Salary Finance Standard Operational Process - FAQs

This note is strictly confidential, and nothing in this note shall be taken by Salary Finance as a waiver of, or shall prejudice Salary Finance's rights to, legal privilege.

PLEASE READ THIS NOTE PRIOR TO YOUR REVIEW OF THE EMPLOYER SERVICES AGREEMENT (OR ENSURE YOUR LEGAL TEAM DOES). IT WILL ASSIST IN YOUR REVIEW.

This note is not intended to replace any discussions and training you may have with our Implementation Team.

What are the operational processes will you be involved in?

1. **Validation** - this will involve you validating the applying employee's payroll ID, date of birth, start date, gross salary and employment status (and additionally, for Advance, may include pay per hour, account number, sort code and hours worked) which the employee will have provided to Salary Finance on applying for their chosen Salary Finance product.
2. **'Deduction Instruction File'** - you will need to download the 'Deduction Instruction File' from Salary Finance's HR portal (https://hrportal.salaryfinance.com/Login). This file tells you how much to deduct from your employees' salaries. Employees will have a schedule of repayments within their loan agreement so will be expecting the deductions to be taken.
3. **'Confirmation Upload File'** - you will need to send Salary Finance a file confirming which deductions you were able to take in the given pay period. For any unsuccessful deductions, you will be able to select the reason why: "Reduced Income", "Switched Payroll" or "Leaver", as appropriate.
4. **Transfer of deductions -** you will then need to pay the deducted funds as a bulk payment to the designated Salary Finance bank account. Our Implementation Team will confirm the bank account details with you.

You undertake each of these tasks on the dates set out in the "Operational Schedule".

What is the "Operational Schedule"?

- The Operational Schedule sets out:
  - The timing of the validation process.
  - The dates on which you take deductions from employees.
  - The date on which you pay your employees.
  - The date on which you pay Salary Finance.
  - The date on which you confirm to us which deductions were successfully taken.
  - Your payroll team will review and agree the Operational Schedule with our Implementation Team during the implementation stage after the contract has been signed. See an example of the Operational Schedule on page 2.
- The dates will be agreed with you and the Operational Schedule must be signed by both parties.
- In certain circumstances, we may agree the dates by email rather than documenting them on the Operational Schedule.

What are the reasons for deductions not being taken?

- We recognise that a deduction from an employee's net pay may not be possible if:
  - they have left your employment.
  - if they have insufficient funds to meet the repayment amount due in that pay period because of a reduction in salary
- In these circumstances, we arrange repayment with the employee directly.
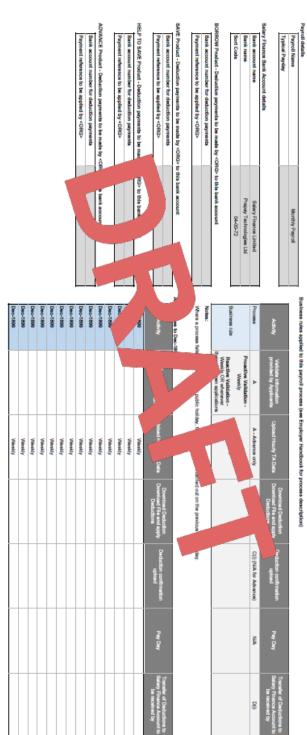
What happens on termination of the Employer Services Agreement?

- You continue to take salary deductions and pay them to us until all outstanding loans are paid off.
- As above, if an employee leaves your employment or has insufficient funds for a deduction to be made, Salary Finance will arrange repayment with the employee directly.

Example Operational Schedule

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	
Typical Payday	Monthly Payroll

Salary Finance Bank Account details

Bank account name	Salary Finance Limited
Bank name	Prepay Technologies Ltd
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 account

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

ADVANCE 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>	

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

Process	Activity						
Business rule	Validate information provided by Applicants	Upload Hourly TA Data	Download Deduction file and apply Deduction	Deduction confirmation upload	Pay Day		Transfer of Deductions to Salary Finance Account to be received by
		A - Advance only		C(i) (N/A for Advance)	N/A	D(i)	

Notes:

Where a process fa... public holiday ... ...out on the previous day.

Activity	...	Upload ... Data	Download Deduction Download File and apply Deductions	Deduction confirmation upload	Pay Day		Transfer of Deductions to Salary Finance Account to be received by
	Proactive Validation - Weekly / Reactive Validation - Weekly OR whenever ...han application						
Dec-1899		Weekly					
Dec-1899		Weekly					
Dec-1899		Weekly					
Dec-1899		Weekly					
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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:

Signed:		Date:	Name & Job Title:

Salary Finance Counter-Signature		Date:	Name & Job Title: Antony Broadbent, Chief Risk Officer
Signed:			

DRAFT