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Employer Overdraft - Make Payment

This procedure is for information only and explains the steps the system takes when allocating funds from the admin account to cover an overdraft on an employer account. The system also allocates funds from the employer account to the admin account.

An overdraft payment may be authorised when an employer fails to provide enough funds to pay the deduction from earnings order (DEO). Initially the employer is contacted and two options are given to them:

- Make a one off payment - for more information refer to [Employer - Handle Missed Payment SR](#).
- Use the employer overdraft – for more information refer to [Employer - Use Overdraft](#).

Employers will be considered for the overdraft facility when:

- the amount is small in relation to the DEO total
- the account manager judges that the employer will pay the money owed in the next DEO period

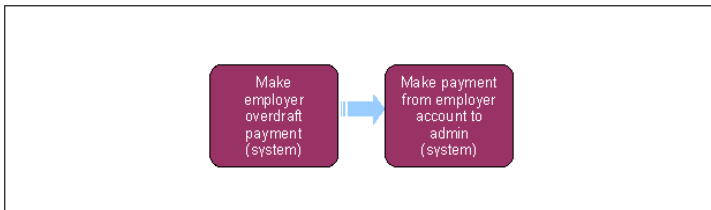
When authorisation is given for an employer to use an overdraft, BaNCS allocates funds from the admin account to the employer account to cover the shortfall.

When the employer next makes a payment and has sent the extra funds to cover the money owed, the system recognises the overpayment in the account and automatically allocates the funds from the employer account and repays the money back into the admin account.

If the extra money is not added to the next DEO schedule, the system creates a DEO Exceptions service request for a caseworker on the employer team to complete.

For more information refer to [DEO - Reconcile](#).

This is entirely a system process and does not require any caseworker action.



Make employer overdraft payment (system)

1. When the authorisation to use the employer overdraft is given, the system recognises this and draws down funds from the admin account.
2. The system then pays the funds into the employer account to cover the overdraft.

Make payment from employer account to admin (system)

3. When the employer makes the next deduction from earnings (DEO) payment with the additional funds, the system recognises the overpayment and separates this from the DEO.
4. The system automatically issues the additional amount back into the admin account from the employer account.



If the DEO does not have the additional payment, the system creates a DEO Exceptions service request for a caseworker on the employer team to complete.

For more information refer to [DEO - Reconcile](#).

[DEO - Reconcile](#)

[Employer - Handle Missed Payment SR](#)

[Employer - Use Overdraft](#)