COLORADO STATE UNIVERSITY
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:** The Executive Director/University Controller has the authority to approve exemptions for this procedure.

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.

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.

ACH transfer: Automated Clearing House. This is for moving domestic funds electronically between bank accounts.

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.

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. Some wires only take a couple hours, and others may take several 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 or intermediary bank, for further benefit to the recipient.

Banks involved in the transfer collect payment for their service. CSU has an agreement with their bank to ensure full payment is received by the recipient. The cost of the agreement is covered at a central level. If a vendor has added a wire fee to their invoice, this is not necessary and needs to be removed from the total amount to pay in KFS.

Domestic payments need to be sent by check or ACH transfer instead of as a wire. Accounts Payable has a form for vendors to complete for ACH payments.

Exceptions which allow domestic wires:

Livestock purchases
Land purchases
Legal settlements
Investments
Debt payments
Return funds to federal grants (ASAP and PMS)
Payroll/Benefit vendors that require wire transfer

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), or Travel Reimbursement (TR), 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. To reduce fraud, new wire transfers for amounts greater than $15,000 require the department to verify the bank instructions with the vendor. A phone call provides the greatest level of confirmation, however for foreign vendors a new email thread is acceptable. Wire instructions for amounts less than $15,000 can be verified as well but not required.

4. Units are responsible for obtaining and entering accurate bank wire instructions for their vendors. If inaccurate details are provided, lost funds, bank fees, and exchange rate changes may apply.

5. Additional information and training on creating KFS documents may be acquired by contacting the Campus Services unit of Business and Financial Services.

7. Reference and Cross-References:

Online BIC Search: http://www.swift.com/bsl/index.faces

8. Forms and Tools:

For the receipt of a wire transfer please see FPI 6-4 Incoming Electronic Payments: http://busfin.colostate.edu/Resources/Fin_Rules_Procs.aspx

If there are any questions about specific bank information requirements for foreign countries, please contact Banking Services BFS_Bursar@Mail.ColoState.Edu, or (970) 491-7131.