

LET'S TALK ABOUT BACS



WHAT IS BACS?

Most businesses today use electronic payments of some form or another - to pay employees and suppliers.

At Dataplan, we are a fully accredited BACS bureau, using the latest BACSTEL IP systems.

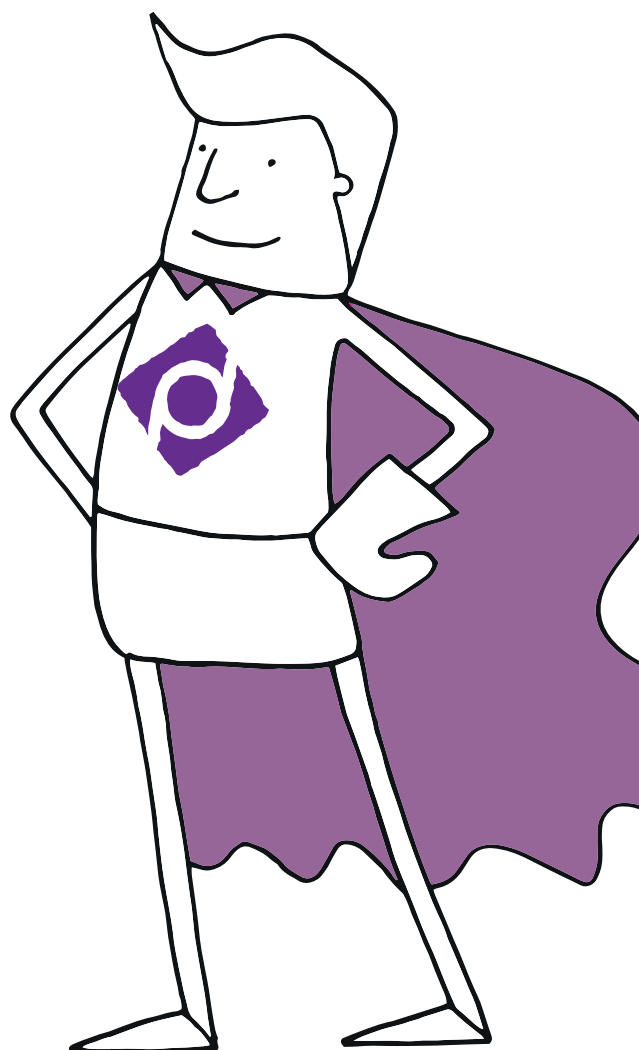
The benefits of using BACS is that it is a fully automated system.

You simply approve your payroll and we do the rest for you. No re-keying of information into your electronic payments system and no having to remember to send a file to the bank.

Via our BACS system, we can pay your net pay, PAYE & NI, attachment of earnings, pensions, health schemes, Union deductions. In fact, we can BACS just about anything. All you have to do is approve your payroll and we take care of the rest.

To be allowed to operate BACS facilities on behalf of clients, you must be initially accredited and then reassessed every 3 years. At our last assessment, Dataplan scored top marks and ranked excellent in each of the five assessed areas -

- Bureau Organisation and Financial Information
- Physical Security
- Computer Operations
- Applications and System Support
- BACS processing and Operations

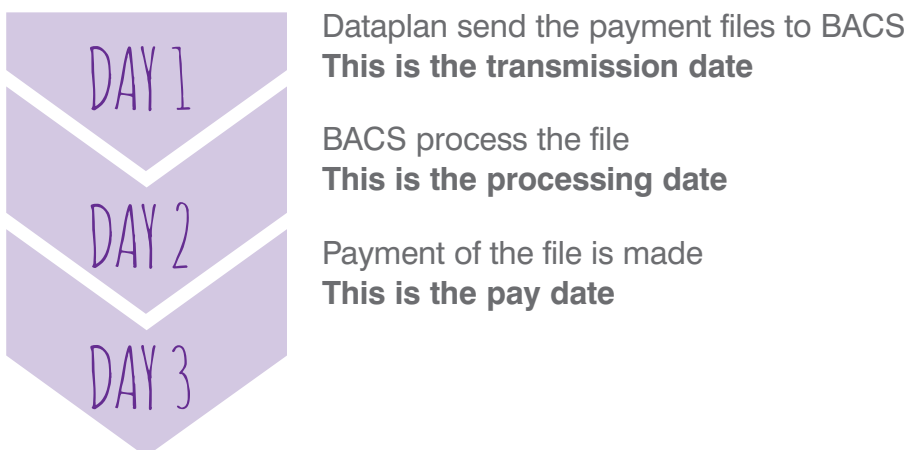


SETTING UP BACS IS SIMPLE

- 1 Contact your relationship manager at your bank
- 2 Request an indirect BACS application form
- 3 Complete the form and enter in our bureau number B53012 - please ensure you enter our name as Dataplan Payroll Limited
- 4 Return the form to your bank
- 5 The bank issue you with a user number called SUN (Service User Number)
- 6 Send your user number and bank details to Dataplan to setup
- 7 We send a test file to BACS to check it has been set up correctly
- 8 We can now pay your employees by BACS

HOW DOES IT WORK?

Once set up, the entire BACS payment process is simple and efficient and takes less than three days from start to finish.

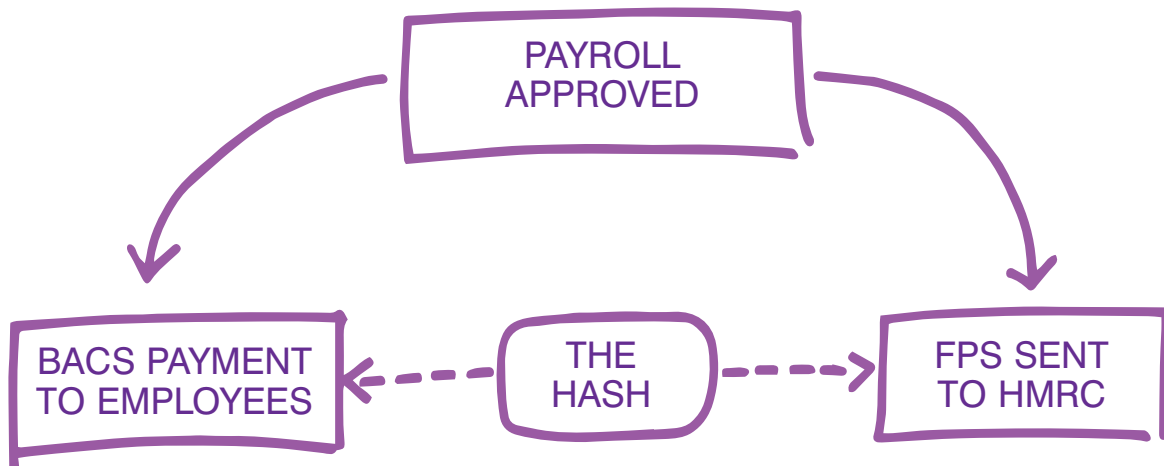


THE HASH CROSS REFERENCE PROCESS & BACS PAYMENTS

Whenever a reported payment is made directly into an individual's bank account using a BACS Service User Number (SUN) an FPS submission must include a hash cross reference. This is simply referred to as the 'hash'.

The hash is needed so that HMRC can marry up the payments that individuals receive with payroll data that has been reported via RTI. This also provides additional verification of the amount paid into an individual's bank account to assist DWP's administration of Universal Credit.

RTI HASH FILE + WHAT THIS MEANS:

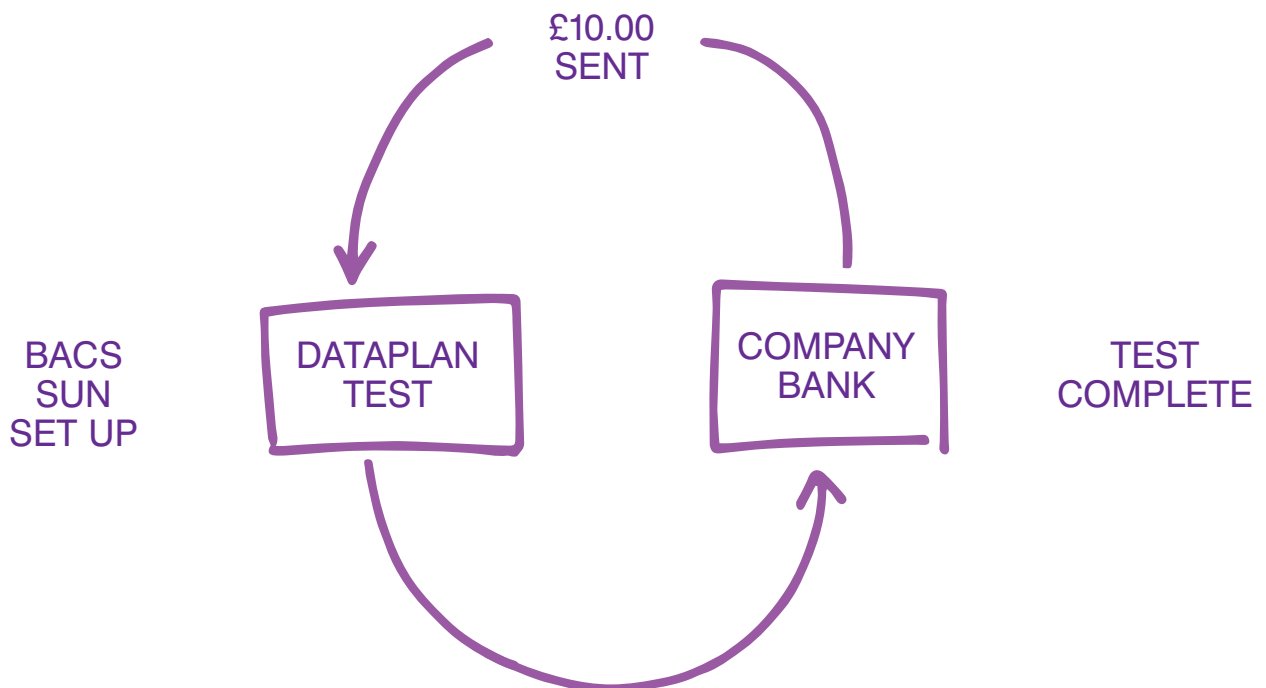


Setting up your BACS SUN and linking it to Dataplan's Bureau ID

Once you have got your BACS SUN up and running and have linked it to Dataplan, we will test this process to ensure that the link has been established before that all-important first pay date using your new BACS SUN. The cost of this service is £10.00.

Due to the hash process, we cannot make a payment to an individual through the BACS system outside of payroll processing. Instead, we test this process by debiting your bank account by £10.00 with the funds being credited into our business account. This process will guarantee if the BACS SUN has been linked successfully as well as the funds received acting as payment for this service.

SENDING A TEST FILE & WHAT WE DO



BACS payment references

When the SUN link has been established we will default the narratives that are to appear in the following circumstances:

Displayed on employees bank statements:	[COMPANY NAME]
Displayed on company bank statement:	[COMPANY NAME] NET PAYMENTS
Displayed on company bank statement:	[COMPANY NAME] PAYE PAYMENT

Rather than individual credits for each employee net payment, your bank statement will show the cumulative net payment total as one credit.

CONFUSED ABOUT BACS CODES & TERMINOLOGY?

You may see a number of different acronyms and terms on your BACS reports and not be clear about what they are. So, here's a simple explanation of some of the most common ones.

AWACS Report

Mandatory changes needed on payment details

Live Input Report

Live report of submission sent to BACS

Test Input

Report of test submission sent to BACS

ARUCS

Allows the receiving bank to return the BACS credit automatically to the organisation and advises by way of reason codes why the payment was unapplied

ARUDD

Allows the receiving bank to automatically return unpaid direct debit payments; the ARUDD report lists the unpaid amounts

Messaging Test Reports

A report to be used in order to check that the user can access reports successfully

ADDACS

Allows banks to electronically notify service users if changes are made to a customer's Direct Debit Instruction, e.g. when a DDI is cancelled

AUDDIS

Allows organisations to send new Direct Debit Instructions to their customers' bank electronically

If you have any further queries or questions about BACS, speak to one of our payroll team on

03331 123456