



Payables Automation Initiative **Staff FAQ**

Program Strategy

1. Why has the University, decided to expand our commercial card program?

- We are focused on optimizing our Procure-to-Pay process with an emphasis on cost reduction and streamlining operations; a key part of this effort has been working to grow our commercial card program.
- The new initiative to increase the number of suppliers paid by Visa payment solutions will allow us to continue to grow our card program and help enable us to realize the following card program benefits:
 - *Process Efficiency*: Our organization can reduce internal processing and transaction costs by streamlining the payment process and reducing invoice processing and cheque payment.
 - *Working Capital Management*: We can improve our working capital position due to the longer settlement process of the card statement with the issuing bank as compared with our current payment process.
 - *Spend Visibility and Enhanced Data*: Data from the card program allows us to gain insight into spend, which can position us to better control what we buy from which suppliers and at what price.
 - *Supplier Management*: Analyses from card program data can help to facilitate negotiation with suppliers and identification of opportunities to select preferred suppliers.

2. Are all of our suppliers being contacted for this program?

- Our goal is to gradually roll this option out to suppliers over the course of the next few months.
- This program is currently only available for Canada-based suppliers.

- A prioritized list of suppliers that meet a number of criteria which appear to make them a good fit for this program (e.g., commercial card acceptors, regularly used, currently paid by cheque and/or ACH) is being targeted.

3. How does this shift in payment strategy change our current purchasing and payment process?

- The current processes for purchase requisitions and invoices will remain the same. The only change will be to the payment method.
- With this new payment method our suppliers will receive a card account and an email notification for each payment that instructs them of the amount to process using their existing Point-of-Sale device/software.

4. Why should we change the current process when it is already working well?

- Our organization's goal is to have leading edge Procure-to-Pay capabilities and so we are updating our processes to incorporate new technology.
- The new process is simpler, more streamlined, and can provide our organization with additional benefits from controls, working capital, and data capture.
- The new process will allow both our suppliers and our organization to streamline operations.

5. What quantifiable benefits does the commercial card program provide?

- Streamlining payment processing activities
- Reducing accounts payable overhead required to process traditional payments
- Removing risk of late payment to suppliers
- Improving spend controls to limit unauthorized spend
- Eliminating material costs such as cheque production, paper and postage

6. What are the benefits to our suppliers of receiving payment by Visa payment solutions instead of cheque?

- More and more, our suppliers are coming to realize that they can enjoy significant, tangible savings from accepting Visa card payments from their customers, including:
 - *Process Efficiency*: Suppliers can reduce internal processing and transaction costs by eliminating paper-based processes, including cheque processing and associated reconciliation efforts.

- *Working Capital Management*: As an incentive, the University is agreeing to pay card accepting suppliers on approval of invoices, which may result in a significant acceleration of payment.

7. Are there any fees to our suppliers for receiving payment by Visa card payments instead of cheque?

- The standard processing fees administered by the supplier's acquiring bank will apply. We encourage suppliers to review their merchant acquirer agreement and discuss ways to achieve the most favorable rates with their acquirer.

8. How do I communicate these changes to our staff?

- Share documentation with them regarding the changes in our payment strategy, such as these frequently asked questions.
- Let them know that the new changes have the potential to have a positive impact on our organization from efficiency, spend visibility, supplier management, and working capital improvement and that their compliance and support are needed.
- Instruct them to contact ypa@uwindsor.ca with questions or for assistance with enrolling our suppliers.

9. How can our employees encourage use of Visa payment solutions?

- We need to communicate the benefits of Visa card payments to our employees and suppliers.

Supplier Management

10. Will I have to approach my suppliers regarding this initiative?

- You will not be the primary person responsible for approaching suppliers. We have a team prepared to manage this activity.
- The organization asks for your support if suppliers come to you with questions.
- Please direct them to contact ypa@uwindsor.ca for questions and enrolment support.

11. How should I communicate this change in payment strategy to my suppliers?

- Communicate that accepting Visa Commercial Card payments is a valuable service that they can provide to our organization. We see this change as mutually beneficial and believe that the supplier can potentially gain cost savings from accepting Visa payments.

- See answers to question #6 above.