



Funding and Invoicing FAQ

Updated October 2020

Why does Awardco invoice on points awarded and not points redeemed?

To better ensure your funding account balance remains positive, we invoice on points awarded. If you look at awarding points like writing a check, it can make it easier to grasp: let's say you write a lot of checks totaling \$10,000. That's like awarding 10,000 points in the platform. Since those checks (or points in our example) can be cashed at any time, you need to have at least \$10,000 in your bank account before they are cashed to ensure they don't bounce. Your funding account on the Awardco platform functions in the same way. We want to make sure we have enough funds in your account to cover everything in the event all points are redeemed. By invoicing on points awarded, we ensure that we will have the required funds on hand to cover any possible redemptions.

Conversely, if you were to be invoiced on the points that were redeemed, you would eventually run into a situation where you don't have enough funds on hand to pay for redemptions. For example, if you were to award 10,000 points one month and 15,000 points the next month, and only 2,000 points were redeemed the first month, you would only have \$2,000 in the account. If 8,000 points were redeemed the following month, you would quickly run into a negative balance because we only have the \$2,000 in your account. This turns into a situation where you are always running into a negative balance due to the turnaround time on paying invoices. And nobody wants that.

Are points and dollars the same?

Points and dollars are not the same on the Awardco platform. When points are awarded, no actual monetary transactions have taken place. Once an item is ordered, a monetary transaction takes place and money is pulled from the funding account to pay for the order. Since Awardco does not operate with fractional points, every item's point cost is rounded up to the nearest point while the actual cost of the item is not necessarily a whole dollar amount.* Because of this, the points and dollars represented on the funding and point summaries are not the same.

*When the items are actually paid for, your account is only credited the actual cost of the item. For example, if an employee redeemed their points on a \$10.01 item, the employee would have to have 11 points to redeem this item. However, your account would only be credited the \$10.11 and not \$11.

Can invoices be broken out into line items and/or sent to different locations?

No, invoices will be sent to one location. Through the use of "Cost Centers" and some of the reporting features available in the Awardco platform you can see when points are added and how many points are added to a specific budget—or when they're given to a specific group of people. From there you will have the ability to export this report and break up the invoice internally. Reach out to your account manager for more details.

What happens if my funding account goes negative?

Orders that are placed will be blocked and sent to a pending queue until funds are added. Once funds are added those orders will be pushed through.



Will I be notified if my account balance is low?

Yes, we can set up low balance notification emails that can go to anyone you want and at whatever dollar threshold you select.

Where can I see funding account information?

There are a few locations where you are able to see the health of your funding account. The quickest way to see your funding account information is on the "Admin" side of the platform under "Dashboard." On the left hand side you will see two different sections: "Funding Summary" and "Points Summary." The funding summary includes three different line items:

Deposits – this number reflects the total amount of money you have deposited into your account. You will either receive monthly invoices (if using the "Awarded" funding method) or invoices whenever you upload points to the platform (if using the "Points Deposit" funding method). When you pay these invoices, the number in this line item will increase by the amount paid. This number shows the total amount of money you have deposited into your account from the inception of your platform.

Redemptions – this number reflects the total amount of redemptions/orders that have taken place on the platform from the inception of your platform.

Balance – this number is just the difference between "Deposits" and "Redemptions." This is the amount of money that is available to use to pay for future redemptions.

The point summary also includes three different line items:*

Company Account – These are the points that have been added to your platform but have yet to be assigned to budget. For example, if you uploaded 1,000 points and assigned 700 points to your different budgets, your company account would show 300 points. These 300 points can be assigned to different budgets at any time.

In Budgets – This is the total number of points currently in budgets. These are points that are now available to be awarded to employees. Once these points are awarded, they will be deducted from "In Budgets" and will appear in "In Wallets."

In Wallets – This shows the amount of points that have been awarded out to employees but have yet to be spent. You can look at these points as outstanding points or checks that have been written but have yet to be cashed. These points can be spent at any moment, so you will want to keep an eye on this number and compare it to your "Balance" number from the "Funding Summary" to make sure you have enough funds in your account to cover all possible redemptions.

You also have access to reports. These reports go into detail on budgets, orders on the platform, and more. You can learn more about these reports by going to <https://awardco.zendesk.com/hc/en-us/sections/115002798928-Reporting>

* Keep in mind that points and dollars in the platform are not the same. See "Are points and dollars the same?" above.

**When am I invoiced?**

If funding your account with the "Awarded" method, invoices are sent on the first business day of every month based off the amount of points awarded during the prior month.

If funding your account on the "Points Deposit" method, invoices will be sent the next business day after uploading the points.

Why are points rounded up?

Points are rounded up because Awardco doesn't operate with fractional points and rounds up to the nearest whole dollar. For example, if an item costs \$5.01 the employee will see that they need to have 6 points to order that item. However, only \$5.01 will be deducted from your funding account so you are only paying for the actual cost of the item.