



We Geek Out On Payments:

A case for modernizing financial
transactions in property management

Interac® e-Transfer for Business Insights Report



Introduction

For property management companies, maintaining a competitive edge requires seamless operations, tenant satisfaction, and frequent maintenance. These critical success factors cannot happen without streamlined and efficient financial operations.

In the Canadian real estate industry, there is a perceived need for certified cheques to expedite and secure the deposit upon acceptance of an offer to rent or purchase property.¹ This sector has heavily relied on commercial cheques as a primary method for handling transactions, including rent collection, utility bills, vendor payments, and owner disbursements.

However, when looking at the state of digital transformation within this sector and more broadly across corporate Canada, it is clear that traditional methods of handling financial transactions – particularly the age-old use of paper cheques – are rapidly becoming relics of the past.

The moment to “cheque out” is coming with an urgency that cannot be ignored. According to a recent survey of financial decision makers commissioned by Interac Corp. in June 2023, about **six in 10 financial decision makers across all industries canvassed believe cheques are an outdated payment method**, as customers and vendors expect the convenience of digital or other forms of payment.² What's more, **74 per cent of companies surveyed expect to fully phase out cheques within the next five years.** This is a significant shift that will completely change how payments are made.

From optimizing processes to enhancing tenant experiences, the property management industry is turning the key to a new era. As technological advancements continue to reshape how business is conducted, it is crucial to reevaluate the role of commercial cheques in property management and explore the compelling benefits of transitioning toward more modern methods, including *Interac*® e-Transfer for Business, as a more streamlined and secure alternative.

By analyzing the advantages of *Interac* e-Transfer for Business, including ease-of-use, familiarity, security, and cost-effectiveness, this report underscores the urgency and transformative potential that *Interac* e-Transfer for Business holds for elevating the efficiency and reliability of financial operations within the property management industry.

¹ [Payments Canada, Canadian Payment Methods and Trends 2022](#)

² [Interac Survey of Financial Decision Makers, June 2023](#)

Part 1: What's driving the need for transformation right now?

When it comes to modernizing payments, there is appetite for change. Financial decision makers are aware that times are changing and that payment methods are shifting away from paper cheques and toward digital solutions like *Interac* e-Transfer for Business.

According to a Statistics Canada survey, **half of businesses polled already accept *Interac* e-Transfer (50 per cent) as a method of payment.**³ Meanwhile, **seven in 10** accept cheques, and **six in 10** accept electronic funds transfer (EFT).

Three big drivers for modernizing payment methods include fraud protection, cost savings/cash flow management, and payment efficiency to support payment growth.

Fraud Protection

According to an *Interac* survey of financial decision makers in June 2023, security is one of the top motivations for embracing *Interac* e-Transfer for Business as a payment method.⁴

This comes as no surprise since cheques are a form of payment highly vulnerable to fraud attempts.⁵ "Fraudulent cheques are a big problem since they can essentially be created out of thin air," says Richard Mills, Director of Business Development at *Interac*. Criminals can steal and create counterfeit cheques by forging signatures or changing the name or amount of a legitimate cheque.⁶

Large companies that process many cheques at once are the most common targets, and the persistence of cheque fraud, coupled with its potential financial implications, calls for an urgent shift toward more modern and secure methods.

Interestingly, while some organizations are incorporating *Interac* e-Transfer for Business to help enhance security, financial decision makers surveyed in June 2023 still strongly believe cheques are more secure, **as fraud and security concerns are seen as the top barrier to adopting *Interac* e-Transfer for Business (40 per cent).** In other words, security concerns are a reason to modernize for some but also a barrier to doing so for others.

Some may assume that electronic payments are more susceptible to hacks or data leaks due to the interconnected nature of digital systems.

"This is a common misconception," says Anurag Kar, AVP of Money Movement Products at *Interac*. "The security features of leading digital business payment options, including *Interac* e-Transfer, offer more layers of security than cheques. Our solution was built and designed with security in mind and includes an array of features that ensures the privacy of financial information."

3. Analysis of payment methods accepted by businesses, third quarter of 2023 – Statistics Canada

4. *Interac* Survey of Financial Decision Makers, June 2023

5. JP Morgan, *Mitigating Payments Fraud Risk Report, 2020*

6. CBA, *Protecting yourself from cheque fraud, June 2023*



Interac e-Transfer for Business provides multiple layers of digital security that are built in by design and executed in every transaction, including encryption and the Interac risk detection model. Each transaction is accessed through a financial institution and is secured by the robust set of security measures that protect commercial banking platforms, which could include multiple-factor authentication and secure passwords.

With *Interac e-Transfer*, receiving and sending transfer funds from one financial institution to the other using established and secure banking procedures, includes:

- Authentication and transaction encryption;
- Financial institution authentication; and
- Proprietary risk management processes.

With numerous safeguards in place, the user does not need to worry about securely storing their vendors' bank account data because *Interac e-Transfer* transactions are facilitated with an identifier like an email address or mobile phone number — no banking information is exchanged, and void cheques are unnecessary.

Transactions are protected by multiple layers of security including an “alias payment.”

Additionally, the bank or credit union's security measures most often include:

- Encryption technology;
- Confidential user IDs and passwords;
- Secure login process; and
- Preapproval for auto deposit and/or a security question and answer.

**We encourage users to take advantage of all the security features offered within their financial institution's commercial banking platform, such as multi-factor authentication and using strong passwords that are changed regularly.*



Cost Savings And Cash Flow Management

With business costs increasing every day, managing cash flow is more important than ever. **Three-quarters (76 per cent)** of those polled in the Interac survey of financial decision makers agree that amid high inflation, it is important for businesses to manage cash flow levels carefully.⁷

At the end of the day, financial decision makers need to evaluate how much money their business has at its disposal before spending it.

Payment modernization can improve cash flow and in turn, generate substantial cost savings. **Most professionals polled in our survey (59 per cent)** said they are motivated to switch from cheques to *Interac* e-Transfer for Business transactions based on the potential cost-savings of digital methods.⁸

And the potential savings are significant. It is not uncommon for a commercial cheque to cost \$15 to \$25, so if a business issues a cheque for an amount as low as \$20, the cost of producing the cheque could be the value of the cheque itself.⁹ That means paper cheques can be far more costly and inefficient than digital methods, especially for smaller expenses.

"Financial institutions say that businesses are surprised to learn how much cheques cost. It can be surprising, especially when financial professionals know exactly what it costs to pay a bank for a digital transaction or a wire," added Mills. "Sending a cheque involves a series of resource-consuming steps. Every person who handles a cheque from the point it's written to the point it's reconciled in the books represents an expenditure of time, effort, and cost."

Interac e-Transfer for Business eliminates these steps, as funds are transferred electronically, bypassing the need for physical cheques, postage, and manual reconciliation. It's a more streamlined process that enhances financial control and optimizes resource allocation, ensuring that your team is able to focus on critical areas of the business.

Another factor to consider when preserving liquidity is that recipients can cash cheques at unpredictable times, which leads to less accurate foresight on cash flow.

Most businesses aim to maximize their liquidity by holding on to their funds for as long as feasible before sending payments. This not only helps in maintaining healthy cash flow but also provides opportunities to invest or address immediate financial needs. With *Interac* e-Transfer for Business, the payment can leave your account and reach its destination almost instantly, on the exact due date. So, if business owners require access to capital, they retain flexibility to do so right up to the due date.

This is especially true when comparing *Interac* e-Transfer for Business transactions with EFTs. *Interac* e-Transfer for Business delivers money within minutes, whereas it can take several days for an EFT to appear in a recipient's bank account.

7, 8. Interac Survey of Financial Decision Makers, June 2023

9. Finextra, The Hidden Costs of Cheques For Your Business, 2019

Phasing out cheques and adopting *Interac* e-Transfer for Business transactions provides real-time insight into cash flow management and supports better decision-making in a company's financial department. Electronic payments can give a business better control by giving them a clear idea of the flow of money coming in and out. Real-time insight into cash flow is priceless because it enables informed decision-making, timely adjustments, and the ability to seize opportunities or mitigate risks as they arise, ultimately fostering stability and growth.

Payment efficiency to support strategic growth

The move from paper cheques to electronic transfers is also happening because businesses want their payments to be more efficient. This efficiency helps them focus on tasks that drive strategic growth in today's fast-changing business world.

Financial professionals carry immense responsibility within an organization, as their jobs are imperative to the success of a business. They must be able to plan their time to strategize on how to further business growth.

More than **half of those polled (53 per cent)** in our survey of financial decision makers say that their role is increasingly focused on strategic support and counsel instead of overseeing day-to-day financial processes.¹⁰

Despite this shift in their job description, transactional processes – like managing payments by cheque – are taking over their day-to-day duties, with more than half of financial decision makers spending time overseeing transactional processes instead of supporting business growth.

This is a clear pain point. According to the survey, financial decision makers are determined that their finance team spend less time on transactional processes and more time on value-added functions, like business growth in existing markets.¹¹

Among the financial decision makers surveyed, **more than two-thirds (68 per cent)** would also like the ability to reconcile transactions digitally with less reliance on paperwork. In fact, **65 per cent of decision makers** in our survey reported that customers they accept payments from now expect the convenience of digital or other forms of payment, **with 50 per cent of financial decision makers** saying their business needs more flexible and efficient methods of sending payments to multiple recipients at once.¹² As technology continues to accelerate, these transactional processes can and should be completely automated. And this change is starting to roll out with the help of *Interac* e-Transfer for Business.

“Many property managers appreciate the ease and convenience of digital transactions when it comes to payroll – without cheques, sales without cash, and bookkeeping without paper invoices,” says Kar. “Finance teams do not want to be stuck in the past or waste their valuable time.”

^{10, 11, 12.} *Interac Survey of Financial Decision Makers, June 2023*

Ultimately, these financial professionals realize that improving payment processes with *Interac* e-Transfer for Business improves customer satisfaction, supports efficiencies and cost savings – and in turn, drives business growth through efficiency.

Part 2: What's slowing the transformation?

While there's momentum and appetite to modernize businesses with digital payment methods, there are still perceived barriers to switching to *Interac* e-Transfer for Business.

The biggest reason? Inertia. **About six in 10 financial decision makers polled in the *Interac* survey (64 per cent)** said their current financial processes generally work well and are efficient, contributing to a hesitancy toward adopting new payment methods. More than half of the companies surveyed (56 per cent) still use paper cheques to send money, and 63 per cent receive some payments through paper cheques, with larger companies using cheques proportionately more than smaller to mid-size businesses.¹³

It is easy to see why many decision makers are so reliant on cheques. After all, cheques have been around in one form or another since Roman times and in more modern, printed forms since the 17th century. Many longstanding companies have systems specifically set up for handling cheque payments, which can make it challenging for them to transition to digital payments like *Interac* e-Transfer for Business.

Businesses maintain their use of cheques because there's a perception that these payments are easy to track and don't depend on online banking. However, this attitude is expected to transform as a new generation enters the workforce.

"With the increasing reliance on digital solutions to accommodate remote work, the traditional use of cheques will likely become less prevalent and digitized payments will become even more essential," says Kar. "Embracing evolving technology and payment methods will be essential for staying in sync with the changing preferences and habits of the incoming workforce. Beyond staying in sync, accepting rent and property payments digitally, offer a natural opportunity to shift since many consumers are already transacting with *Interac* e-Transfer in their day to day activities."

Just because a payment process has worked for a long time doesn't necessarily mean it's the best way to continue operating. Innovation moves a business forward, and businesses that are not adopting new technologies along the way are at risk of falling behind.

¹³. *Interac* Survey of Financial Decision Makers, June 2023



Part 3: Reasons to modernize to *Interac* e-Transfer for Business



Security

Modern B2B payment platforms have strong security features that safeguard sensitive financial information. They use advanced encryption and authentication methods to protect transactions, minimizing the risk of fraud or unauthorized access to payment data. These enhanced security measures inspire confidence in business partners, motivating them to adopt *Interac* e-Transfer for Business.

Plus, paper cheques take far longer to arrive. There's much more unknown when it comes to the timely arrival of a cheque, as you are unable to track its whereabouts and there is a risk of it not reaching the intended destination with documents getting easily lost in the mailing process; not to mention that they take a while to be "cashed." With *Interac* e-Transfer for Business, financial decision makers can have peace of mind knowing their payments will arrive in bank accounts safely and swiftly without worrying about the whereabouts of critical funds.



Cost

A common motto in business is that time is money. The cost of producing, printing, and distributing paper cheques can add up significantly over time. Additionally, distribution charges further contribute to the expense. By transitioning to *Interac* e-Transfer for Business, companies can eliminate these costs, freeing up resources to be reinvested into growth initiatives, research and development, or simply improving the bottom line.



Transparency

Improved transparency builds trust among partners, vendors, and customers, and reduces the risk of payment disputes or errors. By adopting modern payment technologies and platforms, businesses can gain more transparency in their financial transactions. *Interac* e-Transfer for Business provides real-time payment deposits into the recipient's account within seconds, providing immediate confirmation of payment and enabling businesses to monitor payment statuses to always know where their money is.



Convenience

Traditional payment processes often involve manual tasks like printing, mailing, and auditing recipient details, which can be time-consuming and prone to delays. Modernizing back-end payment processes through digital solutions offers faster and more convenient ways to send and receive payments, reducing the administrative burden and enhancing the overall payment experience for both payers and recipients. Modernizing payment methods minimize the need for wires and cheques and places less reliance on paperwork to streamline records.



Efficiency

Businesses can streamline their payment workflows by transitioning from paper-based payment processes to embracing *Interac* e-Transfer for Business as a payment method, reducing processing times and minimizing paperwork-related delays. With an accommodation of global payment standards, *Interac* e-Transfer for Business, allows businesses to include remittance data within the payment. This drives ease of reconciliation and acceleration of straight through processing. Integrating automated systems with accounting software further simplifies reconciliation and financial reporting, enhancing efficiency while reducing opportunities for errors. This optimization leads to cost savings and enables businesses to redirect their attention toward core operations, unburdened by manual payment handling.

Part 4: Making the change

If you're a property manager eager to modernize, you're in good company. Most businesses *Interac* surveyed have their sights set on a digital transformation in their finance departments. Regardless of the size and type of organization, there is likely a good opportunity to modernize payment processes and reap the rewards soon after. Here is what to keep in mind:

Build the case for your financial digital transformation strategy.

Every organization is unique, and the benefits of a digital transformation will be realized in different ways. So, think about the “big picture” to build the case for modernization internally. Will modernized financial processes, including *Interac* e-Transfer for Business, build better client relationships? Free up time better spent on strategic growth? Maybe it will provide a more up-to-date view of cash flow, which can mean faster and better informed decision-making. Consider the leadership's priorities and how payment modernization can help achieve the organization's strategic vision.

Take stock of your needs.

Chances are, there are opportunities to address legacy processes, but it's important to know which ones and for what scenarios. Consider the organization's day-to-day needs, including how and when payments are made or received. Find out where there's room for improvement, whether that's more reliable confirmation of payments, better visibility into cash flow, or simply eliminating paperwork.

Talk to your financial institution.

Once it is clear where processes can be improved, it is time to speak to a financial institution. Explore options for modernizing payments, the upfront investment (if any) to make a change, and how updating processes will change monthly and annual costs.

Get your finance team on board.

Once the necessary improvements are identified, it is essential to get everyone on board and up to speed. Provide training, as needed, to ensure everyone understands how to get the most out of a modernized payment process. More real-time data and payment confirmation, structured data for easier reconciling, and flexibility in sending payments are all benefits that will likely help them understand the change and how to get the most out of it. Remember to encourage questions and get feedback along the way to adapt processes, if necessary.

Keep vendors in the know.

Of course, the people and organizations a business transacts with most frequently should factor into any decisions about changing payment methods. Communicate any changes that are being made and demonstrate how updating these methods may benefit them, such as getting payments within seconds rather than days. Speed, efficiency, and reliability all build trust with important connections – a return on investment that's often beyond measure.

What to consider before talking to your financial institution

- What's the typical transaction amount your business has? For example, are you handling major transactions occasionally, regularly making payments under \$25,000, or both?
- What are your vendors' pain points with payments?
- What are your own pain points for sending and receiving payments?
- How quickly do your vendors require (and expect) payment?
- What's the current view of your organization's cash flow and how could it be better?
- What tasks can you speed up or eliminate for your finance team?

Comparing Needs

Every business is different. Here's how different business payment options stack up, at a glance*:

	Interac e-Transfer for Business	Cheques	Wires	Electronic Fund Transfers	Business Credit Cards
Fund Availability	Real-time, within 5 seconds	5-10 business days	Near real-time, if using straight-through processing	0-1 business day	1-2 business days
Payment Transparency	Real-time confirmation	None	Track payment	End-of-day report	None
Payment Routing	Flexible (SMS, email, account number routing)	Legal name	Account number	Account number	N/A
Payment Finality	Irrevocable	Revocable	Irrevocable	Revocable	Revocable
Transaction Limits	\$25,000 (set by financial institution)	\$25 million	Set by financial institution	Set by financial institution	\$10,000 for large ticket interchange (LTI)
Enriched Data	Structured and unstructured	Unstructured memo field	Limited, unstructured data	None	None

*Specifics are dependent on the financial institution.



Call-to-action

As property management professionals navigate an evolving landscape characterized by changing tenant preferences and technological innovations, it is imperative to proactively consider modernizing financial practices. By embracing *Interac* e-Transfer for Business as a payment method, property management companies can align their operations with contemporary expectations, enhance tenant and owner experiences, and position themselves as industry leaders committed to embracing innovation for sustainable growth.

Reach out to Interac at info@interac.ca to learn more about how property management businesses can utilize *Interac* e-Transfer for Business before engaging with a financial provider.

Research Methodology

Interac Survey of Financial Decision makers – The Interac survey was conducted by Leger and Hill+Knowlton Strategies, comprising a national online survey of 101 financial decision-makers in Canada from June 9 to 12, 2023.

About Interac Corp.

Interac empowers Canadians to transact digitally with confidence by providing payment and value exchange services. In helping to develop the future of money and data in Canada, security is the core of everything we do. We help keep Canadian customers safe and secure when transacting. With nearly 300 financial institutions connected to our network, Canadians choose Interac products over 20 million times a day on average to exchange money. Interac champions workplace culture, community, and corporate citizenship. We are proud to be one of Canada's leading and most trusted financial brands.



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