

COLORADO STATE UNIVERSITY-PUEBLO
Financial Procedure Instructions
FPI 6-5

- 1. Procedure Title:** Wire Transfer Payments
- 2. Procedure Purpose and Effect:** Procedures for departments that are facilitating domestic and international wire transfers as an outgoing payment method.
- 3. Application of Procedure:** This procedure applies to all departments that request wire transfers as a form of outgoing payment.
- 4. Exemptions:** None.
- 5. Definitions:**

ABA Number: American Bankers Association (ABA), also referred to as a routing number. This is a nine-digit number used by banks in the United States to identify a specific financial institution.

Agency Number: also “agencia,” 5 digit number required to send wires to Brazil.

Branch Number: required to send wires to Australia and Tasmania, format 08x-xxx.

CLABE: Clave Bancaria Estandarizada, 18 digit bank account number used by banks in Mexico.

IBAN: International Bank Account Number, up to 34 alphanumeric characters, used to identify bank accounts across national borders. Used mainly by countries in the European Union, as well as some in the Middle East and Caribbean. This number can be confirmed by the bank before submitting a transaction.

SWIFT Code: Society for Worldwide Interbank Financial Telecommunication, also known as SWIFT-BIC or BIC code. 8 or 11 digit identification code for financial institutions, used when transferring money to an international bank.

First 4 letters: Institution code or bank code
Next 2 letters: country code
Next 2 letters: location code
Last 3 letters: branch code (optional, “XXX” for primary office)

Transit number: 5 digit number required to send wires to Canada, sometimes in format xxxxx-xxx, with the first set of numbers being the branch number, and second set as the institution number.

6. Procedure Statement:

A. GENERAL

Wire transfer is a method of electronic funds transfer from one person or institution to another, made from one bank account to another, or through a transfer of cash at a cash office.

The person initiating the transfer asks a bank to transfer a certain amount of money, with the recipient’s bank information given so the bank knows where the money needs to be sent. The sending bank transmits a message via a secure system, (such as SWIFT), to the receiving bank, requesting that it apply payment according to the instructions given. The message also includes

settlement instructions. The transfer is not instantaneous, but may take several hours or days to move from the sender's account to the receiver's account. Either of the banks involved must hold a reciprocal account with the other, or the payment must be sent to a bank with such an account, also known as a correspondent bank, for further benefit to the recipient.

Banks collect payment for the service from the sender as well as the recipient. The sending bank generally collects a fee separate from the funds being transferred, while the receiving bank and intermediate bank often deduct fees from the money being transferred so the recipient may receive less than what the sender originally sent. Correspondent bank fees on international wires currently vary from \$15 to \$40.

Domestic wire transfers typically are sent and received on the same day, while foreign wires may take 10 to 15 business days to reach their destination.

B. PROCEDURES FOR SENDING WIRES TO VENDORS

1. Kuali Financial System (KFS) records all vendor payments and expenses of the University. In KFS, a Disbursement Voucher (DV), Travel Reimbursement (TR), or Relocation (RELO) document serves as the record of money disbursed, whether by check, ACH, or wire transfer. The completion of the Wire Transfer tab is required for this form of payment. Bank wire information is to be obtained from the vendor. Please submit the document with sufficient time for the routing to be fully approved before the payment becomes due.
2. Wire transfers for amounts greater than \$100,000 may require an additional business day for Banking Services to ensure funds are available to cover the transaction.
3. Additional information and training on creating KFS documents may be acquired by contacting Business Financial Services.

7. Reference and Cross-References:

<http://www.swift.com/bsl/index.faces>

8. Forms and Tools: None.