

Sigmar Prefers Paperless Payments

Valerie Whelehan, Sigmar Recruitment

Eschewing the traditional payment method of cheques in favour of the Electronic Funds Transfer (EFT), many organisations are updating their payment systems, as reported by Sigmar Credit Manager, Valerie Whelehan.

For businesses still at the mercy of the antiquated 'cheque and pen' system, the time is nigh to update payment methods. This outmoded system is time-consuming, labour-intensive and expensive, and there is no need for it anymore. In a virtual world that favours the simplicity, convenience and immediacy of e-business, it comes as no surprise that payments are moving from the more traditional, manual systems towards a paperless, electronic alternative. The current Sigmar payment method of choice, EFT, enables businesses and their customers to exchange money electronically. This electronic system now stands as one of the best cash management tools available to businesses and organisations such as Sigmar certainly welcome it for effective financial management.

From the Payer's Perspective:

Electronic payments lower costs for payers by reducing operating expenses associated with writing cheques, manual processing, bank fees and charges and on the time spent reconciling accounts. From the payer's perspective, EFT also provides a convenient and cost-effective solution for processing multiple payments simultaneously. EFT is also safer and more reliable as it removes the risk associated with cheque fraud and forgery.

From the Payee's Perspective:

Electronic payments make the credit controller's life much easier. Cleared funds are available sooner, with no need to wait for up to five days to clear a cheque. The old excuses such as 'awaiting cheque signatures', 'awaiting new cheque books' or 'the cheque is in the post' are no longer usable. Valuable time is saved when staff members no longer have to prepare cheque lodgements and make trips to the bank to deposit them.



In Summary

Paying by electronic payment does present some challenges, such as ensuring the accuracy of the beneficiary bank account details for senders, and potential reconciliation issues for recipients. However, the many disadvantages of cheque usage, when assessed in conjunction with the benefits of electronic payments means that it is a 'no-brainer' for most businesses. And to top it all, there are no hidden costs associated with electronic payments, unlike the 50c per cheque stamp duty that applies to cheques which, in many cases, is charged when the cheques are issued rather than when they are used. The electronic way is the Sigmar way.

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