

Flexible Spending Account (FSA) Accounting Overview

Plan Funding

The Flexible Spending Account (FSA) utilizes a disbursement style funding arrangement which requires funds transfer equal to employee claim reimbursements. In a disbursement funding arrangement, the employer will hold on to the employee payroll deductions, and employer seed contributions, if applicable, and Navia will direct debit the employer's bank account equal to the claim reimbursements. An email will be sent to the employer notifying them of the availability of the Disbursement Report (DWS) online. The DWS will outline all debit card swipes that have settled and the manual claim reimbursements that will be issued to participants that day. Navia will initiate a direct debit from the employer's bank account equal to the amount shown on the DWS. The debit will be initiated on the next business day following receipt of the DWS. A disbursement style funding arrangement is also known as a Zero Balance Account (ZBA). A year-end plan forfeiture report will be provided after the claim run out period and ERISA appeal period is complete and any discrepancies in accounting will be reported and refunded or requested at that time.

Disbursement Report

The Disbursement Report (DWS) lists claim reimbursement activity associated with the specified processing cycle. The report is broken down into four tabs. The first tab shows a summary of all disbursements. The second tab shows manual reimbursements that were issued to participants via check or ACH deposit. If no manual reimbursements were issued for the processing cycle, the 'Manual Claim Disbursements' tab of your worksheet will show a balance of \$0.00 for that cycle. Tab three of the worksheet will contain any debit card swipes that have settled since the last processing cycle. If your plan does not offer the debit card, this tab will be omitted. Tab four of the worksheet will show any plan adjustments that have taken place during the last processing cycle. Disbursement Reports can be found on the Employer Portal by selecting 'Disbursement Report' located under the 'Reports' section in the left-hand menu. Navia will initiate a direct debit from the employer's bank account equal to the amount shown on the Disbursement Report.

Administrative Invoices

Administrative fees are outlined in your Navia Administrative Services Agreement. Navia invoices one month in arrears to capture any plan eligibility changes that happened during the month. You will receive a consolidated invoice via email that includes all lines of coverage, unless you've elected to have invoices split out by benefit or department. Payment is due within 30 days of the invoice date. If you have a direct debit arrangement on file with Navia, a debit will be initiated 5 business days after your invoice is sent. Invoices can be found on the Employer Portal by selecting 'Invoices' from the left-hand menu. If you do not currently allow Navia to debit your bank account for administrative fees, but you would like to, please complete the [Direct Debit & Credit Authorization Agreement](#) and return to employerservices@naviabenefits.com for processing.

Deposit Invoices

A deposit is required for FSA administration with Navia. The deposit amount is determined based on a percentage of the plan liability. The deposit invoice will be generated after your first month of active administration and funds are due within 30 days of the invoice date. If you already have a deposit on file with Navia, we will reassess the value of the deposit from year to year as enrollments fluctuate – this is called a true-up. If the new deposit amount differs more than +/- \$1,000, we may ask for additional funding or return excess funds.