

Platform Enhancement Notice

Funding Processes on the New FloresHR Platform



With your access now live on the new FloresHR portal, we'd like to highlight some important updates to our funding processes, applicable to Benefit Accounts administered through FloresHR. Some of these updates may require action from your team, so we encourage you to review the details carefully.

To provide clarity around the enhancements within the new FloresHR platform, we have summarized the primary differences below. Based on your plan design, your organization may fall into more than one category.

Please see below for more information on the following five topics:

1. Reconciliation Process
2. Funding Process
3. HSA Funding
4. Payroll File Upload
5. Example

Reconciliation Process

Previous State

Reduction Lists

If your benefit accounts were tracked by expected per-pay deductions, FloresHR would send you a **Reduction List** that reflected the anticipated amount to debit each pay period.

- If you previously received a Reduction List from FloresHR:
- The Reduction List reflected the anticipated amount to debit each pay period.
- If the Reduction List didn't match your pay-period amounts, you were prompted to make edits:
 - On the legacy portal, or
 - By communicating the changes to your Flores Account Manager

Transfer & Exception Reports

If you previously supplied a payroll report for each pay period, Flores would return a **Transfer & Exception** report to you.

- If you previously supplied a payroll file for each pay period:
 - Flores sent you a Transfer & Exception Report after your file loaded.
 - Exceptions were cleared via the FloresHR portal or with your Account Manager.

What's Changing

Reduction Lists and Transfer & Exception Reports will no longer be generated.

- **Reduction List**
 - For employers with claims-based funding, only offering Healthcare FSA and/or Dependent Care FSA through FloresHR, payroll contributions will be automatically applied to participant accounts in accordance with your payroll schedule.
 - This will apply to you if you only offer the FSA benefit through Flores AND previously received weekly check registers.
 - This will not apply to you if you offer the Commuter Benefit Plan, the HSA, utilize a payroll file, or fund based on reimbursement activity.
 - For all other employers previously using the Reduction List for reconciliation, you will use the FloresHR portal to upload your payroll data or make changes with the Contributions from Scratch Tool.
 - This will apply to you if you offer the Commuter Benefit Plan, the HSA, utilize a payroll file, or fund based on reimbursement activity (Claims-Based Funding).
 - **Transfer & Exception Reports**
 - If you were previously uploading your payroll contributions to the FloresHR portal, you will use the new FloresHR portal to upload your payroll data or make changes with the Contributions from Scratch Tool.
 - If you previously sent your payroll data via EDI, there are no changes. Payroll data must be uploaded **2 business days prior** to your paydate.
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Funding Process

Previous State

Plans with Contribution-Based Funding:

Clients who funded their participant accounts on a per-payroll, or lumpsum, basis are considered Contribution-Based Funding.

- Previously, funds were collected by FloresHR after payroll contributions were applied to participant accounts, in accordance with your reconciliation method.
 - You may have received a reduction list, or a transfer and exception report to reflect the per-pay contribution amounts.
- Funds were collected by debit, Wire/ACH or Check.
 - If a direct debit was processed, either by FloresHR or through the Employer Portal, a Direct Debit Confirmation was generated within the next business day.

Plans with Claims-Based Funding:

Clients who funded their participant accounts using weekly check registers reflecting reimbursement activity are considered Claims-Based Funding.

- Previously, a weekly Check Register was emailed from FloresHR on Fridays.
 - The Check Register reflected claim and debit card expenses participants incurred over the prior week.
 - Funds were collected by debit, Wire/ACH or Check.
 - If a direct debit was processed by FloresHR, a Direct Debit Confirmation was generated within the next business day.

Debit Approval

Some clients provided approval directly to their FloresHR Account Manager for weekly reimbursement activity.

- Debit approval is no longer required

What's Changing?

Plans with Contribution Based Funding

Clients who funded their participant accounts on a per-payroll, or lumpsum, basis are considered Contribution-Based Funding.

- After payroll contributions are applied to participant accounts, in accordance with your reconciliation method, by 3PM EST, a funding **invoice** will generate the following business day.
 - The **invoice** will reflect:
 - The total amount to be debited.
 - Details on accessing the Payroll Based Funding Report on our new portal.
 - The Payroll Based Funding report will reflect individual payroll contributions applied to member accounts.
 - This reconciliation report becomes available on FloresHR the day after the invoice is generated.
- A Direct Debit will automatically occur for the total shown 1-2 business days after your invoice is sent.
 - Approval is not required.

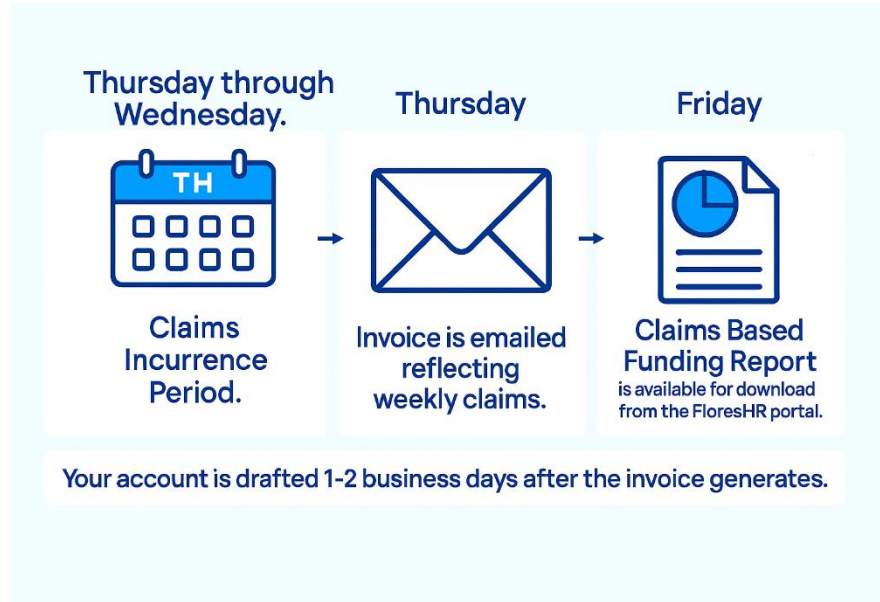
Plans with Claims Based Funding

Clients who funded their participant accounts using weekly check registers reflecting reimbursement activity are considered Claims-Based Funding.

- An **invoice** will generate weekly on Thursdays.
 - The **invoice** will reflect:
 - The total amount to be debited to cover reimbursement activity for the prior week.
 - Details on accessing the Claims Based Funding Report on our new portal.
 - The Claims Based Funding report will reflect individual claim and debit card activity from the prior week.
 - This reconciliation report becomes available on FloresHR the day after the invoice is generated.

- A Direct Debit will automatically occur for the total shown 1-2 business days after your invoice is sent.
 - Approval is not required.

Claims-Based Funding - Example



Claims incurred from Thursday through Wednesday will be recorded on the invoice you receive the following Thursday. As an example, an invoice generated on January 22, 2026, will reflect expenses incurred by your participants from January 15, 2026 to January 21, 2026.

HSA Process

Previous State

Transfer & Exception Reports

- Flores sent you a Transfer & Exception Report after your HSA payroll file loaded.
- Exceptions were cleared via the FloresHR portal or with your Account Manager.

Some clients provided approval directly to their FloresHR Account Manager for per-pay deductions.

- Debit approval is no longer required

HSA Funding

- Funds were collected by FloresHR after payroll contributions were applied to participant accounts.
- If a direct debit was processed, a Direct Debit Confirmation was generated within the next business day.
 - Previously: Debit would occur for HSA participants, including those who have not passed CIP.

What's Changing?

For HSA Clients:

- Transfer & Exception Reports will no longer be generated.
- If you were previously uploading your payroll contributions to the employer portal, you will use the new FloresHR portal to upload your payroll data or make changes with the Contributions from Scratch Tool.
- If you previously sent your payroll data via EDI, there are no changes.
- Payroll data must be uploaded 2 business days prior to your paydate.
- We will not debit for HSA participants until they are actively enrolled and verified.

A detailed breakdown of the [HSA Funding](#) experience can be found along with other resources on the [Platform Enhancement Guide](#) website.

Process for submitting Payroll Files

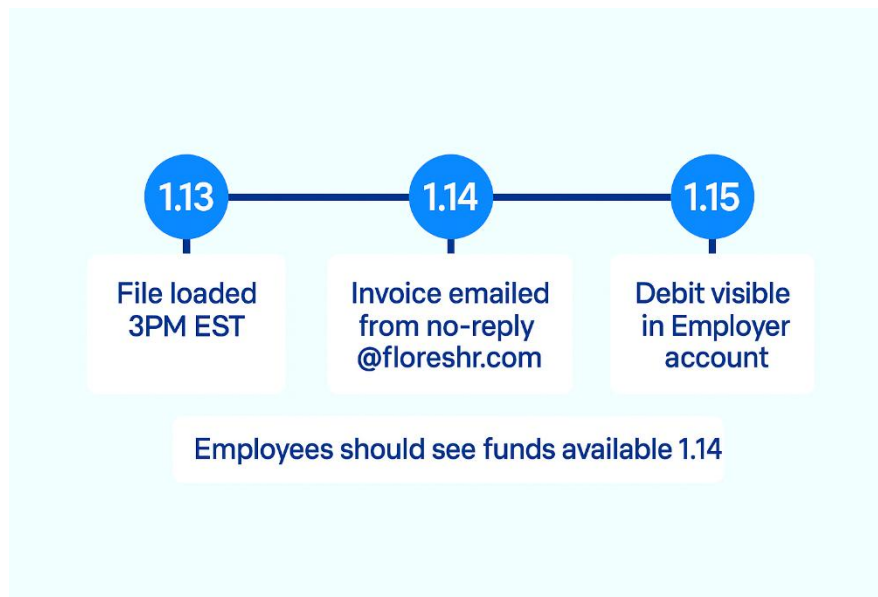
EDI FILES - If you send a secure payroll file via SFTP or FTP, you do not need to make any changes to your file submission process.

FILES via SPREADSHEET - If you send a payroll file through portal upload, you can still upload on our new portal.

- There are Two Options Available for File upload on the Portal:
 - FloresHR Preferred Method: Import a payroll file per pay period.
 - There is a template available to download to be used to report and securely upload your per-pay deductions on our new site.

- Process Contributions from Scratch tool:
 - For this tool to work successfully, first send your AM a per-pay calendar.
 - Not recommended practice at this time, but if you are interested in using this tool, please reach out to your Account Manager for more information.
- Payroll files uploaded via SFTP or FloresHR Portal by 3PM EST will generate a funding invoice the following business day. The banking activity will occur the day after.

Here is an example of a payroll file funding experience. This experience applies to groups who previously received Reduction Lists, and groups who previously received a Transfer & Exception Report.



File loaded 1.13, invoice will generate 1.14 and be sent from no-reply@floreshr.com, debit should be visible 1.15 in ER bank. Employees should see funds in their accounts 1.14.

Common Reports

Below you will find a list of reports used in the FloresHR system previously along with the new equivalent report name.

- **Balance Reports** -> Enrollee Account Balance
- **Check Registers** -> Claims Based Funding Report
- **Reduction List and T&E Reports** -> Payroll Funding Reconciliation Notice
- **Direct Debit Confirmation Emails** -> Benefit Plan Funding Invoice (emailed invoice)

If you have additional questions or need assistance navigating these updates, please reach out to funding@floreshr.com.

We appreciate your partnership as we streamline our processes together.