

## CAPITAL FOR ENTERPRISE LIMITED

### REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES

#### INTRODUCTION

RSM 2000 Limited ('RSM 2000') took on responsibility for the Premium Collection Agency (PCA) contract for both the Small Firms Loan Guarantee (SFLG) and Enterprise Finance Guarantee (EFG) schemes wef 1<sup>st</sup> July 2011.

Over the first four months of the contract RSM 2000 have put in place a series of new systems and processes intended to simplify and automate the PCA processes for the mutual benefit of Lenders, Borrowers and CfEL.

The purpose of this note is to advise Lenders of the division of responsibilities in premium-related matters and how the interface with RSM 2000 operates.

One of the key elements of the new arrangements is a focus on minimising errors, thus avoiding the need for follow-up and re-working of discrepancies. **The greatest single contribution Lenders can make to ensure that premium collection is timely and accurate is to ensure that records on the SFLG/EFG Web Portal are properly maintained.** Any changes which have a bearing on future Premiums will then feed through to the collection process and be taken in to account without the need for further separate advice to the PCA. However, in the event that the circumstances leading to the change have meant that a Premium has been missed then that will need to be made up promptly in accordance with the instructions in this document.

Lenders will also be aware that one of the certifications given by the Lender via the Web Portal at the "Guarantee and Initial Draw" stage is a confirmation that, at the time they draw the funds, the Borrower has the means to pay the Premium.

It should also be noted that **the Schemes' Service User Number (SUN), 998494, has now been migrated to AUDDIS. This means that the only way new Direct Debit Instructions (DDIs) can be accepted is via the RSM 2000 system.**

Following migration to AUDDIS it is no longer possible for individual DDIs submitted via a bank's manual systems to be set up and any which are will be returned unprocessed.

For reference, Lenders will wish to be aware that the full formal title of the Originator for SUN 998494 is "**Department for Business, Innovation & Skills (BIS) ED Loan Guarantee**". The 33 character short form title is "DEPT FOR BIS ED LOAN GUARANTEE" and the corresponding 18 character statement narrative (Field 9) is "BIS LOAN GUARANTEE".

## CAPITAL FOR ENTERPRISE LIMITED

### REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES

The **Secure Site provided by RSM 2000 enables Lenders to view the mandate information held for each Borrower and [shortly to be added] the history of collections made since July 2011.** Lenders are encouraged to review the available information before raising any queries, in order to ensure a common understanding of the situation with the PCA and CfEL.

#### Contact Details for Queries

Any matters which Lenders believe are not addressed by this guidance or the existing Lender or Web Portal Manuals, or any suggestions for improvement, should be addressed to [portfolio@capitalforenterprise.gov.uk](mailto:portfolio@capitalforenterprise.gov.uk) with “Premium Collection” in the subject line.

In the event that a query relates to a particular Scheme Facility then the Web Portal Scheme Facility Reference Number should be included in the subject line. Please do not include any customer bank account details in enquiry e-mails.

#### SETTING UP DIRECT DEBIT INSTRUCTIONS (MANDATES)

##### Background

The RSM 2000 Secure Site is the channel for transmitting all Direct Debit Instruction (DDI) information to RSM 2000. It provides a direct feed to RSM 2000's own Direct Debit Collection Management (DDCM) system.

Lenders may provide information to RSM 2000 either by uploading a file containing multiple records or completing an on-line form to enter an individual record in real time, the choice being a matter for the Lender informed by the volume of cases handled and their internal processes.

A revised DDI (Mandate) form is provided as an Appendix to this Note (also distributed electronically to all Lenders and available for download from the Web Portal) for use to collect the necessary information from Borrowers. However, as explained below, this must no longer be physically sent to the PCA but instead should be retained by the Lender along with other documentation relating to the Borrower's SFLG or EFG facility.

## **CAPITAL FOR ENTERPRISE LIMITED**

### **REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES**

Please note that there is now a requirement to provide contact details for the Borrower, or for a point of contact at the Lender who is able to pass information on to the Borrower. This is to enable RSM 2000 to advise the Borrower of the timing of the initial Premium collection, as required under the terms of the Direct Debit Guarantee.

#### **Stage 1 – Obtain access to the RSM 2000 Secure Site**

Each Lender must designate to CfEL a principal Premium Contact and, if desired, additional Contacts who will have access to the RSM 2000 Secure Site and who will receive supplementary information (such as a list of failed collections) from RSM 2000.

If desired an impersonal e-mail address can be assigned to be the recipient of notifications but interactive access to the Secure Site will only be provided to named individuals. This information is essential for RSM 2000 to be able to provide login details.

If any assistance is required using the login details provided these should be directed to RSM 2000 on 01525 862 555 (Option 4) between 9am and 5pm Monday to Friday.

RSM 2000 cannot directly accept requests to create new logins. Such requests must be made via CfEL by e-mail to [portfolio@capitalforenterprise.gov.uk](mailto:portfolio@capitalforenterprise.gov.uk) using the form previously provided.

#### **Stage 2 – Select Uploading Method**

Lenders may provide information to RSM 2000 either by uploading a file containing multiple records or completing an on-line form to enter an individual record in real time, the choice being a matter for the Lender informed by the volume of cases handled and their internal processes. The alternatives are described below as follows:

- Option A      Upload Multiple Records
- Option B      Enter Single Record Details

## CAPITAL FOR ENTERPRISE LIMITED

### REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES

#### Option A – Uploading Multiple Records

An Excel spreadsheet template (in Excel 97/03 for compatibility reasons) is available to assist the collation of information for uploading multiple records to the RSM 2000 Secure Site.

#### ***Stage A1 – Completing the Spreadsheet***

When completing the spreadsheet please observe the following guidance:

1. “£” signs or commas should not be used within any of the fields.
2. Columns A to S should be completed, except that:
  - a. Columns O to R should be left blank;
  - b. Columns B, D & E may not be required, in which case they may be left blank.
3. Column I must be populated with the e-mail address to which notification of initial collection date is to be sent. This should either be the e-mail address supplied by the Borrower on the Direct Debit Instruction or a generic mailbox maintained by the Lender for receiving communications relating to Borrowers’ Premium transactions. The previously advised temporary address [mandates@capitalforenterprise.gov.uk](mailto:mandates@capitalforenterprise.gov.uk) should no longer be used.
4. Column J should contain the SFLG or EFG Scheme Facility Reference Number.
5. Column L (Account Number) must be eight digits, with any leading zeros included. Column M (Sort Code) must be six digits, without any separators.
6. Column N requires a single capital letter to indicate the status of the instruction; either N (indicating a new instruction), A (an amendment to an existing instruction) or D (for deletion of an instruction).
7. Column S requires a single capital letter to indicate the relevant scheme; E (for EFG), N (new scheme SFLG) or L (legacy SFLG).
8. It is recommended that the Lender retains a copy of each Excel spreadsheet created for uploading.

## **CAPITAL FOR ENTERPRISE LIMITED**

### **REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES**

#### ***Stage A2 – Preparation for Uploading***

1. Once ready for uploading save a copy of the Excel file as a CSV (Comma Delimited) file. The header row should be deleted prior to saving as a CSV file.
2. Once the CSV file has been created it can be inspected if desired by opening it in Word Pad. In this format it will be possible to check that any blank fields have been recognised and that any leading zeros (where applicable) are present in the account number. Once created the CSV file **should not** be opened in Excel as this may corrupt the CSV file.

#### ***Stage A3 – Uploading the File***

1. Log in to the RSM 2000 Secure Site using the details provided.
2. Select the “Import Collection / Mandate Files” option.
3. Follow the instructions to browse for and upload the CSV file prepared above.
4. As part of the uploading process the Account Number and Sort Code will be checked to ensure that they are in the correct format. An error message will identify the erroneous record(s) within the file.
5. If such an error occurs it is recommended that the Lender returns to the Excel file, removes the erroneous record(s) and repeats the process of conversion to CSV and uploading, ensuring that the filename is changed. The problem with the erroneous record(s) can then be investigated and the correct information can then be included in the Lender’s next upload or the details can be uploaded individually via Option B.

#### **Option B – Entering Single Record Details**

1. Log in to the RSM 2000 Secure Site using the details provided.
2. Select the “Add Mandate” option.
3. Enter the details requested on screen.

## **CAPITAL FOR ENTERPRISE LIMITED**

### **REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES**

Note that, as part of this process, the Account Number and Sort Code will be modulus checked to ensure that they are valid. If they are incorrect an error message will advise. It is therefore not possible to upload invalid Account Numbers or Sort Codes using this Option.

#### **AMENDING EXISTING DIRECT DEBIT INSTRUCTIONS (MANDATES)**

Use either the Option A or Option B process as described above, advise the amendment (or deletion) being made by way of the letter entered in Column N (Option A) or by completing the relevant field (Option B) respectively.

#### **MISSED PREMIUMS - SUBMITTING CHEQUE PAYMENTS**

Cheques for missed Premiums should be made out to the “Department for Business, Innovation and Skills” and posted to RSM 2000 at the address below, accompanied by a covering note advising:

1. The Reference Number of the facility to which they refer.
2. The month(s) and year(s) of the collections to which they refer, and/or the “Initial Premium”, as applicable.

Please note that:

1. If a Premium collection fails due to “Refer to Payer” then RSM 2000 will make one attempt to re-present approximately three weeks after the failed collection. Lenders should therefore refrain from sending a cheque in replacement of the failed collection until it is known whether or not the re-presentation has been successful. It will be possible to track the status of such cases within the Collections functionality.
2. No payment should be sent without first establishing that the facility to which it refers is on the RSM 2000 system. If it is not, then payment should not be sent to the PCA and the matter should be raised with CfEL in the first instance.

## **CAPITAL FOR ENTERPRISE LIMITED**

### **REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES**

3. The minimum payment which may be made is the full outstanding amount of a missed Premium. If a Lender has agreed any form of instalment payment plan with a Borrower in order to make up missed Premiums then it is the Lender's responsibility to collect those instalments and only make payment through to the PCA once sufficient has been collected to cover at least one full missed Premium. For the avoidance of doubt, the partial making-up of individual quarterly Premiums is not permitted.
4. In the event of multiple missed Premiums then making up should be applied chronologically from the oldest missed Premium first.

Multiple missed Premiums relating to a single Scheme Facility may be made up via a single cheque provided that the principles set out above are adhered to and the full value of the cheque can be reconciled to a series of individual missed Premiums.

However, it is not permissible to combine missed Premiums relating to multiple Scheme Facilities within one cheque as an error with one would then necessitate rejection of the entire cheque.

Payments received which are not in accordance with these instructions will be returned.

Send all cheques to:

**Accounts Department (re SFLG/EFG)**

**RSM 2000 Limited**

**Wrest House**

**Wrest Park**

**SILSOE**

**MK45 4HS**

## **CAPITAL FOR ENTERPRISE LIMITED**

### **REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES**

#### **VIEWING INFORMATION ON THE RSM 2000 SECURE SITE**

It is possible to view the Mandate and Premium History information for any individual Scheme Facility on the RSM 2000 Secure Site. This functionality is “read only”, but any changes which are found to be necessary can be addressed using the relevant functionality described above.

##### **View Mandate Information**

1. Log in to the RSM 2000 Secure Site using the details provided.
2. Select the “Mandates” option.
3. Enter the Scheme Facility Reference Number.
4. It can then be determined whether a Mandate exists and what the status of the Mandate is
5. At the bottom of the screen is a breakdown of the Premium schedule from July 2011 onwards and detail of the status of each collection made.

##### **View Premium History Information**

Please note that history is currently only available back to July 2011. In due course it may prove possible to add earlier history for live facilities.

1. Log in to the RSM 2000 Secure Site using the details provided.
2. Select the “Collections” option.
3. Enter the Scheme Facility Reference Number.
4. View the value and status of the Collections made.

#### **APPENDICES**

Appendix A	Process Flows for PCA Actions
Appendix B	Direct Debit Mandate

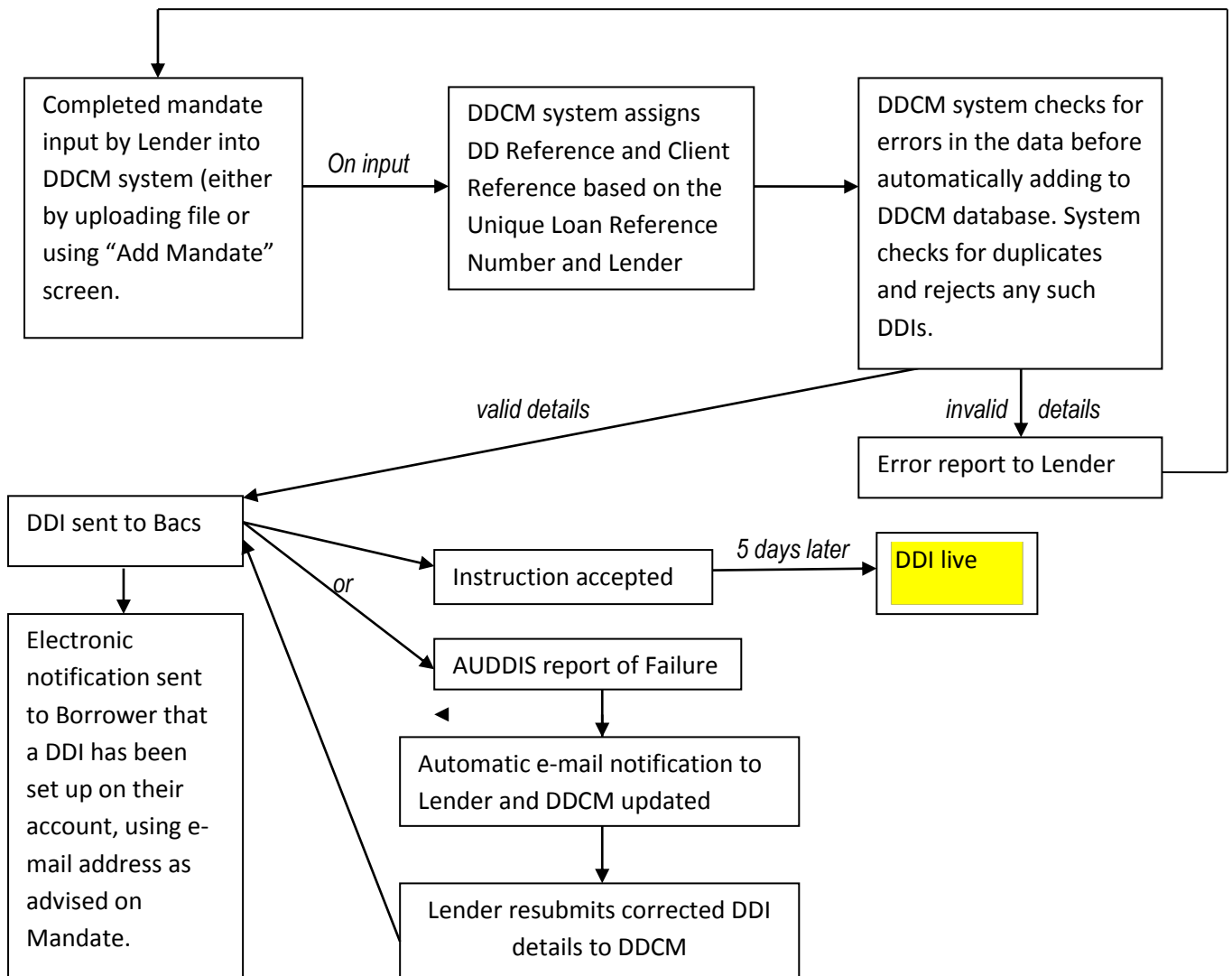


## CAPITAL FOR ENTERPRISE LIMITED

### REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES

#### APPENDIX A – PROCESS FLOWS WITHIN SERVICE PROVIDED BY PREMIUM COLLECTION AGENT AND INTERACTIONS WITH LENDERS

##### Process 1 - Receipt of New DDI

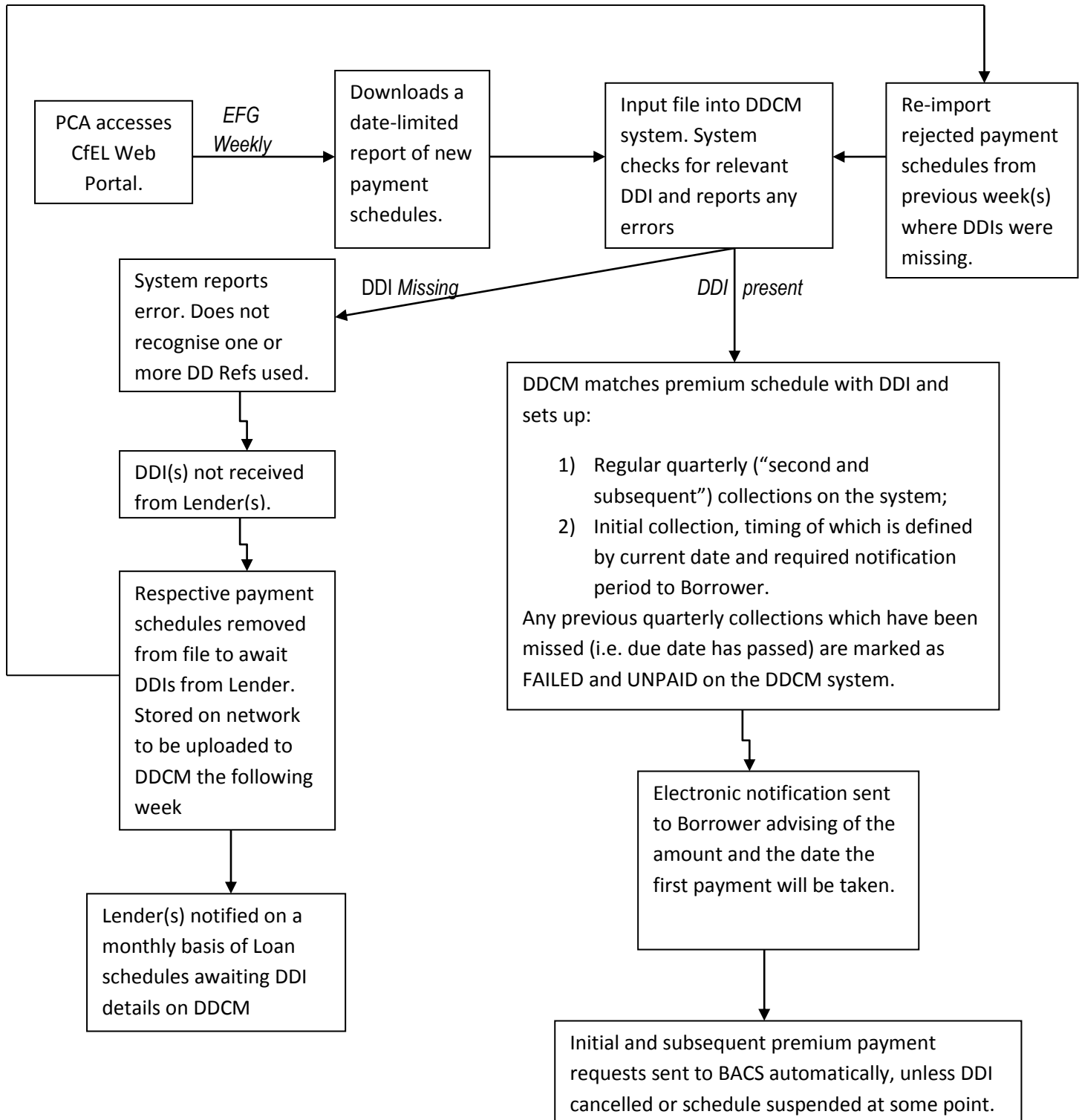


A "Loan State Changes" File is produced by CfEL and imported to the DDCM on 8th of each month, ahead of collections on 14<sup>th</sup> of the month. This will include details of loans that have moved from Lender Demand back to Guaranteed.

## CAPITAL FOR ENTERPRISE LIMITED

### REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES

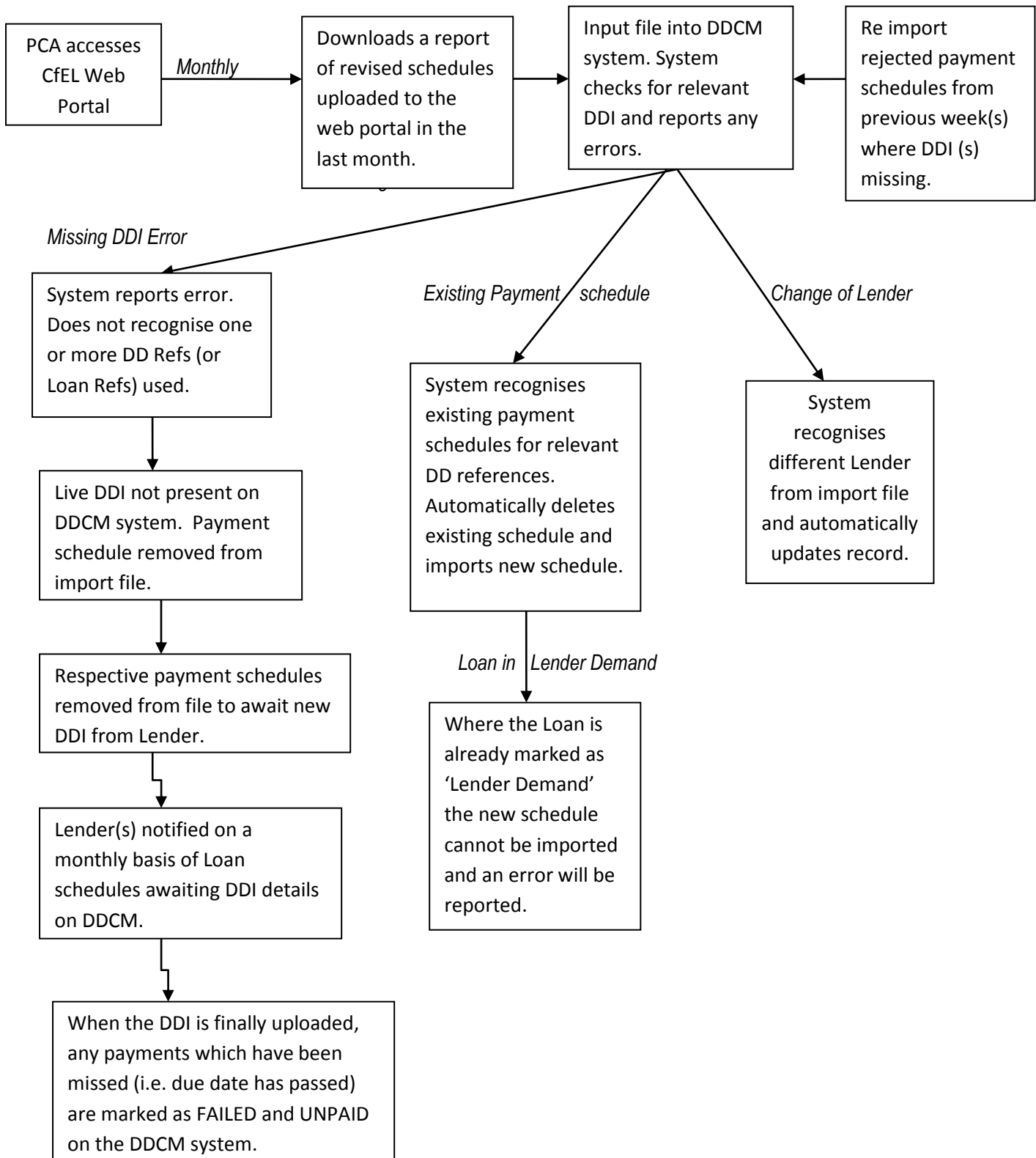
#### Process 2 – Import of New Premium Payment Schedule from Scheme Web Portal



## CAPITAL FOR ENTERPRISE LIMITED

### REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES

#### Process 3 – Import of Revised Premium Payment Schedule from Scheme Web Portal

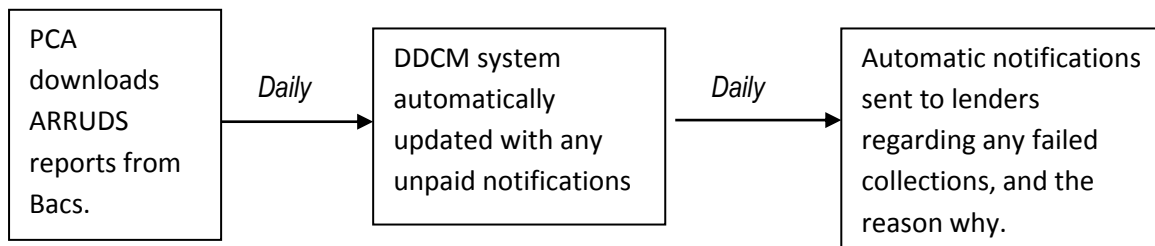


## CAPITAL FOR ENTERPRISE LIMITED

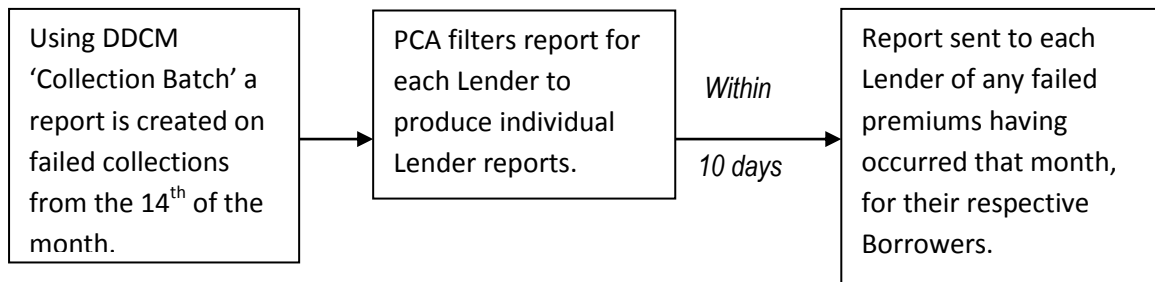
### REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES

#### Process 4 – Unpaid Reports

##### Daily Action

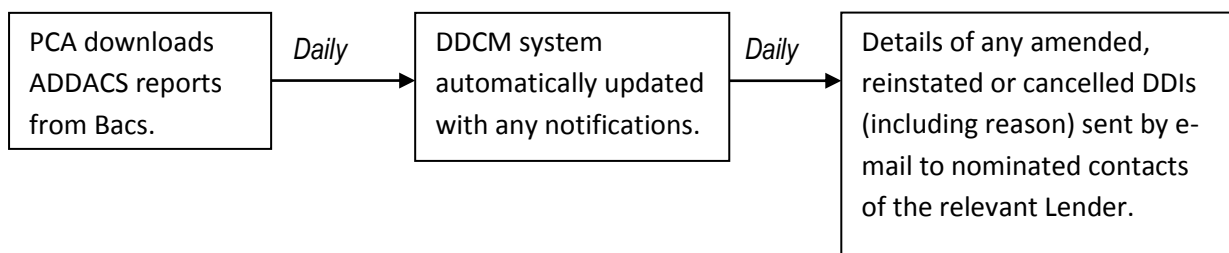


##### Monthly Action



#### Process 5 – On-going Maintenance of the DDI Database

ADDACS reports monitored daily and DDIs amended accordingly. Notifications of any cancellations or deletions sent to nominated contacts of the Lenders by e-mail.

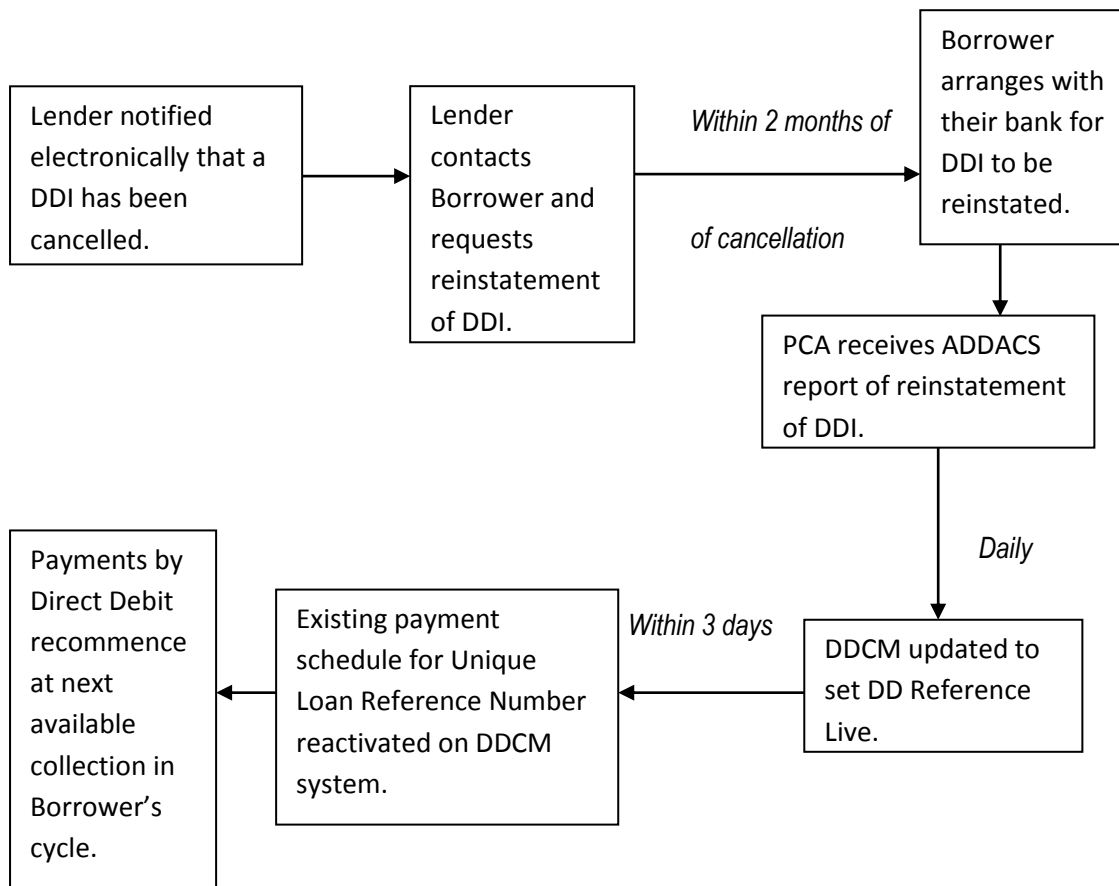


## CAPITAL FOR ENTERPRISE LIMITED

### REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES

#### Process 6 - Reinstatement of DDIs

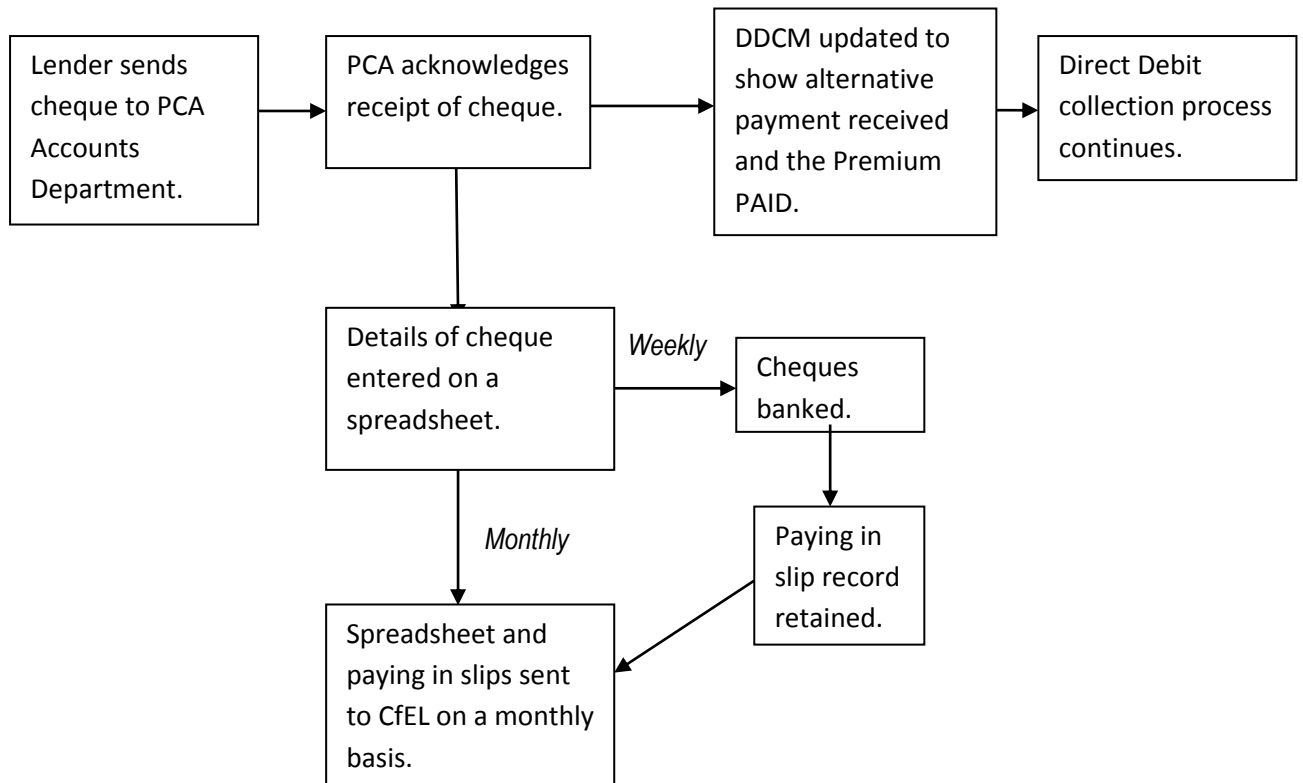
If a DDI is cancelled by the Borrower, the Lender will be notified as above. The Lender should request that the Borrower reinstate their Direct Debit mandate with their bank. The Borrower then has up to two months to request its Bank to reinstate the DDI and an ADDACS report of the reinstatement will be sent to RSM. The Payment schedule will be reactivated. Any required changes to the schedule must be uploaded first to the CfEL Web Portal.



## CAPITAL FOR ENTERPRISE LIMITED

### REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES

#### Process 7 – Banking of Cheques

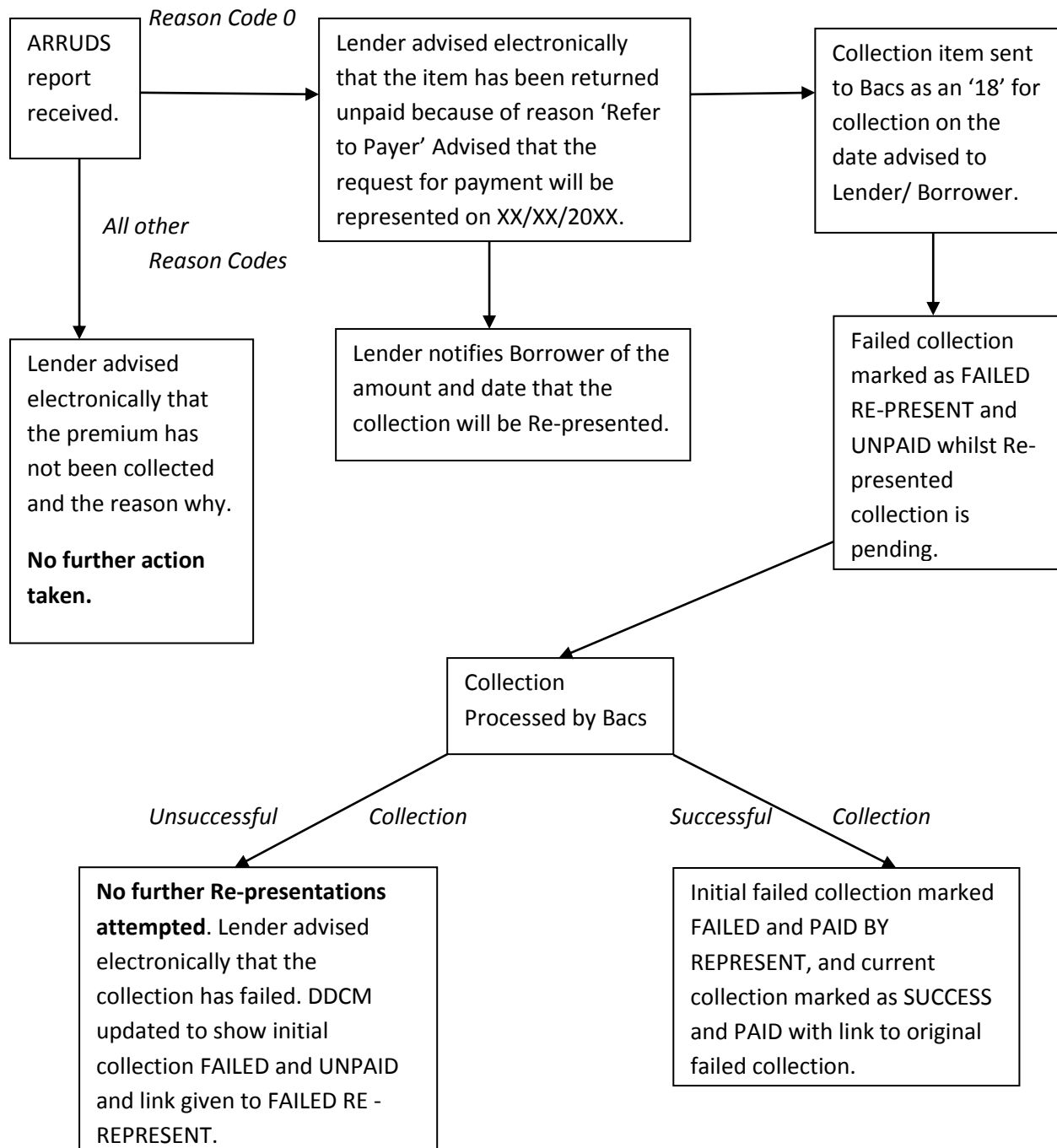


If CfEL subsequently receive an Indemnity Claim or a banked cheque is returned unpaid, CfEL users can amend DDCM to return the payment(s) affected to UNPAID.

## CAPITAL FOR ENTERPRISE LIMITED

### REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES

#### Process 8 – Re-Presentation of a Direct Debit




## CAPITAL FOR ENTERPRISE LIMITED

### REVISED GUIDANCE NOTE ON REVISED PREMIUM COLLECTION ARRANGEMENTS FOR SFLG & EFG SCHEMES

#### APPENDIX B – DIRECT DEBIT MANDATE

(A PDF version is available for Lenders' use, including printing and uploading to internal communication and lending systems as required)

**BIS** | Department for  
Business Innovation & Skills

Please fill in the whole form including official use box using a ball point pen.

Please return the form to your SFLG or EFG Lender.

Please DO NOT send it to BIS or CfEL.

Department for Business, Innovation & Skills (BIS) ED Loan Guarantee

Capital for Enterprise Limited (CfEL)

1 Broadfield Close  
Broadfield Business Park  
SHEFFIELD  
S6 6XN

Name(s) of account holder(s)

Bank/building society account number

Branch sort code

Name and full postal address of your bank or building society

To: The Manager

Address

Postcode

Reference

Service user number

9	9	8	4	9	4
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**FOR DEPARTMENT FOR BUSINESS, INNOVATION & SKILLS (BIS) ED LOAN GUARANTEE OFFICIAL USE ONLY**

This is not part of the instruction to your bank or building society.

The Small Firms Loan Guarantee (SFLG) and Enterprise Finance Guarantee (EFG) are managed on behalf of the Department for Business, Innovation & Skills (BIS) by Capital for Enterprise Limited (CfEL).

This form must only be used to give instruction for the payment of an SFLG or EFG guarantee scheme premium. This form should be completed by the Payer and returned to their SFLG or EFG Lender. It should not be sent to BIS or CfEL.

The Lender is responsible for providing the Payer with a schedule detailing the amounts and timing of the premiums to be collected over the lifetime of the guaranteed facility. The quarterly premium is separate from and in addition to capital and interest payments and any fees due to the Lender. Premium payments collected under this instruction will be identified on the Payer's bank statement with the narrative "ED LOAN GUARANTEE" followed by the Reference shown below.

Payer - Please insert your email address below so that you can be contacted to be advised of the collection date of your first premium.

Lender - Please insert relevant details to the Premium Collection Agency system.

**Instruction to your bank or building society**

Please pay the Department for Business, Innovation & Skills (BIS) ED Loan Guarantee Direct Debits from the account detailed in this instruction subject to the safeguards assured by the Direct Debit Guarantee. I understand that this instruction may remain with the Department for Business, Innovation & Skills (BIS) ED Loan Guarantee and, if so, details will be passed electronically to my bank/building society.

Signature(s)

Date

Banks and building societies may not accept Direct Debit instructions for some types of account

DDH1

This guarantee should be detached and retained by the payer.

### The Direct Debit Guarantee

- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits
- If there are any changes to the amount, date or frequency of your Direct Debit the Department for Business, Innovation & Skills (BIS) ED Loan Guarantee will notify you ten working days in advance of your account being debited or as otherwise agreed. If you request the Department for Business, Innovation & Skills (BIS) ED Loan Guarantee to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit, by the Department for Business, Innovation & Skills (BIS) ED Loan Guarantee or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society
  - If you receive a refund you are not entitled to, you must pay it back when the Department for Business, Innovation & Skills (BIS) ED Loan Guarantee asks you to
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

