

DISBURSEMENTS IN NON-U.S. CURRENCY POLICY

Appendix A

Procedures for Disbursements by Electronic Funds Transfer (EFT) in Non-U.S. Currency

Process

The department or other university office requesting payment must deliver a completed [EFT Disbursement Request Form](#) (“ETF Form) along with supporting documentation to Accounts Payable at least four business days prior to the payment due date listed on line 4 of the EFT Form. This will provide sufficient time for the two day settlement period that is standard for purchasing Non-U.S. exchange.

Upon receipt of an authorized EFT Form and supporting documentation, Accounts Payable will review the request for appropriate tax documentation and forward the approved form and supporting documentation to the Tax Department for review. If the payment is made to a non-U.S. individual or organization, the Tax Department will review the EFT Form to determine the tax withholding and reporting requirements. The Tax Department will then forward the form to Treasury Management to process the payment request so that the payment is scheduled for delivery on the payment due date.

After the payment has been released, Treasury Management will sign in the area reserved for its use and distribute signed copies of the EFT Form in the manner detailed in instructions below.

If the Account Code Combination in line 14 of the instructions includes an “E” Fund (i.e., an endowment related fund), the EFT Form must be countersigned by the Assistant Treasurer.

The supporting documentation must include sufficient information to substantiate the amount and currency of the payment as well as the business purpose, the payee's name, address, U.S. taxpayer identification number (described on Line 21 of the following instructions) and the date and nature of the transaction. An authorized signer must approve the supporting documentation.

Specific tax issues must be addressed when preparing requests for certain kinds of EFT payments. Because the tax considerations may change the amount being paid or the budget impact of the transaction, we recommend the person listed as the preparer in line 2 understand the tax withholding and reporting requirements before the financial commitment is made to the payee.

DISBURSEMENTS IN NON-U.S. CURRENCY POLICY

Instructions for Preparation of Electronic Funds Transfer (EFT) Disbursement Request Form

The departments and other university offices must prepare an EFT Disbursement Payment Request Form when seeking electronic delivery of a payment. No EFT disbursement request will be processed unless the required form is properly completed. Guidelines for completing the EFT Form appear on the Accounts Payable website. Note that rows 9, 12, 21, 25 and 26 have been formatted to treat numbers as if they were text so a leading zero is not dropped.

The EFT Form must include a signature from the authorizing individual within the department or other university office indicating approval of the payment. The general rule is that the person who has budgetary responsibility (or their designee) is the authorized signer. EFTs that will be charged against account strings that include an “E” fund must be countersigned by the Assistant Treasurer. The person authorizing the transaction should not be the same as the preparer on line 3.

The authorizing signature is attesting that: 1) the due date is correct; 2) the bank instructions are correct; 3) the approving individual is empowered to approve the EFT Form; 4) the obligation is legitimate, and has been incurred in accordance with university policy; 5) the payment amount is accurate; and 6) the accounting code combination is accurate.

Supporting Documentation

Each EFT Form must include an attachment of supporting documentation that has been signed by an authorized signer. The supporting documentation must include sufficient information to substantiate the amount and currency of the payment as well as the business purpose, the payee’s name, address, and the date and nature of the transaction. Examples of acceptable supporting documentation include an approved invoice or a signed contract. The documentation needs to support the exact amount on line 15. A spreadsheet may be used if necessary to show how the support adds to the total on line 15.

Documentation for Tax Compliance

Each EFT request will be reviewed by the Accounts Payable and Tax Departments for tax compliance and application of tax treaty benefits.

Additional Instructions

The originating department or other university office will fax completed copies of the EFT Form and supporting documentation to Accounts Payable. Treasury Management and Accounting Services do not need to receive an unprocessed copy. The originator should retain a copy for the department or office’s records as well.

DISBURSEMENTS IN NON-U.S. CURRENCY POLICY

Upon receipt of an authorized EFT Form and supporting documentation, Accounts Payable will review the request for appropriate tax documentation; sign in the area reserved for their use, and forward the form and supporting documentation to Treasury Management.

Treasury Management will release the electronic payment using the wire transfer module on the bank's website so that the payment is scheduled for delivery to the payee's bank account on or before the payment due date (line 4) and sign in the area reserved for their use. To allow adequate time for processing, Treasury Management should receive the EFT Form at least four days before the due date. After the payment has been released, Treasury Management will notify Accounting Services and Accounts Payable via email. The email notification will indicate the amount and payee of each EFT released that day. In addition, Treasury Management will forward copies of the EFT Form containing both the Accounts Payable and the Treasury Management authorized signatures (with no supporting documentation) to the person listed as the U.S. contact on line 3a.

Upon receipt of the email from Treasury Management, Accounts Payable will record the transaction in the accounting records.

Accounting Services is responsible for monitoring the EFT transaction activity in the General Ledger system and reconciling it with the activity in the university's bank account.

Procedures for Disbursement by Draft Denominated in Non-U.S. Currency

The university office requesting payment by bank draft in a non-U.S. currency must forward an International Draft Payment Request Form along with the appropriate supporting documentation to Treasury Management. An authorized individual must sign the International Draft Payment Request Form. In addition, the authorized individual must sign the International Payment Request Form in the "Approved For Payment" section and type his or her name and email address below the signature.

The supporting documentation must include sufficient information to substantiate the amount and currency of the payment as well as the business purpose, the payee's name, address, and the date and nature of the transaction. Examples of acceptable supporting documentation include an approved invoice or a signed contract. The documentation needs to support the exact amount of the payment request. A spreadsheet may be used if necessary to clarify the relationship between the backup and the total amount of the request. An authorized signer must approve the supporting documentation.

Accounts Payable will review the request and supporting documentation for appropriate tax documentation. As noted in the Tax Considerations section below, if the payment is made to a non-U.S. individual or organization, the Tax Department must review the payment request to determine the tax withholding and reporting requirements.

DISBURSEMENTS IN NON-U.S. CURRENCY POLICY

Treasury Management will enter the request into the Western Union Currency Exchange website for processing. Processing may take up to four business days. After completion, Western Union will deliver the bank draft to the recipient by FedEx.

Tax Considerations

There may be different tax withholding and reporting requirements for payments to non-U.S. individuals and organizations. More information is available in the [Tax Issues Regarding Payments to Non-U.S. Individuals and Organizations Policy](#). University offices must contact the Tax Department before making any financial commitments for payments to non-U.S. individuals and organizations.