

## NON-SUFFICIENT FUNDS (NSF)

*It takes at least 3 business days for PayTrak to be sure that a re-debit has cleared. **NEVER** process the client's next payroll until an NSF has been successfully cleared. Contact the client daily until we get a firm confirmation to go ahead and re-debit (more if they are not responding to your calls or emails). The policy timelines below are reviewed based on a 15 rolling month.*

### Procedure:

1. Finance enters on Smartsheet for the applicable Supervisor
2. Finance holds all DAS payments available until recovered
3. Supervisor enters a line on the Smartsheet to recall all deposits and attaches the report for finance to begin recall process
4. Supervisor sets authorization to zero
5. Supervisor enters a production note "NSF DO NOT PROCESS – SEE SUPERVISOR"
6. Review dispatch if there is a payroll task generated, enter note "NSF DO NOT PROCESS – SEE SUPERVISOR"
7. Supervisor contacts client – inquire about the details and when to re-debit – same day
8. Supervisor will confirm a) direction to re-debit OR b) if the client is going to pay the employees or wait until the re-debit clears (5 business days)
9. Finance will re-debit based on direction in step 8 and wait the allotted time for the funds to clear (5 business days) to release any DAS on hold and advise Supervisor through the Smartsheet that funds have cleared
10. Once the re-debit clears, if Pay Trak is to pay the employees the supervisor will process a payroll using earnings code 203 for the value of net pay
11. If the client has made the payments a reversal and PAI rerun of the pay run must occur, If we had re-debited the NSF invoice in full a special invoice transaction is to be placed on the client for the value of the NET pay.
12. If we only debited for fees and source deductions no refund is required. It should be noted this is FOR INTERNAL PURPOSES ONLY. A copy of the invoice to be attached to the finance sheet once payroll is processed

| Client Pays   | PayTrak Pays  |
|---|---|
| A Full reversal and PAI re-run to offset the original invoice are required<br>Fees applicable:<br>Original Pay Run<br>Recall fees apply<br>Reversal batch fee apply<br>Rerun fee<br>NSF | A new batch using pay code 203 equal to the net pay value. A special invoice entry of the net pay value (negative amount) as the client has paid in the re-debit<br>Fees applicable:<br>Recall fees apply<br>Rerun fee<br>Administration fee<br>NSF |

13. Supervisor updates all details in the Smartsheet including attachment of communication with client and directions
14. Supervisor sets authorization limits back and ends the production note
15. Supervisor emails the client with NSF procedure and required action, changing PAP, PAI, WIRE etc.

## **1<sup>ST</sup> NSF:**

1. Hold DAS
2. Supervisor advises finance to recall all DD's
3. Supervisor emails and contacts the client and advises them of the NSF procedure and advises finance when they can re-debit VIA the smartsheet when they may re-debit the client's account.

## **2<sup>nd</sup> NSF:**

1. Hold DAS
2. Supervisor advises finance to recall all DD's
3. Once the funds have been collected and prior to the next pay run the Supervisor reaches out to the client (and CC Padgett Agent) to communicate that their file has been flagged as high risk.
4. Advise of their 3 options.
  - 1) change PAP to 4PAP or
  - 2) PAI or
  - 3) WIRE funds

## **3<sup>rd</sup> NSF:**

1. Hold DAS
2. Supervisor advises finance to recall all DD's
3. Proceed to collect all outstanding service fees and source deductions as a minimum
4. Review account in Operations meeting to determine next steps

If YES to terminate - once funds have been collected and cleared - advise client that we will not issue T4's and if the client would like the termination package for the standard \$200.00 fee. Do not provide until after invoice clears.

If NO to terminate - once funds have been collected and cleared - advise the client that they will be required to fund their payrolls via WIRE permanently.

**\*ALL CLIENTS WILL BE REVIEWED ON A CASE-BY-CASE BASIS PRIOR TO TERMINATING\***