



Savings & Loans

SmoothPay provides built-in support for Savings & Loans schemes run by your company and meets a common requirement for staff to set and achieve savings targets, yet have access to their funds by way of withdrawals and loans as and when required.

Savings and loan repayments are deducted from employee wages and automatically credited to their S&L account to build a complete transaction history.

The S&L module also provides the ability to overdraw Savings, set maximum OD limits or create pure loans (if required).

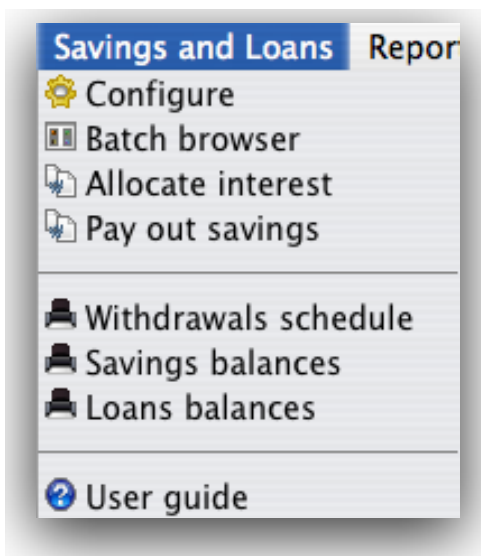
Interest can be allocated over savings balances in a variety of ways (*at balance date or spread on daily balances over a selected period*).

Fees can be added to withdrawals as they occur (*some call this interest, however if the fee is charged up front then it's just a fee*) to cover cost of borrowing or supply of the lending service - all optional of course.

Individual statements can be produced for each S&L agreement, and a variety of other reports provide account balances, interest allocations etc. and employee's payslips show them their current balance every pay period.

This document illustrates typical usage, where the company operates a Savings & Loans scheme as an incentive to staff to make savings through the year, with a payout of the balance plus interest at the end of the year.

Many other options are available (*pure loans, overdrawing saving balance etc.*) and you'll find their implementation is quite straight forward and easy to manage.

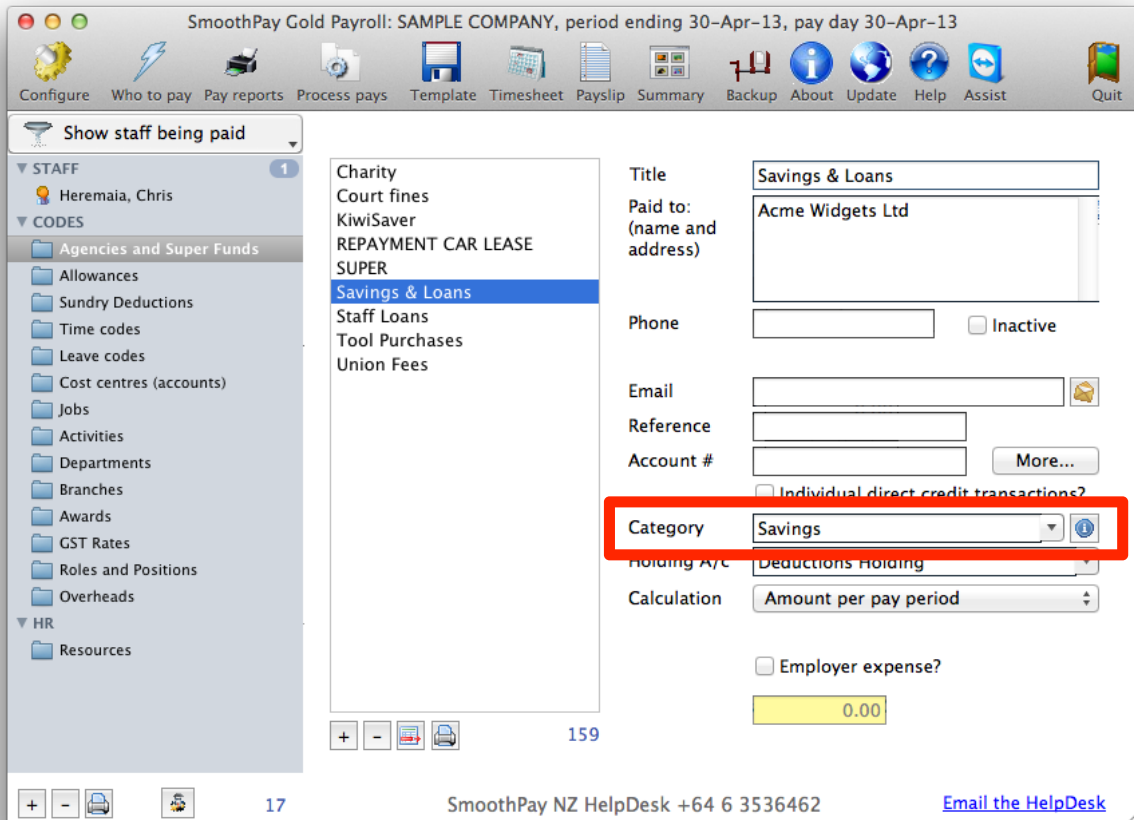


The Savings and Loans menu

Create a Savings & Loans “Agency”

Savings and Loans accounts are established in payroll as entries in each employee’s Payments tab, and allows you to set the payment amount (using any of the amount calculation methods such as percentage of earnings, amount per pay etc.).

Here is a simple example of an Agency code set up as a savings scheme - the most important parts are highlighted:



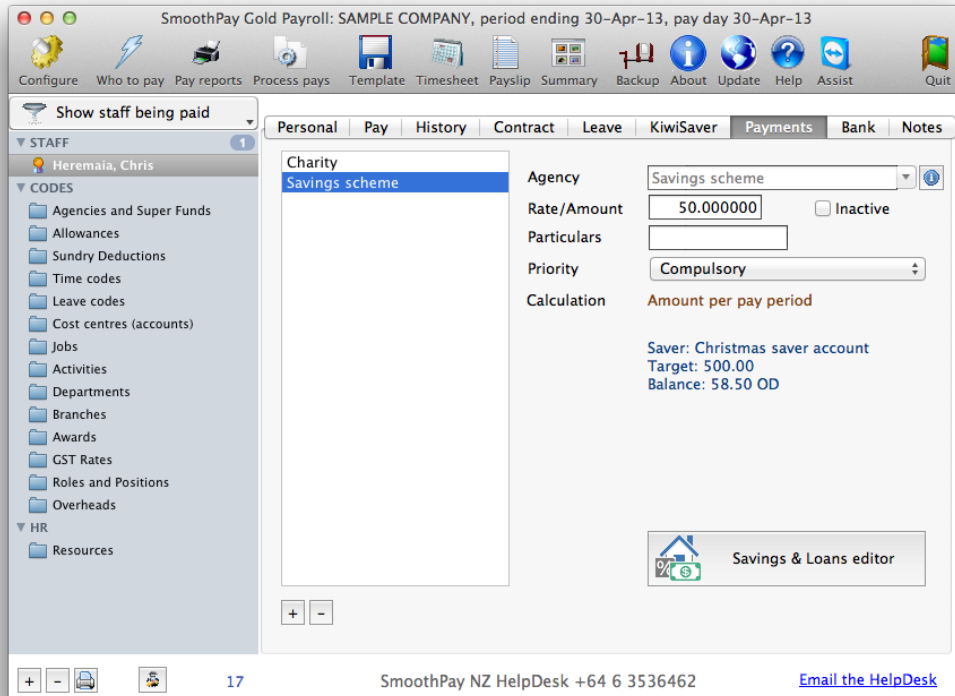
The category in this case is “Savings” and tells SmoothPay that you’ll be linking to the built-in Savings & Loans module (*there’s also a “Loans” category which is used for pure loans*).

TIP: You may also have all the savings and repayment transactions automatically included in your direct credit file for transfer to the S&L bank account when you pay staff - just enter the account number and a consolidated total will be included in your direct credit file for all the savings amounts.

It isn’t necessary to have these transactions posted individually, as the S&L system will be automatically credited with any payments made from payroll.

Add a savings account entry to employee Payments tab

Here is an example of the Payments entry for our example employee - it remains in effect until you make it inactive (or the loan balance reaches zero or the savings target is reached):



Note that the ability to change the Agency selection or delete the Payment entry is disabled if the account has any transactions (otherwise you would lose the link between the employee and the S&L account - you can make these inactive when you no longer wish to make payments to the account)

In this example, \$50 (K50 in PNG) will be automatically deducted from each pay and transferred to the employee's savings (loan) account.

If the employee doesn't earn enough to contribute the full amount and you have selected one of the Reducing Priority options then the deduction will be reduced or zeroed accordingly.

You can have as many S&L accounts running per employee as you like - simply add extra entries to their paPayments page and set them up via the Savings & Loans editor.

Savings & Loans editor

This is where each account is set up, altered etc., and you can also view all transactions for the account, print a statement, generate withdrawals, add cash deposits, add fee transactions etc.

Click the “*Savings & Loans editor*” button to view the employee’s account settings:

Field	Value
Purpose	My saver
Type	Savings
Savings target	500.00
Withdrawals	Paid direct
Current balance	188.00 CR
Allow OD	<input type="checkbox"/>
Remainder	312.00
OD limit	0.00

Deposit: lets you add a deposit transaction to the employee’s account

Withdrawal: lets you add an amount to be paid out to the employee directly or via the next pay run (*you control this by setting how withdrawals are dealt with in the S&L Configuration and per agreement or even at the transaction level*). You can also charge an optional fee which will be debited against the account balance.

Transact fee: Lets you add a transaction fee (say a 10% fee for any withdrawal, a standard transaction fee etc.)

Statement: Prints a statement of account transactions

Withdrawals scheduled to be **paid direct** are processed as a batch when you run menu option [S&L..Withdrawals schedule].

Withdrawals “**Paid next pay run**” will be automatically added as a “Payment reversal” entry to the next pay run for the employee, increasing their Net Pay value.

This tab of the Account Editor screen shows the transactions processed for this account:

Date	Comment	Withdrawal	Deposit	Balance
18Oct13	Withdrawal (next payrun)	40.00		188.00 CR
18Oct13	Withdrawal (fee)	2.00		228.00 CR
18Oct13	Withdrawal	20.00		230.00 CR
18Oct13	Opening balance		250.00	250.00 CR

The following screen illustrates the capture of an opening balance (or a direct deposit etc.):

Transaction Editor
Trans # 5

Date: 18.10.2013
 Comment: Opening balance
 Amount: 250.00
 Transaction Type: Deposit

matt 2013-10-18 06:23:36
 [Cancel] [OK]

The following screen illustrates a withdrawal from an account combined with an optional transaction fee:

Transaction Editor
Trans # 5

Date: 18.10.2013
 Comment: Withdrawal
 Amount: 50.00
 Fee (if any): 5.00
 Transaction Type: Withdrawal
 Payment Method: Paid direct

matt 2013-10-18 06:13:17
 [Cancel] [OK]

Note that you can choose how the withdrawal is to be paid at the transaction level: direct (in which case it will be included in the next Withdrawals Schedule), or with the next pay run.

Overdraft limit checking is performed automatically.

This extract from a payslip illustrates how a withdrawal, account payment and balance are shown:

	Date	Units	Rate	Value
Time				
Ordinary time	23-Oct-13	15.00	3.00	45.00
				45.00
Deductions				
PAYE				0.00
SNPF		45.00	0.05	2.25
ACC		45.00	0.01	0.45
SFUND		1.00	1.00	1.00
TFUND		1.00	2.00	2.00
SAVINGS	Withdrawal	1.00	-40.00	-40.00
SAVINGS	Bal \$198.00 CR	1.00	10.00	10.00
				-24.30
Net Pay				
Cash				69.30
				69.30

Configuration

This menu option lets you set various rules and defaults for the Savings & Loans module.

Savings and Loans Configuration 1

Provider name

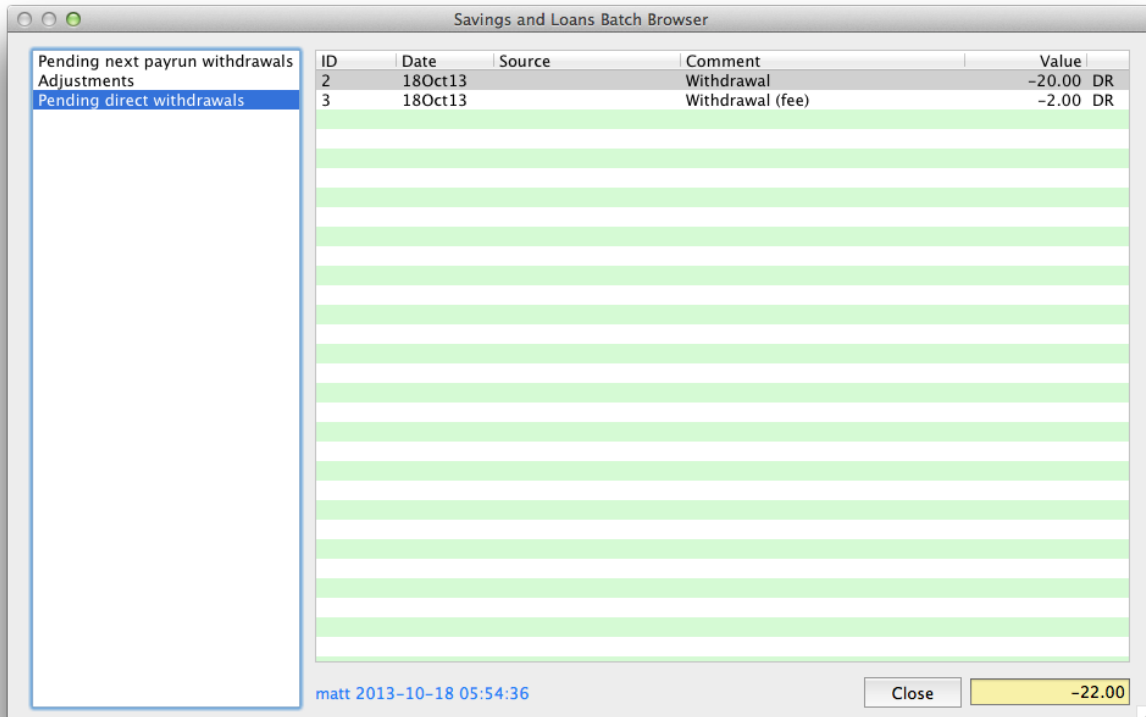
Savings	Loans
Interest rate <input type="text" value="0.00"/> %	Interest rate <input type="text" value="0.00"/> %
Admin fee <input type="text" value="0.00"/>	Admin fee <input type="text" value="0.00"/>
Withdrawals <input type="text" value="Paid direct"/>	Draw down <input type="text" value="Paid direct"/>
Interest alloc <input type="text" value="On current balance"/>	Interest alloc <input type="text" value="On current balance"/>
Overdraft limit <input type="text" value="0.00"/>	

Batch

These entries are currently mostly for reference but will be implemented as rules as required.

Batch browser

This tool lets you examine transactions for all batches processed by the S&L module.



The screenshot shows a window titled "Savings and Loans Batch Browser". On the left is a sidebar with a list of transaction types: "Pending next payrun withdrawals", "Adjustments", and "Pending direct withdrawals". The main area contains a table with columns: ID, Date, Source, Comment, and Value. The first two rows are visible, showing transactions with values of -20.00 and -2.00. At the bottom right of the window, there is a "Close" button and a yellow box containing the value "-22.00".

ID	Date	Source	Comment	Value	DR
2	18Oct13		Withdrawal	-20.00	DR
3	18Oct13		Withdrawal (fee)	-2.00	DR

This is primarily for debugging and viewing batch content during development, but may well be extended to provide maintenance of individual transactions, batch removal (in case of processing errors where restoring the database is not desirable) etc.

Allocate Interest (Savings accounts)

This menu option lets you allocate a specific amount of interest over all credit-balance savings accounts based either on the current balance, or on the daily balance (*for a specified date range*).

Coming soon

Pay out savings

If your business pays out all savings account balances (*say at Christmas*) then this menu option is for you.

It produces a schedule of balances, and if the amounts are being paid direct it can produce a cash schedule (optional) and withdrawal statements as well. Once you are happy that the results are as you expect then you can save the batch and all accounts will return to zero balance (you can optionally deactivate all further Payments).

Coming soon

Withdrawals schedule

Any withdrawals and associated fees for accounts that have withdrawals “paid direct” and have not been reported yet are included in this schedule.

You actually get up to 3 reports:

The **transactions schedule** shows you the withdrawals (amounts to be disbursed) and any fees charged - this is for checking/approval.

When the transactions schedule has been approved you then produce the **cash report** (optional) and **individual withdrawal statements** for each employee.

Individual withdrawal statements show the withdrawal amount, any fees charged (*which directly reduce the account balance*) and a summary of account balances.

Coming soon

Savings and Loans balances reports

These menu options let you produce summaries of each account balance.

Coming soon

Feedback

We're always keen to do better!

Any and all feedback is appreciated and if you feel we could include better examples, provide more explanation, provide references to additional information, make a process easier to use, or you spot something that isn't working the way it's supposed to - please let us know.