

# MyChoice Accounts: Pre-Funding

Businessolver’s MyChoice Accounts uses a standard prefund process on all non-cash accounts (i.e. “notional” accounts). **This process provides the funds for claims-based accounts to pay reimbursements or carded claims payments timely.** Because members in some notional accounts have access to their full funding for the plan year at any time, employers must provide coverage for potential claims through a prefund process, and these funds should come from the “plan,” i.e., the employer. Prefund balances will be based on total annual plan elections and your organization’s funding frequency.

## Account Types and Funding Models

<b>Non-Cash/Notional Account:</b> Election-driven – <i>accounts where funds are available to members on day one of the plan year</i>	<ul style="list-style-type: none"> <li>• Healthcare Flexible Spending Account (FSA)</li> <li>• Health Reimbursement Arrangement (HRA)</li> <li>• Limited Purpose FSA (LPFSA or LFSA)</li> </ul>
<b>Non-Cash/Notional Account:</b> Deposit-driven – <i>accounts where funds are available to members as contributions are made, and have limitations to the amount that can be contributed or used within the plan year or per month (commuter)</i>	<ul style="list-style-type: none"> <li>• Dependent Care (DCA or DCFSA)</li> <li>• Commuter Transit</li> <li>• Commuter Parking</li> <li>• Health Reimbursement Arrangement (HRA)</li> </ul>
<b>Cash Account</b> – <i>accounts that accrue funds and do not have “expiration” dates based on plan year</i>	<ul style="list-style-type: none"> <li>• Health Savings Account (HSA)</li> <li>• Goal or Emergency Account</li> </ul>

## What is pre-funding?

- Prefund is calculated off total annual plan election amounts and is required to be remitted back to Businessolver prior to the plan year start date, and then regularly throughout the year on the agreed-upon frequency.
- A *Funds Request Invoice* will be sent, and funding is required within 48 hours (two business days) of the invoice. (Funds Request received on 12/27, funding due 12/29 for a 01/01 plan year start date)
- This funding then allows MyChoice Accounts to issue payments from Businessolver account for checks, direct deposits, and card swipes by members for eligible expenses.
- Weekly remittance of funding to Businessolver from client account (either ACH Debit or ACH Credit).
- Weekly Settlement Funding email notification to client/client contacts as per funding profile.

## Funding Frequency

Clients can select funding frequency as follows, as a percentage of total annual elections:

- Daily: 3%
- Weekly: 5% (preferred funding frequency)
- Monthly: 10%\*

*\*Note - Reminder for any monthly clients: there is a possibility of prefund exhaustion which will result in a delay of member reimbursements. Accounting does monitor and will work to notify you of depletion, but based on member spend, there could be a timing delay.*