Salary Finance

Employer Handbook

Payroll Processes

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Overview

Salary Finance is an employee benefit that has been made available to you and your colleagues. We work with HR and payroll teams to take deductions from employees' pay. This is then paid over to Salary Finance who process the payment and credit the deductions against the employees' accounts.

For products; **Borrow,** and **Advance**, the payroll processes are the same and are detailed in this handbook.

It is really important that these processes are followed closely so that we do not risk any of your employees falling behind on repayments, or not having access to their savings.

The Salary Finance team will always be available to help your team with any queries or issues you have so please feel free to contact us at:

e: payroll@salaryfinance.com

t: 07811 998344

Service Provision

Salary Finance Limited will provide the Salary Finance platform 24 hours per day, 7 days per week with email and telephone support available 5 days per week Monday to Friday (excluding bank holidays), between the hours of 9am to 5pm.

Outside of those hours Salary Finance Limited will monitor inbound calls and emails, however Salary Finance Limited cannot guarantee issues will be resolved outside of normal working hours.

Payroll Process Overview

There are 3 simple steps to the Salary Finance process which enable deductions to be taken from salary via payroll. These 3 steps must be sequentially carried out once every pay cycle. They are:

1. **Deduction Download** - collecting the instruction from Salary Finance
2. **Confirmation Upload** - confirming to Salary Finance which deductions could or couldn't be taken
3. **Making Payment** - paying Salary Finance the amount that has been confirmed in the **Confirmation Upload** file

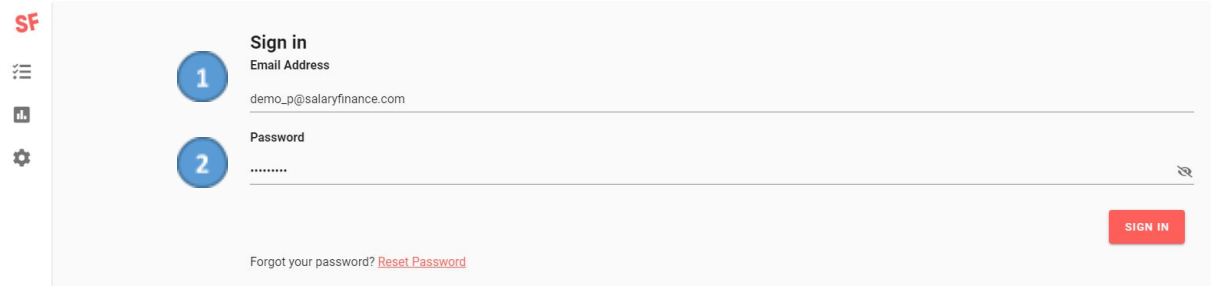
The execution of these processes has been agreed between your company ('Employer') and Salary Finance Limited and the process dates are documented in the Operational Schedule for each payroll.

An example of this schedule is shown in Appendix 1 at the end of this document. Please ask your project/payroll lead if you need to see the schedule of dates that have been agreed.

Payroll Processes

Login

You can access the Salary Finance portal at
https://hrportal.salaryfinance.com/Login



1. Your username is your work email address.
2. If you have not set your password, then please click 'Reset password?' on the login screen and enter your email address. Click 'Send' and an email will be sent to your inbox and you will be able to set your password for the first time.

FAQs:

- I'm not receiving any password reset emails?
  - Please first check your spam filters and trash
  - Check that your IT system has not filtered these out - sender is noreply@support.salaryfinance.com
- My new password won't be accepted?
  - It needs to be different from any you've used before
  - It needs to be 8 characters long with an uppercase letter, a lowercase letter, a number, and/or a special character
- How do I add a new team member to the Salary Finance platform?
  - Please email payroll@salaryfinance.com with their: Name, Email Address, Contact Number, and Job Title

If you are still unable to login please contact payroll@Salaryfinance.com

1. Deduction Download (process B in Operational Schedule)

The first process is to download the Deductions file.

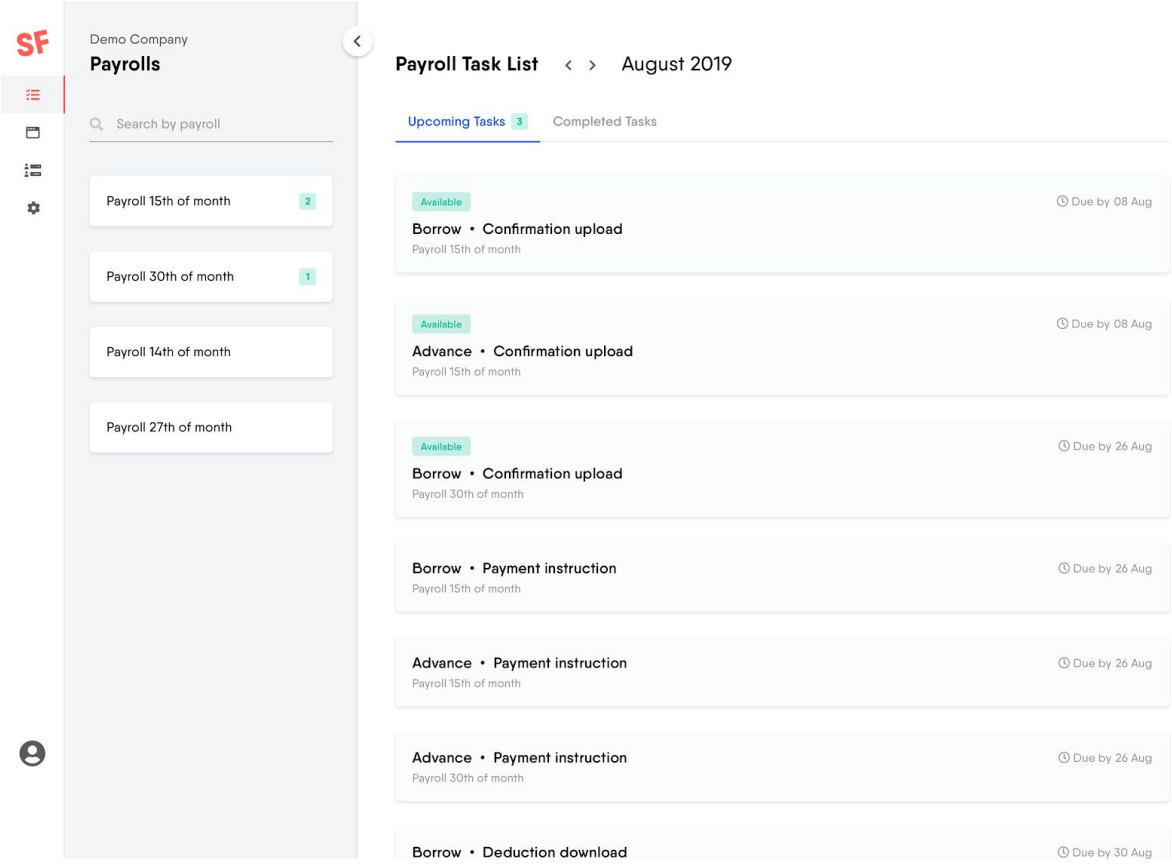
This process repeats once every pay cycle where you will download a list of employees who require a deduction from salary on that payroll.

Step-by-step guide:

Step 1. Log in to https://hrportal.salaryfinance.com/login

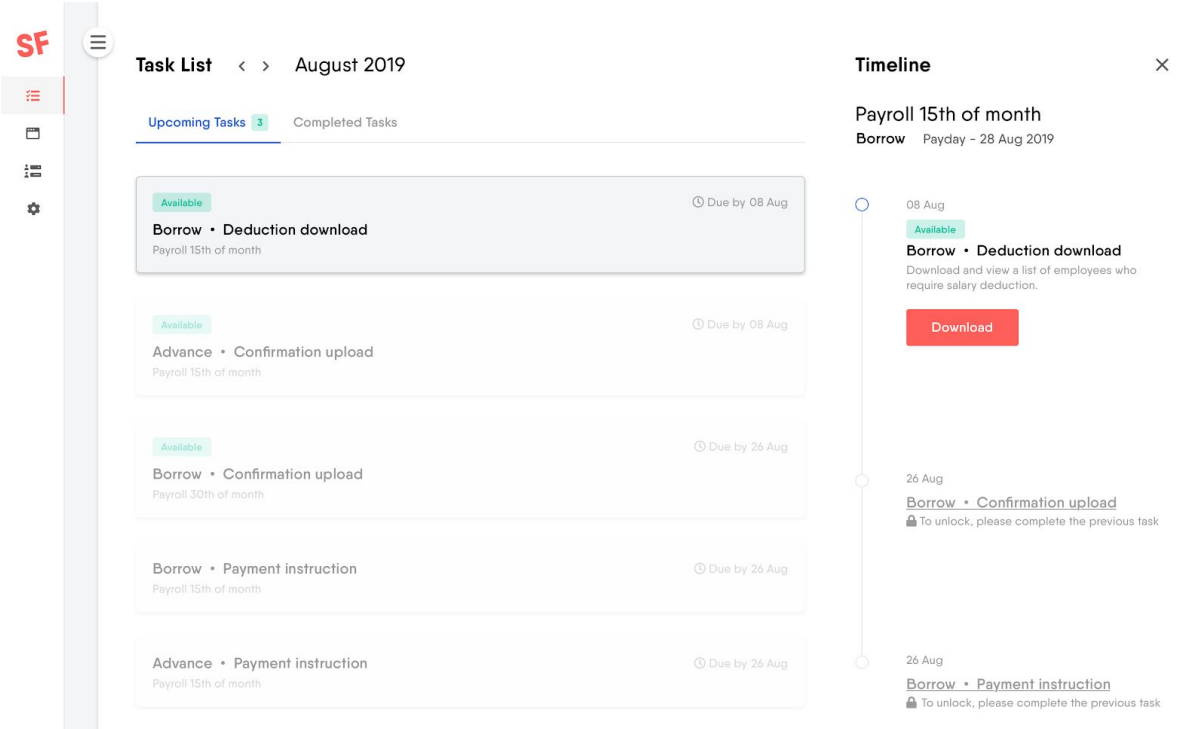
Step 2. All available tasks are listed in chronological order in the upcoming tasks list.

- If a deduction download file is ready, a green box will display on the task showing it is available.
- If the expected date to download a deduction file has passed, an orange box will display showing it is overdue.



Click the task to display the Timeline of processes for that payroll and product.

Step 3. The timeline displays the order of the payroll processes for the payroll and product selected. They must be completed sequentially and each new task is unlocked by completing the task before it.



Click 'Download' to download the deduction file.

The task will disappear from the upcoming task lists as it is now complete and will move to the completed tasks list. You can return to the timeline at any time to re-download the file if required by clicking the task tile in the completed tasks list.

Step 4. Repeat for other products (and other payrolls) if applicable. There is a separate deduction file per product per payroll.

Step 5. You can open the **CSV** files to view the list of employees requiring a deduction.

Step 6. Process the deductions through your system to the exact penny as net pay deductions.

Process complete.

The deduction instruction file will contain the following data:-

Data Item	Data Type	Description
Employee Unique Identifier	Text	A unique identifier for each employee, this will enable the platform to link the anonymised employee details
Deduction Amount	Number	The amount to be deducted from the employee's salary

Deduction Rules

- Deduct from net pay
- Take either the full amount or £0 - **NO** partial deductions
- Do not set up a reducing balance or recurring payment - the amount can change depending on the employees' requirements

FAQs:

- How many files do I have to download?
  - There is one file per product per payroll
- The employee has left, what do I do?
  - Let us know in the next step 'Confirmation Upload' (see section below) - no need to email us
- The employee does not have enough in their pay to deduct the full amount, what happens?
  - Do not take the deduction and notify us in the next step 'Confirmation Upload' - we do not require/accept partial payments
- The employee is on statutory pay
  - Get consent from the employee to continue with the deduction
  - If they do not give consent, do not take a deduction
- Does the deduction amount stay the same each time?
  - No, there are cases where the payment amount can change, so please do not set up a recurring payment
  - The balance is not a reducing balance and employees can make changes to their account directly with us which will therefore affect their repayment amount
- Do I have to download a new file each time or can I re-use that last one?
  - You need to download a new file each time as employees join or stop using the benefit on a regular basis
- The file is blank - is something wrong?
  - If in doubt please check with us, but bear in mind that we do not request a deduction for a loan until the first pay cycle 30 days after the date the loan is approved. For savers, they will begin saving as soon as possible.
  - If the file shows no active employees, please download a new file next pay cycle to check if anyone has taken up the benefit
- Anything else? Please ask at payroll@salaryfinance.com

2. Confirmation Upload (process C in Operational Schedule)

The second process is to upload a file to our secure portal that confirms which of the requested deductions you could or could not take.

This lets us know exactly which salary-deduction repayments to expect, and for which employees we need to collect payment via Direct Debit. We therefore expect to receive the exact same amount in our bank account as the aggregate total of those who successfully had a deduction from salary.

This file is mandatory in order for us to process the payment.

You must upload one file per product per payroll.

Step-by-step guide:

Step 1. Either make a copy of your deduction file that you downloaded in step 1 **or** prepare an CSV file that contains at least the employee code and the deduction amount

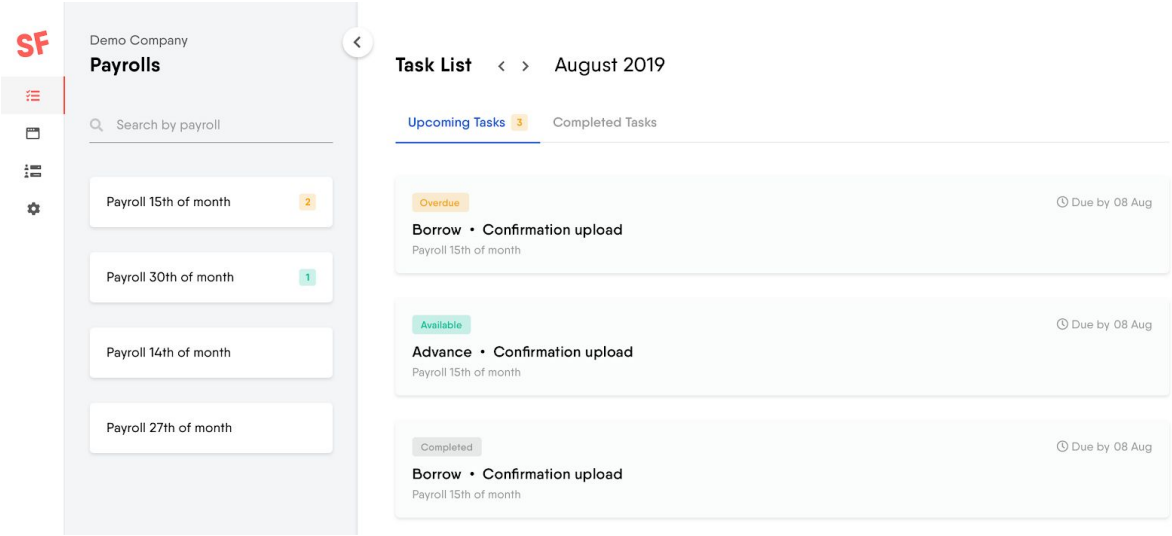
The file must contain at least the following items:

Data Item	Data Type	Description
Employee Unique Identifier	Text	A unique identifier for each employee, this will enable the platform to link the anonymised employee details
Deduction Amount Executed	Number	The amount in pounds and pence that has been deducted from the employee's salary e.g. 85.20

Please ensure the column headers in your confirmation report match header names in the deduction download file.

Step 2. If you were not able to take the deduction for an employee, please ensure the deduction amount in the file for that individual is 0. Alternatively, you can omit the individual from the file.

Step 3. Log in to https://hrportal.salaryfinance.com/Login

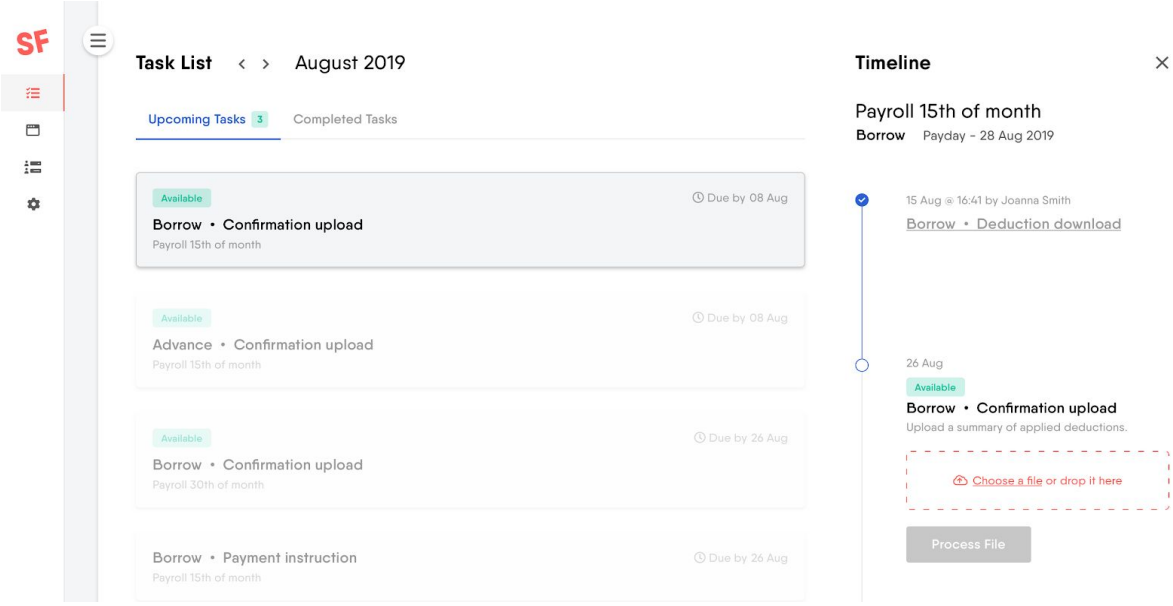


All tasks for the payroll you have selected are listed in the Task List, in chronological order.

- If a confirmation upload is expected, a green box will display on the task showing it is available. You must download the corresponding deductions file for this task to become available.
- If the expected date to download a deduction file has passed, an orange box will display showing it is overdue.

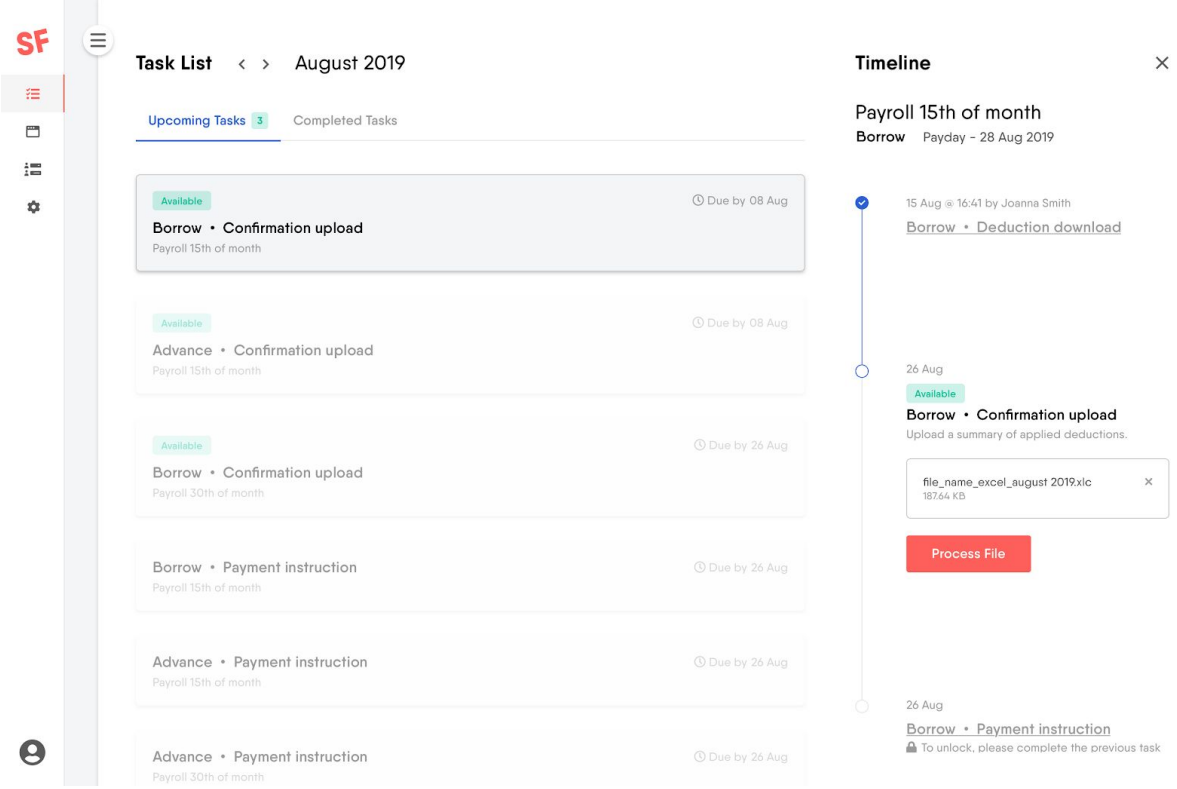
Click the task to display the Timeline of processes for that payroll and product.

Step 4. The timeline displays the order of the payroll processes for the payroll and product selected. They must be completed sequentially and each new task is unlocked by completing the task before it.



You can drag and drop your confirmation report to the red box in the timeline, or click ‘Choose a file’ to browse to where you have stored your confirmation report to upload it.

Step 5. Click ‘Process File’ to process the deductions contained within the file.



The file summary will display the number of deductions that have been confirmed and the number of deductions that require actioning. If you were not able to take a deduction from salary, e.g. the employee has left or is on reduced income, the platform will ask for a reason why no deduction was taken.

If there are no employees that require actioning, you can click ‘Confirm’ and move to step 8.

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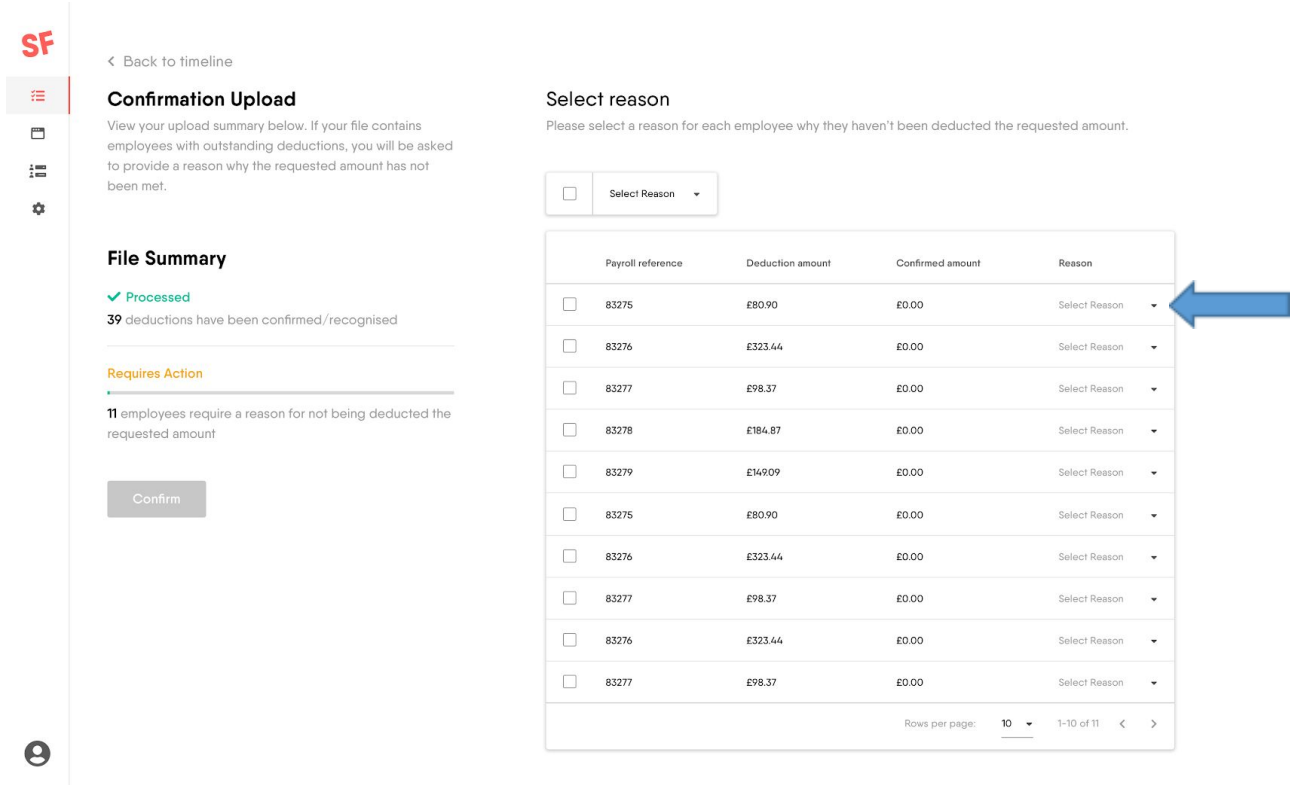
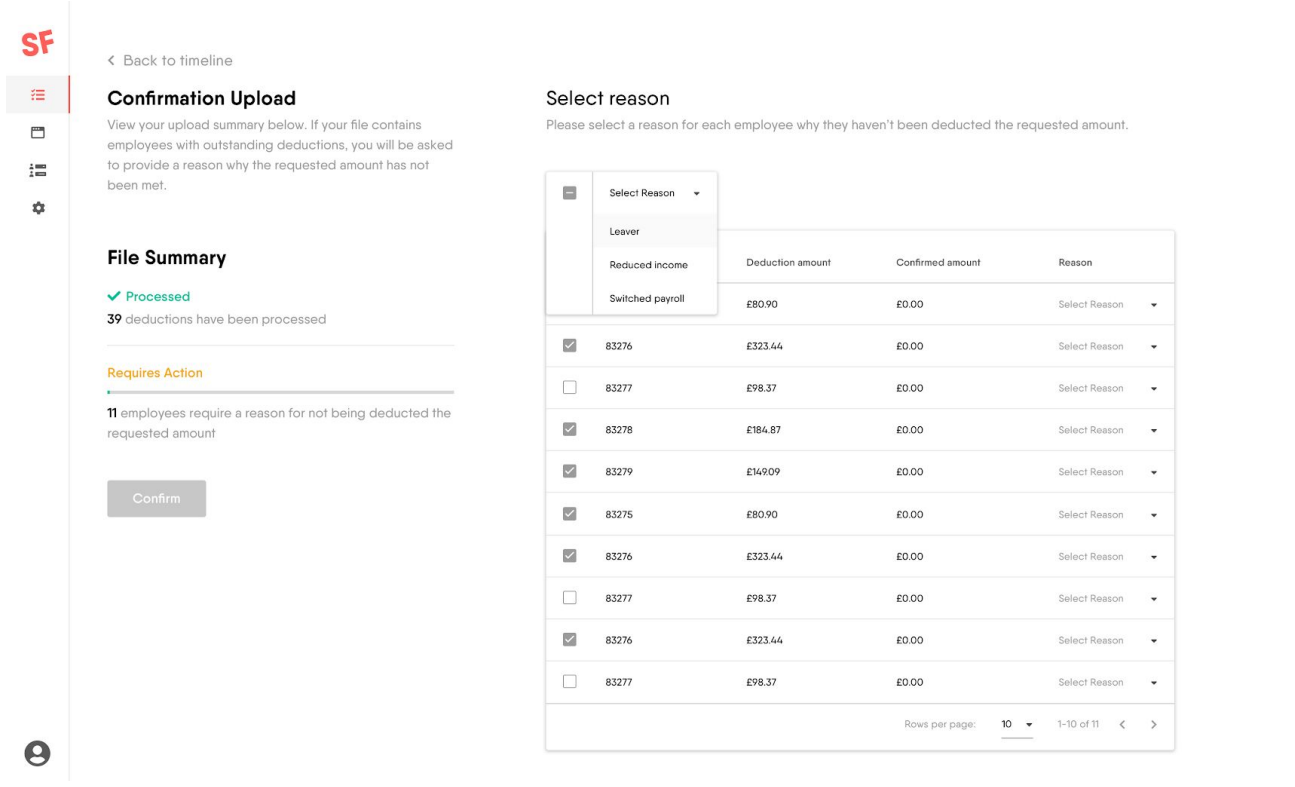
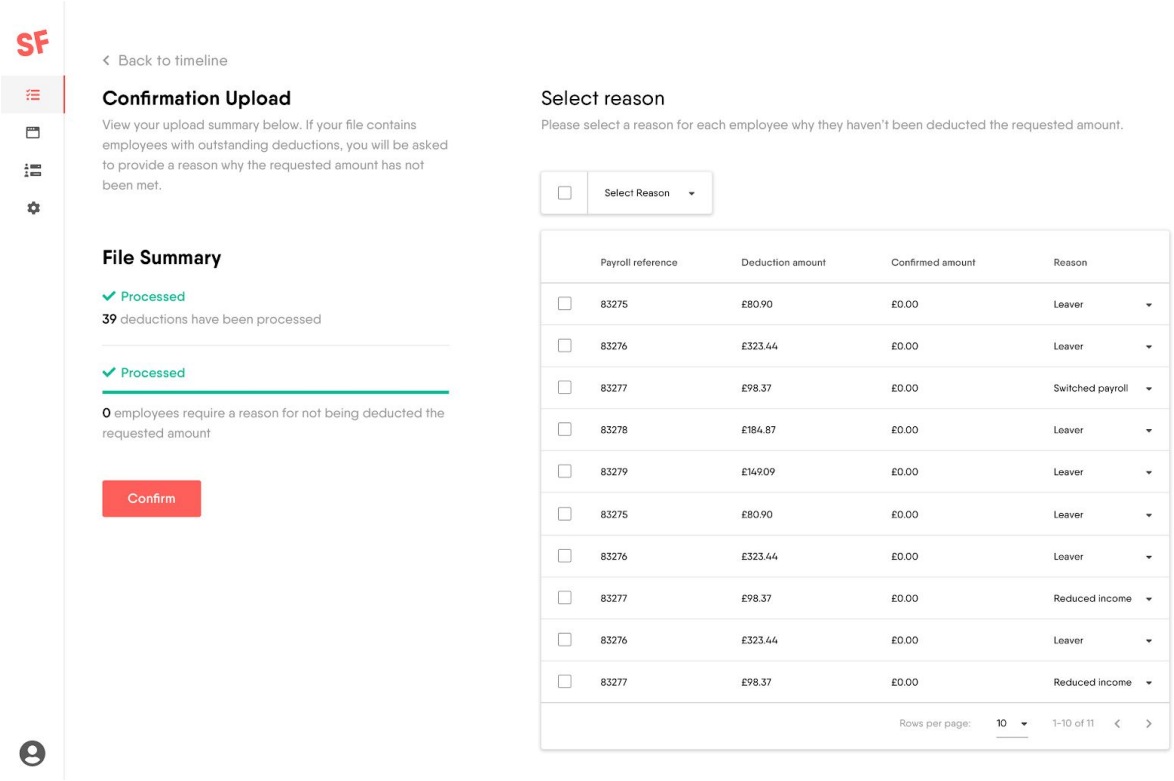


Step 7a. For deductions that you were unable to confirm, you can select a reason from the drop down menu for an individual employee.

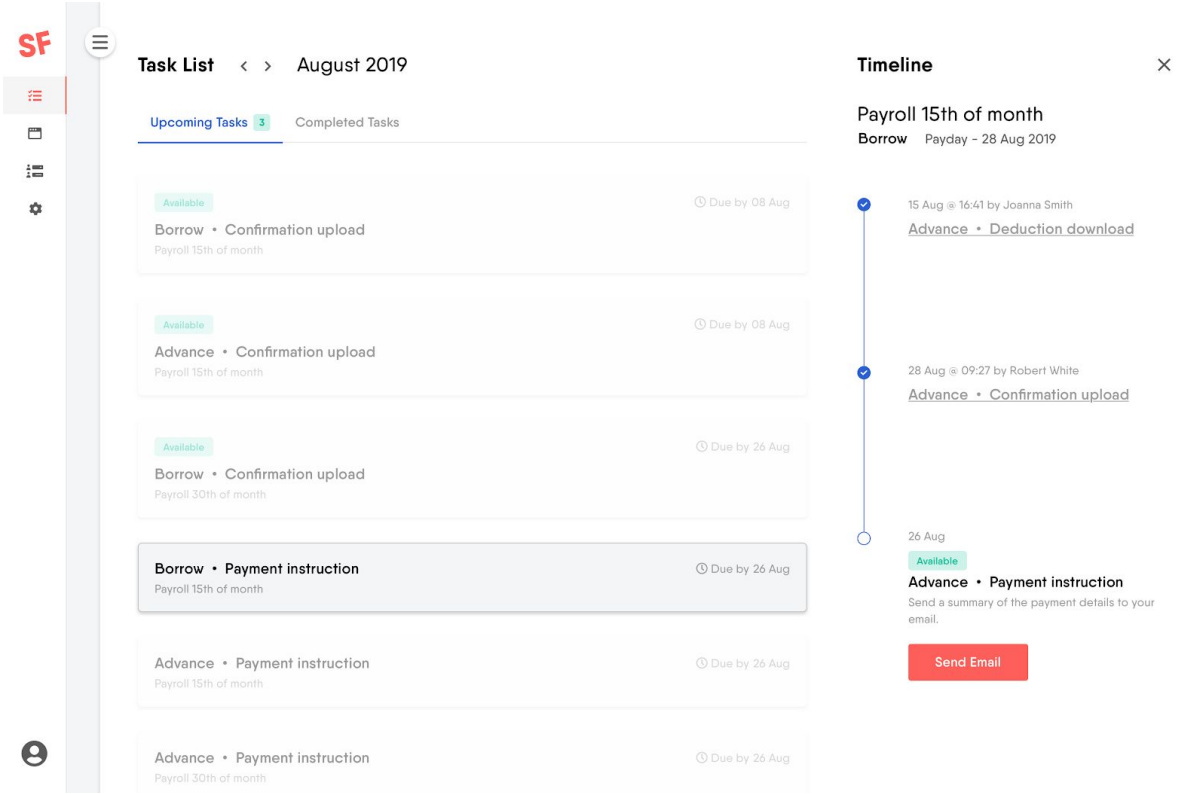


Step 7b. You can also select multiple employees using the check box beside their employee ID and add a reason to those selected employees using the drop down menu above.



Once all the reasons have been selected, the number of deductions will be 0. You can now click 'Confirm' and you will return to the task list.

Step 8. The Payment Instruction task is now available.



Click on 'Send Email' to receive a summary of the payment you need to make to Salary Finance. The task will then show as complete in the timeline.

Process complete.

You can now repeat this process for any outstanding confirmation files.

FAQs:

- The platform is rejecting the file
  - Check the formatting; we do not allow:
    - duplicate employee identifiers
    - currency symbols
    - formulas e.g. totals at the bottom
    - blank cells/rows/columns in between data
- Do I need to upload a file if the deduction file had no one active?
  - No, there is no need to upload the file if there are no active employees
- What happens when we can't take a deduction?
  - You must inform us via the Confirmation Upload process (see above). On receipt of the Confirmation File we will automatically move the employee's loan repayments to Direct Debit and they will not appear on the next deduction file.
- How much do we need to pay you?
  - You must pay a separate bulk payment per product, per payroll. The amount for each payment should be the sum of the Confirmation file that you have uploaded for each product. You can send yourself a

summary of the payment to Salary Finance by clicking on 'Send Email' under the payment instruction task.

- Why does it matter so much?
  - We rely on the file being accurate so that we are sure we are crediting the right accounts with the right amount
- I am unable to upload the file by the agreed date in the schedule
  - Contact payroll@salaryfinance.com to let us know
- I have forgotten to upload the file and it has gone past pay day
  - Please upload the file ASAP and contact payroll@salaryfinance.com to inform us of the delay
- I have made an error on the file / I need to change the file
  - Contact payroll@salaryfinance.com and we will make the change for you
- Can I combine all the information across products and payrolls into one upload file?
  - No. We need a file per product per payroll
- What if the employee has left the business but there is enough in their final pay to take a deduction?
  - Please take the deduction. They will show on the deduction file next pay cycle and then when you come to upload the confirmation file, you can remove them and provide the reason 'Leaver'
- Anything else? Please ask at payroll@salaryfinance.com

3. Payment (process D in Operational Schedule)

The final step is to make a payment to Salary Finance.
It is imperative that this is paid on time so there is no detriment to your employees.

If you are unsure of the amount to pay over to Salary Finance, you can send yourself a summary of the payment once the Confirmation Upload is complete. Under the Payment Instruction task, click on 'Send Email' to receive a summary of the payment you need to make to Salary Finance.

Pre-payment check: Check that Salary Finance has been set up as a Payee to allow separate payments per payroll per product (Salary Finance bank details are provided during the Implementation Project on letter headed paper)

Step-by-step guide (per product per payroll):

Step 1. Sum the deductions confirmed in the Confirmation File

Step 2. Raise and make the payment following your usual process. Please use the payment reference provided in the bank details letter.

Process complete.

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FAQs:

- When is payment due?
  - The payment date is detailed in your Operational Schedule
- How much do we owe Salary Finance?
  - The amount we expect is the sum of the deductions as stated in the confirmation file. We require a single bulk payment per product, per payroll
- Why does it have to arrive on this day?
  - Borrowers risk going into arrears if their repayments are not paid on time which are reported to the Credit Reference Agencies
  - Savers will not have access to their own money
  - Late payments cause worry and concern for your employees which could then cause inbound communications from your employees to your Payroll/HR/Benefits team
- What payment method can I use?
  - BACS / Faster Payment / Priority Payment / CHAPS
- Where do I make payment to?
  - The bank details are on the Operational Schedule and on the Bank Details Letter
- I forgot to make payment, what do I do?
  - Make a same-day payment as soon as possible
  - Notify Salary Finance - payroll@salaryfinance.com
- Does the payment need to use the reference you gave me?
  - No, not necessarily. If you'd like to use a different one please let us know.
  - However, a payment reference must be used as it will not process automatically and could incur delays
- We made an error and paid too much e.g. found a late leaver
  - As soon as you can, notify Salary Finance - payroll@salaryfinance.com
  - If the payment has not been processed by Salary Finance, we will refund you within 5 working days
  - If the payment has been processed by Salary Finance, you will need to recoup this from your employee(s) directly
- We made an error and paid you too little
  - As soon as you can, notify Salary Finance - payroll@salaryfinance.com
  - Make the remainder of the payment as a same day payment
- We failed to take a deduction due to an internal error
  - Contact Salary Finance - payroll@salaryfinance.com as soon as possible. We will assess the situation and take you through the process from there

- Anything else? Please ask at payroll@salaryfinance.com

Appendix

N.B. This is an example only and does not show the agreed process dates that apply to you.

Please ask the project manager if you need to see the schedule of dates that have been agreed.

Employer specific schedules may look different depending on the validation method selected.

An example of operational schedule is on the following page.

Operational schedule - Table of key events

Monthly Payroll

Defined terms used in this Operational Schedule shall have the meanings given to them in the service agreement between <ORG> and Salary Finance Limited

Payroll details

Payroll Name	Monthly Payroll
Typical Payday	

Salary Finance Bank Account details

Bank account name	Salary Finance Limited
Bank name	Modulr FS
Sort Code	04-00-72

BORROW Product - Deduction payments to be made by <ORG> to this bank account

Bank account number for deduction payments	
Payment reference to be applied by <ORG>	

SAVE Product - Deduction payments to be made by <ORG> to this bank account

Bank account number for deduction payments	
Payment reference to be applied by <ORG>	

HELP TO SAVE Product - Deduction payments to be made by <ORG> to this bank accou

Bank account number for deduction payments	
Payment reference to be applied by <ORG>	

ADVANCE Product - Deduction payments to be mad RG> to this bank

Bank account number for deduction payments	
Payment reference to be applied by <ORG>	

Business rules applied to this payroll process (see Employer Handbook for process description)

Activity	Validate information provided by Applicants	Upload Hourly TA Data	Download Deduction Download File and apply Deductions	Deduction confirmation upload	Pay Day	Transfer of Deductions to Salary Finance Account to be received by
Process	A	A - Advance only	B	C(i) (N/A for Advance)	N/A	D(i)
Business rule	**Proactive Validation** - Weekly **Reactive Validation** - Weekly OR whenever there are open applications	Weekly				

Notes:

Where a process falls on a weekend or public holid carried out on th s working day.

Actual dates to Dec-189

Activity	information Applicants		Download De Download File a Deductions	Deduction confirmation upload	Pay Day	Transfer of Deductions to Salary Finance Account to be received by
ec-1899		eekly				
c-1899		ekly				
ec-1899		ly				
Dec-1899		eekly				
Dec-1899		Weekly				
1899		Weekly				
		Weekly				
		Weekly				
Dec-1899		Weekly				
Dec-1899		Weekly				
Dec-1899		Weekly				
Dec-1899		Weekly				
Dec-1899		Weekly				
Dec-1899		Weekly				

Payroll department declaration

I confirm that <ORG> agrees to perform the Salary Finance processes according to the dates set out in this Operational Schedule and that this is the Operational Schedule referred to in the service agreement between <ORG> and Salary Finance Limited and is hereby incorporated into the same.

I confirm that the transfer of deductions to be made by <ORG> to Salary Finance Limited will be made as separate bulk payments for each product to the relevant bank account detailed in this Operational Schedule for this payroll.

Signed:	Date:	Name & Job Title:

Salary Finance Counter-Signature

Signed:	Date:	Name & Job Title: Antony Broadbent, Chief Risk Officer

DRAFT

If you have any questions about this handbook please contact us at the email address below and we will respond as soon as we can.

payroll@salaryfinance.com