

Paying with EFT

Maximize your contribution



Did you know that FundScrip offers Electronic Funds Transfer (EFT) payment service through BMO Bank of Montreal?

This service allows you to pay for your orders online with confidence and convenience.

- It's convenient.
- It's a cheque, but without the paper.
- It's free: no transaction fees.
- It's private, safe and secure.
- You can cancel at any time.

All you need is a bank account and a computer connected to the internet.

What's next...

1 EFT Basics



Canadian Payments Association
Association canadienne des paiements

The attached document has been adapted and condensed from the: Canadian Payment Association PAD Brochure

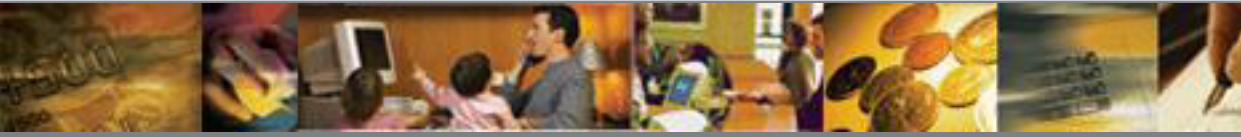
www.cdnpay.ca

2 BMO EFT Service



The attached document outlines BMO Bank of Montreal Electronic Funds Transfer Service. The document also details how FundScrip and BMO Bank of Montreal ensure the proper operation of Electronic Funds Transfers.

www.bmo.com



Electronic Funds Transfer (EFT), also known as a pre-authorized debit (PAD) is a withdrawal from your account initiated by a company or a financial institution (FI) that has your written authority to do so. Put another way, an EFT is just like an old fashioned cheque, but without the paper.

FAQs

Aren't EFTs just for utility payments?

No. While EFTs first became popular as a convenient way of paying for transactions that occur on an ongoing basis such as mortgage and utility payments, more and more EFTs are used to pay for transactions that do not follow a predetermined schedule, or a fixed dollar amount.

EFTs that do not follow a regular schedule and are for different amounts, require that the biller obtain your authorization for each withdrawal from your account. After you have signed the written agreement, this additional authorization may be provided through the use of a password.

How do EFTs Work?

You arrange to set up an EFT directly with the biller you want to pay by signing a written agreement. Once this agreement is in place, the biller will issue an EFT to withdraw money for payments you authorize, from your account at a financial institution.

If the timing or amounts of your EFTs will vary, the biller must obtain an additional authorization from you, which can be done through the use of a secret password.

The biller may ask for a copy of a blank cheque to ensure information about your account and branch is accurate. Be sure to write VOID in ink across the front of the cheque, and do not sign it.

True or False?

Setting up an EFT is as risky as writing a blank cheque.

FALSE. If your account has been debited through an EFT without your authorization, you have 90 calendar days to report the problem to your financial institution, who will reimburse your account.

The CPA: A Helpful Resource

The Canadian Payments Association (CPA) and its member institutions have established certain terms and conditions for the processing of EFTs to ensure that these transactions are properly authorized and to provide protection against improper EFT or PAD withdrawals.

For additional information, please contact your financial institution or the Canadian Payments Association:

Canadian Payments Association

1200 -180 Eldgin
Ottawa, Ontario K2P 2K3
Email: info@cdnpay.ca
Website: www.cdnpay.ca

Your Rights & Responsibilities

Make sure that you receive a copy of the EFT agreement that you sign and verify that it includes information on how to cancel it.

1. Advise the biller as soon as possible if you change your account details (number, financial institution, etc.)
2. Keep sufficient funds in your account to pay for EFTs, just as you would when you write a cheque.
3. If you wish to cancel your agreement, advise the biller and keep a record of the cancellation.
4. Inform the biller immediately if any withdrawal is not consistent with your authorization.

If you do not succeed in resolving the problem with the biller, or if the debit is fraudulent, you may ask your financial institution to reverse the transaction and return the funds to your account, subject to the timeframes below. As a consumer, you have 90 calendar days from the date of the withdrawal to report the problem to your financial institution and seek reimbursement. You will be asked to sign a declaration stating why the EFT is being returned.



Electronic Funds Transfers

Electronic Funds Transfers (EFT) offer a faster, easier and more reliable alternative to paper-based payables and receivables.

EFT lets you electronically debit or credit accounts at any financial institution in Canada. Whether you need to pay employees or suppliers or collect from your customers, EFT adds up to better managed payables and receivables, and better use of your time.

Control the timing of payables

Define settlement dates in advance to save the costs of late or missed payments or overdraft situations. And you can make payments exactly when they're due in order to optimize your available cash.

Accelerate receivables

With EFT, there's no need to wait on the postal system or your customers' internal cheque processing cycles before you get paid. Your funds are received when due. As a result, you can forecast receivables better and gain faster access to your cash.

Reduce operating costs

With EFT, you save the expense of error-prone, paper-based payment processing. EFT reduces the time spent mailing and reconciling disbursements, opening and sorting mail, and processing and depositing large volumes of cheques. It also eliminates the cost of postage, cheque stock and return envelopes.

Strengthen customer relationships

Meet customer needs by offering multiple payment options. EFT's pre-authorized debit option can save banking time for your customers and, because payments are always timely, you can ensure that your relationships remain on the best of terms.

Improve security

Electronic Funds Transfers reduce the risk of lost, stolen or forged cheques.

Enjoy the added convenience

EFT works with the systems you already have – so you can get up and running fast. You can create a payment file using a popular software package such as MYOB[®], ACCPAC[®] or Simply Accounting[®], or by using our DirectLine[®] for Business service.

You can send the payment file, with the value date for each payment, to BMO Bank of Montreal securely via the Internet or create files online through our DirectLine[®] for Business service.

OUR PROMISE

At BMO Bank of Montreal, your satisfaction is top priority. We are committed to providing you with a relationship you can value and trust. This means proactively providing you with the right financial services solutions to help you achieve your business goals. Whether it's efficient cash management or managing your investment requirements, BMO Bank of Montreal can customize solutions to help you and your business succeed.

Electronic Funds Transfers continued

Take charge of your payments with comprehensive tools

Once you've sent a payment file, we store it in an electronic warehouse until it is due to be posted. Through our web-based cash management service, DirectLine® for Business, you can trace payments, monitor the status of your file, recall items or files, and make corrections. You also receive detailed reports to help manage your payment activity.

Electronic Funds Transfers may benefit your business if:

- You want to eliminate the costs of managing and processing cheques
- You want to improve security by eliminating lost, stolen and forged cheques
- You would like to offer employees, suppliers and clients the convenience of direct debit or credit

Manage cash better

BMO Bank of Montreal cash management solutions make it easier for you to manage your cash flow. We offer numerous services to complement EFT:

- ESQwire® service lets you initiate local, national or international wire payments from your PC, in a matter of seconds
- DirectLine® for Business lets you monitor your account activity at any time, in real time, from your own PC

Minimum technical requirements

- **Web Browsers:** Netscape®* 6.2 or Internet Explorer®** 5.5 and 6.0 with 128-bit encryption
- **System:** 266 Mhz, Pentium II®** processor with a Windows®*-based operating system

Minimum banking requirements – funding

Your credits can be funded through:

- Settlement risk line of credit, or
- Pre-funding – availability of funds is confirmed before a file is accepted and funds are placed on hold until the value date

Getting started is easy

An experienced Implementation Specialist guides the process from start to finish and keeps you informed every step of the way. He or she works with you to ensure a smooth, timely, hassle-free implementation.

Dedicated technical support

The Cash Management Services Help Desk is dedicated to answering your technical questions and solving issues – fast. Staffed by trained professionals, our Help Desk provides technical support to thousands of organizations across Canada, in English and French, through a toll-free phone number, fax and e-mail.

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