1 and 2.

For example, if the estimated amount was $102.00, the final amount was $103.20 and the provider's Service Charge was $5.00: entry 1 would be $102.00, entry 2 would be $6.20 and entry 3 would be $108.20.

The entries for accruing a payment to accounts payable will be made at the Bank of Canada rate. The exchange adjustment and the service charge entries will not be made until the actual contract with the Provider has been entered into (I.E. the quote for the payments has been accepted).

Deletions

International Payments can be cancelled before they are quoted on. However, once a quote has been accepted for a payment, the payment cannot be deleted – in the software or by TelPay. This is because you have entered into a contract with your provider. If you need to delete an International Payment where a quote has been accepted, you must contact your provider.

Refunds, Transfers, Redirects, Traces

Once a contract with the Provider has been entered into, you need to contact your provider if you would like a refund for an International Payment.

Funding

Option 5 is not allowed if International Payments are a part of a funding group (I.E. part of the payments on a particular date).

Other

- The foreign currency amount and code appear in the history module.
- Each International Payment will be charged at twice the Standard Biller rate (since part of the payment goes to the biller and part goes to the International Payments Provider).
- You cannot exit the software if quotes have been accepted, but you have not transmitted yet. This is because the timing of International Payments is very important.
- TelPay for You software users cannot make International Payments at this time.
- The report we send to billers will include the amount and currency that they will receive. As well, the report indicates which International Payments Provider will be sending the funds to them.

Logon Again

If you use the same computer for multiple TelPay Access Numbers, you can click on this button to Logon to another TelPay Access Number without the need to exit the program. Note: that a single installation can be used for multiple companies so long as they export to the same General Ledger system. Special steps have to be taken if more than one General Ledger system is utilized.

V. System Backup and Restore

Backing up Your TelPay for Business System

Here are some of the reasons why you should have your TelPay for Business system backed up after each session. For your protection, TelPay requires that files are received from you in succession. The system maintains a complete file of payments made by you which is easily available and will help you avoid the possibility of duplicate payments. Additionally, the system maintains a file of your Customer Specific Billers.

It is strongly recommended that you choose the option on the System Administration screen that requests the system to copy your TelPay for Business data onto a USB flash drive, CD-Recordable/DVD-Recordable media, data tape or a similar medium after every session. Failure to do so can result in loss of accounts receivable and history data. USB flash drives are inexpensive (less than $20.00 CAD) and very easy to use. The System Administration screen includes an option to automatically create a backup of your data after each session. Up to six months of back ups will be retained. The system will purge oldest file(s) if insufficient space is available for the current requirements.

Note: If you have made a backup using the TelPay for Business backup utility, please see the "System Restore Procedure" section below. If you have installed TelPay for Business on a new computer and your old computer (or its hard drive) is still available, you can copy the previous TelPay for Business files to the new computer. If your computer has crashed, you can contact your IT support or a disk-recovery service to retrieve your TelPay for Business data if a backup is not available.

If you have not performed a backup of the TelPay for Business data after each session and you require TelPay to reset you session, a $25.00 fee will apply. This fee applies if your system crashes or if you move the software to a different computer.

System Backup Procedure

After you have transmitted payments to TelPay, the software will display the "Backup your TelPay for Business data" screen. You can backup your data to a floppy disk, USB flash drive, hard drive, network drive, CD or DVD. Select the media that you want to backup to and then click the Backup button.

PIN & Personal Backup

While TelPay for Business is easy to learn and use, it is important that more than one person at your business be familiar with its operation. We suggest having at least one other person in your business ready to use TelPay for Business in the event of staff changes, sickness and holidays.

As well, please ensure that your TelPay deposit amount (the one used to initialize the software) is stored in a secure, safe, retrievable location. This will save time and effort on your part should you ever need to re-install your TelPay for Business application.

System Restore Procedure (on a new computer)

Step 1. Install the latest TelPay for Business software from www.telpayforbusiness.ca.

Step 2. Start the TelPay for Business software and click the "Restore Data" button on the "Initiate Your TelPay Software" screen. Start the Restore Utility by clicking the Windows Start button, selecting "All Programs", then "TelPay for Business", then "Utilities", and then finally "Restore Your Data".

Step 3. Insert your backup media. If a screen listing the contents appears, close it. Click the “Select File” button. Locate the backup file on your media. Click the “Restore” button.

Note: If you have multiple TelPay Access Numbers, you will need to follow the System Restore Procedure for each Access Number.

System Restore Procedure (computer crashed)

In this case, the data is very likely still available. A computer technician can likely restore it if you have not backed up your system. If you are transferring to a different computer, you may have to download the software from www.telpayforbusiness.ca.

In the event that your backed up data is not fully up-to-date, you will not be able to transmit payments to TelPay. Again, backups after every session are highly recommended. TelPay does provide limited backup in the form of transaction history, which is available for one full year. We do not, at this time, maintain a backup of your Customer Specific Biller file. Contact TelPay at 1-800-665-0302 for assistance.

VI. Communicating with TelPay

(a) Customer Service

Customer service representatives are available for assistance from 7:00 to 17:30 CT weekdays. They can be reached by calling 1-800-665-0302. Twenty-four Hours answering service is available for after hours calls.

(b) Technical Support

TelPay has a toll free customer/technical support service line available for your use from anywhere in Canada from Monday to Friday from 7:30 to 17:00 CT. If you should have any questions, suggestions, or need assistance please call us at 1-800-665-0302 or (204) 947-9300 or by email at support@telpay.ca. Twenty-four Hours answering service is available for after hours calls.

To contact us by other means:

Fax:	(204) 947-2591
Email:	support@telpay.ca
Mail:	TelPay Incorporated 298 Garry Street Winnipeg, MB R3C 1H3
Web:	http://www.TelPay.ca/

(c) Senior Management

If you wish to speak to TelPay Management call:

President & CEO at (204) 957-2810

VII. Transmitting to TelPay

(a) Internet or Dial up Communications

During installation of the TelPay Bill Payment Service software, you are required to choose a method of communication. There are two methods of communication available to TelPay Bill Payment Service software users:

Internet Communications

The Internet Communication method requires that you have software installed on your computer that allows you to connect to the Internet. This is the default option.

Dial up Communications

Dial up service provides network routing that allows users to gain access to on-line services. A list of telephone numbers is provided. Choose one in your calling area to eliminate or minimize long distance costs. Information about your telephone's dialing requirements is also requested. The TelPay Bill Payment Service software will automatically dial your modem and make connection if you choose Dial up during installation of the TelPay software.

Dial up connections are usually immediate, but could take as much as 70 seconds to complete the dialing and links.

(b) Error Messages

Should you receive an error during your transmission to TelPay, please review the following list of possible error messages. If the problems persist, please call TelPay Support at 1-800-665-0302 between 7:00 and 17:30 CT.

Error Receiving Start Up Information

An error occurred while connecting to TelPay to receive TelPay startup information. Start up the Configure Communications program, available in the same program group as TelPay, and confirm that the information is correct by selecting Automatic Setup or Manual Setup.

For external Modems, please ensure that one end of your modem cable is securely connected to the back of your computer and the other end is securely connected to your modem, and that the telephone cable is connected to your modem.

Restart the TelPay program and if the problem persists, contact TelPay at

1-800-665-0302 week days between 7:00 and 17:30 CT.

Send Payments Error Message: Account not on file.

Reason

You have entered an invalid TelPay Access Number. This can occur when a TelPay Access Number has been disabled. This may have been at the user's request or initiated by TelPay. To determine the reason, contact TelPay at 1-800-665-0302.

Send Payments Error Message: Incorrect PIN.

Reason

The PIN entered at the Logon screen does not match TelPay's records. Exit and restart the program, confirming the PIN is the same as the PIN indicated for that TelPay Access Number in your TelPay registration information.

Send Payments Error Message: TelPay system error.

Reason

The TelPay system is temporarily not in service. Please try again later.

Send Payments Error Message: Invalid transaction date.

Reason

TelPay rejected your transmission because the date on your computer is not correct. Please correct the date/time on your computer and re-transmit the payment file.

Send Payments Error Message: TelPay Access Number not authorized.

Reason

You attempted to use a Personal TelPay Access Number with the TelPay for Business software. Only TelPay for Business Access Numbers can be used with the software.

Send Payments Error Message: Problem with data records in your file.

Reason

The transmitted file contained corrupted or invalid data. Contact TelPay at 1-800-665-0302 for assistance.

Send Payments Error Message: Unable to process your file of payments or collections.

Reason

TelPay rejected your transmission because there is a problem with the data in your file of payments or collections. Contact TelPay at 1-800-665-0302 for assistance.

Send Payments Error Message: Session number does not match.

Reason

TelPay rejected your transmission because the session number in the file did not match TelPay's records. This could indicate unauthorized use of your TelPay Access Number. Contact TelPay at 1-800-665-0302 for assistance.

If any of these problems persist, contact TelPay at 1-800-665-0302 between 7:00 and 17:30 CT.

VIII. TelPay Security

TelPay Security

Security of your payment information is a prime concern to us. We do not provide details of how we ensure this security, but as Canada's largest electronic bill payment processor, you can be assured that we have taken all reasonable steps to ensure that our system is secure, however you may wish to access it. Our employees are bonded and are required to sign pledges of confidentiality. We have adopted privacy guidelines that have been praised by Canada's Privacy Commissioner as a model for companies dealing with personal information. We also guarantee that, should you be penalized because we do not process your payment within the prescribed time without appropriate notification, we will reimburse you for the penalty. This applies to all payments except tax remittances.

Users are reminded that it is very important that they keep their Personal Identification Number (PIN) confidential. It is also recommended that they keep their TelPay Access Number separate from their PIN.

If you normally require two signatures on your cheques, we recommend that you require two signing officers to authorize a transmission of a file of payments. Note that these authorizations can be securely provided by email.

Part of our commitment to you is that all information provided by you will be used for the purpose for which it has been provided - that is to pay your bills - and no other purpose.

Information stored on your computer and transmitted through communications systems is protected from access by any party. In fact, your electronic TelPay transactions are more closely protected than any paper transactions you may have on your premises.

Remember: Notify TelPay Customer Service immediately if your computer is lost or stolen.

Remember: Keep Access and PIN numbers confidential and, if written down, keep them in separate locations.

Providing Security for your Local Computer

Whenever you use a professional computer application, such as TelPay for Business, we recommend that you use a professional Operating System such as Microsoft Windows 2000 Professional or Microsoft Windows XP Professional. The security and stability in these products is much greater than “Consumer Operating Systems” such as Microsoft Windows 95, 98, and ME.

It is also recommended that your hard drive use the New Technology File Systems (NTFS) as opposed to the File Allocation Table (FAT) file system. This is only available with Windows 2000 and XP. Both of these Operating Systems allow you to convert from FAT to NTFS.

Do not leave your computer with the TelPay for Business software active, as unauthorized entries could then be made. To protect yourself in case you do leave the computer, we recommend that you use a password-protected screen saver. The password should be something that you will remember without writing it down, however it should not be easy to guess by another person. We recommend that you choose a combination of numbers and letters.

IX. TelPay for Personal Use

If you have applied for your software as an individual as opposed to a business, you will find some of the functions used only by businesses are omitted. Otherwise, the same software is used. A separate service fee schedule applies to personal users.

X. Hardware and Networking

(a) Hardware and Software Requirements

Note: Once the software has been installed on a particular computer, it cannot be moved to another computer without permission from the System Administrator(s).

Modem Settings

For both Internet and Dial up communications, it is necessary that the TelPay system know your modem settings. Our software may be able to determine those automatically. If it cannot, then a manual process is provided. This can become quite technical, so it may require the assistance of a person familiar with modem installations. You may also call our help line at 1-800-665-0302.

A printer is optional for personal use, however it is required for a business user.

Uninstalling a previous version of TelPay for Business

1. Click the Start button
2. Move to Settings
3. Click Control Panel
4. Double-click “Add/Remove Programs”
5. Locate the “TelPay for Business” item
6. Click the Add/Remove button
7. You will be guided through the uninstall process

   Note: You should not remove shared files, if prompted to do so
8. Although the software is now uninstalled, some files will remain in the installation folder

Removing all files after uninstalling a previous version of TelPay for Business

1. Run Windows Explorer or double-click the My Computer icon on your desktop

   If you are not sure how to run Windows Explorer or do not have a My Computer icon, do the following:

   i) Click the Start button

   ii) Click Run

   iii) Type “Explorer” without the quotes

   iv) Click OK
2. Locate the TelPay for Business folder. The default folder is “C:\BILLPAY”
3. Right-click this folder
4. Hold down the Shift key

   This ensures that the files are deleted and not sent to the Recycle Bin
5. Click the Delete item from the list
6. Make sure you “OK” any delete prompts

TelPay for Business works with either Microsoft Windows or Apple Mac OS X.

Windows Requirements

- PC with an Pentium III or higher processor with 256 MB RAM (512 MB recommended)
- 100 MB free hard disk space
- Microsoft Windows 98, Windows ME, Windows NT version 4.0 with at least Service Pac 3, Windows 2000, Windows XP or Windows Vista
- A modem and telephone line or Internet connection (Internet Explorer 4.0 or higher with 128-bit encryption)

Mac Requirements

- Microsoft Virtual PC 6.1, 7.0 or higher
- 700 MHz G3, G4, or G5 processor (or faster)
- Mac OS X 10.2.8 or higher
- 512 MB RAM (256 MB if using Virtual PC 6.1)
- 3 GB free hard disk space (2 GB if using Virtual PC 6.1)
- An Internet connection (The Virtual PC must be running Internet Explorer 4.01 or higher with 128-bit encryption)

(b) Networks and TelPay for Business

More than one person can access certain functions of TelPay for Business software from separate computers at the same time. Only one person at a time can use the data entry features of the software at a time. When a second person tries to access these features, a message is displayed which indicates who is currently using these features. Another person can view payment history while data entry is proceeding.

The following TelPay for Business features involved data entry and can only be carried out by one person at a time:

- Pay Bills and Setup payables
- Receive/Pay emailed bills
- Add new billers
- View/Modify billers
- Review and/or Transmit payments
- Deleted transmitted payments
- Accounts payable reporting and payment
- Importing or creating payroll, payable and collection files
- System Administration

Other parties can access the View/Print History feature.

Appendix I

Customizing Email Settings

Incoming Email Settings

This area applies to downloading emails, such as emailed bills (ebills), into TelPay for Business. These settings can be obtained from your Internet Service Provider (ISP) or Local Area Network (LAN) administrator.

Server: This is the name of the email server that you will be downloading emails from, also known as a “POP3” server. You can also select the name of your email server from the list of emails servers by clicking the down arrow at the right of this box.

User ID: This is the name of the email account you will be downloading emails from. This may or may not be the same as your email address. Most User ID’s are the portion of the email address before the “@” symbol. For example, the User ID for ebills@abccompany.com may be “ebills”.

Password: This is the password that has been set up for the User ID above. Passwords are case-sensitive – make sure you enter capital and lower case letters properly. For security reasons, password characters appear as “*”.

This account is only used for emailed bills: You should click this box if the email account you have entered only used within TelPay for Business. Only click this box if you do not want to receive emails for this account in an email program such as Microsoft Outlook.

Outgoing Email Settings

This area applies to sending emails, such as payment authorizations, from TelPay for Business. These settings can be obtained from your Internet Service Provider (ISP).

Email address: This is the email address you would like to use when sending emails. It will appear as the “From” address when others receive your emails from TelPay for Business. It must be in the form “name@company”.

Server: This is the name of the email server that you will use to send emails from, also known as a “SMTP” server.

You can also select the name of your email server from the list of emails servers by clicking the down arrow at the right of this box.

Server requires ESMTP: If your email server requires authorization (ESMTP), check this box. You will also likely need to the **Server requires ESMTP Login** box.

User ID: This is the name of the email account you will be sending emails from.

Password: This is the password that has been set up for the User ID above. Passwords are case-sensitive – make sure you enter capital and lower case letters properly. For security reasons, password characters appear as “*”.

Firewall Details

Some companies use firewalls to restrict Internet traffic, such as emails. If your company uses a firewall, please consult your technical department for the necessary settings:

Firewall Type: This is usually “Socks 4” or “Socks 5”, but it may vary.

Firewall Host: The Internet address or name of the firewall you need to use.

Firewall Port: The port number of the firewall. For example, “80” or “8080”.

Logon Name / Password: Your firewall may require a Logon name and password in order to use it.

Once you have entered or changed these settings, click the **OK** button to save them.