

4.1. Sources & Investment Accounts

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This section contains the vendor selection, which is used if transactions from a specific vendor are being uploaded into the system. It is also where the “Work with Sources/Inv Accounts” link is found.

Compliance Plan Specifications - [Expand All Applicable](#) / [Expand All](#) / [Collapse All](#) Print

▼ Sources & Investment Accounts

▼ Sources/Accounts

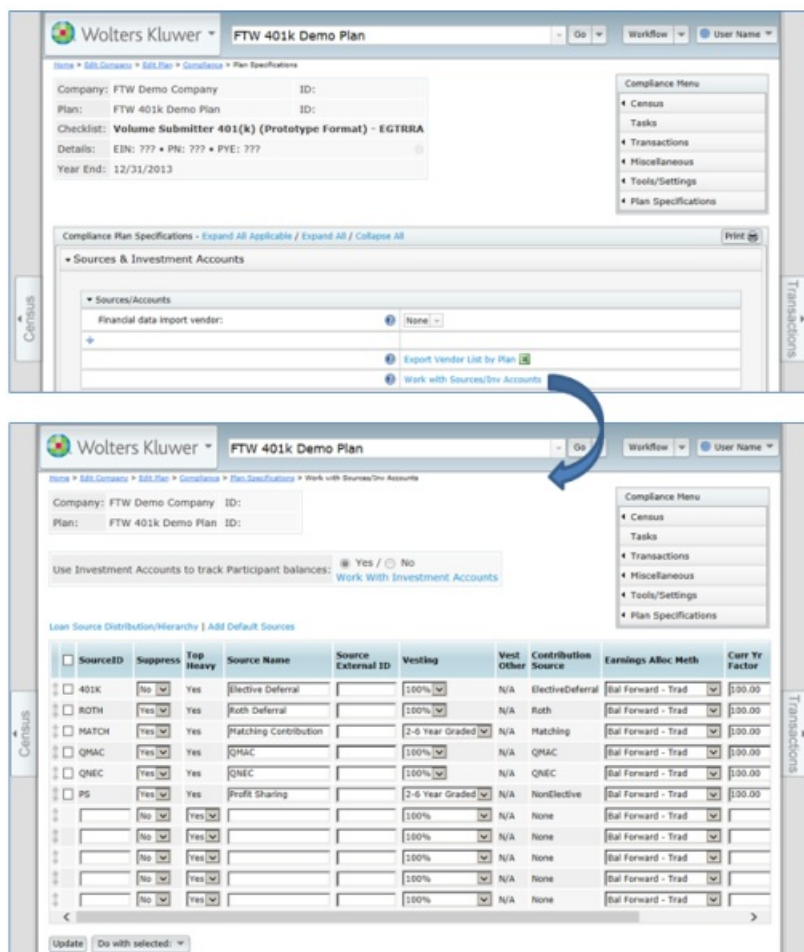
Financial data import vendor:	? None ▾
+	
	? Export Vendor List by Plan
	? Work with Sources/Inv Accounts

Financial data import vendor

Press the drop down box next to Financial data import vendor to select the asset custodian from which you plan to upload transaction files. Selecting a vendor will make the Financial data import ID code field active. This is where you enter the vendor specific account ID. If you plan to upload files from a vendor not listed, you should select “Generic” or “SRT”. You can find the full list of supported vendors with download instructions, as well as the Generic and SRT templates in this article in the [Help Center](#).

Work with Sources /Inv Accounts

Sources and investment accounts (if applicable) need to be set-up in order to properly create transactions for a plan or to use the Loan module. Press the “Work with Sources/Inv Accounts” link to review the applicable sources and/or investment accounts for the plan.



Work with Sources

Below each feature will be discussed as they appear on the page from left to right:

- **Suppress.** Users can use the 'Suppress' option to suppress sources they know will not be used in the plan year and/or they do not want to show on the statements.
- **Top Heavy.** You should note whether or not any sources you add will be considered for Top Heavy purposes (i.e. sources rolled over from an unrelated prior plan should show the Top Heavy indicator as "No"). Contribution sources will always show as "Yes" for top heavy purposes and you will not have the ability to modify this.
- **Source name / description.** The contribution sources will be shown based on plan specifications with default names and descriptions. These are the sources to which the Compliance system will make allocations. You may change account names and account descriptions if you use different descriptors than the system.
- **Source External ID.** The external ID for a source is used if you are linking the plan to an asset custodian. You can map these external sources to ftwilliam sources on the Transaction Menu as described below.
- **Vesting.** Vesting shows the vesting schedule as indicated in the Document checklist. Note that some accounts will not let you modify the vesting schedule to something other than 100% (e.g. Elective Deferrals). If the vesting schedule is "Other6" you will have the opportunity to enter information about the other vesting schedule under the "Vest Other" column. The format that this information must be entered is as 6 numbers separated by a semi-colon (with no spaces): "Year0;Year1;Year2;Year3;Year4;Year5" (Year 6 will be 100%).

For example, a four year graded vesting schedule would be shown as follows: "0;25;50;75;100;100". In this example, a participant is 0% vested is she or he has less than one year of service; is 25% vested after one year of service; 50%

vested after two years of service; 75% after three years of service and is 100% vested after four or more years of service.

- **Contribution Source.** This tells the user which source contributions are made to. If it is a manually added source (not system generated), this will display as “none” as manual sources cannot receive contributions.
- **Earnings Allocation Method.** Here you can select the method to be used to allocate balance forward earnings. If you select “Bal Forward - Trad” then earnings will be allocated based on beginning balance minus all amounts going out during the earnings period. “Bal Forward - All Trans” will use the beginning balance, minus amounts going out, plus all additions apart from contributions.
- **Current Year Factor.** This indicates what percentage of the current year amounts, apart from contributions, added and removed from the plan, are taken into account in the balance forward earnings calculation.
- **Current Year Contribution Factor.** This indicates what percentage of the current year contributions are taken into account in the balance forward earnings calculation. You might select 50% for elective deferrals as they typically come in through the year, and 0% for non-elective contributions as they are generally added after the close of the plan year.
- **Account Information.** Here you need to indicate which investments can be used for each source. Click the “Add” link and select all investments that may be used under that source. Note that the Contribution Percent column is not active; you will see an error message if the sum of all the entries in that column does not equal 100 but you can disregard it. Click “Update” once you have selected all the investments that could be used for that source. Once you have added investments you will see a link to “Edit” rather than “Add”. You can click this to make changes. Please note that you only need to add account information if you are using investment accounts.

Do with Selected

At the bottom of the screen, next to the Update button, there is a “Do with selected” option. Clicking the arrow on this button will give the user the option to edit account info, suppress, un-suppress or delete the sources that the user checks above. This is a time saving method, giving users the ability to do a task for multiple items, one time. For example, if an investment account needs to be added to four out of six sources, the user can check the four sources then select the “Edit Account Info” option. The system will make the changes only for the selected sources. Please note that in order to save the changes, the “Update” button must be pressed.

The screenshot shows a web application interface with a table of sources. The table has columns: SourceID, Suppress, Top Heavy, Source Name, Source External ID, Vesting, Vest Other, Contribution Source, Earnings Alloc Meth, and Curr Yr Factor. The table contains several rows of data, including sources like 401K, ROTH, MATCH, QMAC, QNEC, and PS. A dropdown menu is open next to the 'Update' button, showing options: Edit Account Info, Suppress, Un-Suppress, Delete, and Do with selected:.

SourceID	Suppress	Top Heavy	Source Name	Source External ID	Vesting	Vest Other	Contribution Source	Earnings Alloc Meth	Curr Yr Factor
401K	No	Yes	Elective Deferral		100%	N/A	ElectiveDeferral	Bal Forward - Trad	100.00
ROTH	Yes	Yes	Roth Deferral		100%	N/A	Roth	Bal Forward - Trad	100.00
MATCH	Yes	Yes	Matching Contribution		2-6 Year Graded	N/A	Matching	Bal Forward - Trad	100.00
QMAC	Yes	Yes	QMAC		100%	N/A	QMAC	Bal Forward - Trad	100.00
QNEC	Yes	Yes	QNEC		100%	N/A	QNEC	Bal Forward - Trad	100.00
PS	Yes	Yes	Profit Sharing		2-6 Year Graded	N/A	NonElective	Bal Forward - Trad	100.00
	No	Yes			100%	N/A	None	Bal Forward - Trad	
	No	Yes			100%	N/A	None	Bal Forward - Trad	
	No	Yes			100%	N/A	None	Bal Forward - Trad	
	Yes	Yes			100%	N/A	None	Bal Forward - Trad	
	Yes	Yes			100%	N/A	None	Bal Forward - Trad	

Matching Accounts

There are three possible accounts for matching contributions: "MATCH", "MATCHSH", and "MATCH100". You may or may not use all of these accounts depending on your plan specifications. The account labeled "MATCHSH" is used for safe harbor matching contributions and will be 100% vested. The Account "MATCH100" will be used if the plan has specified matching contributions that are 100% vested but other matching contributions that are less than 100%

vested. The contribution account "MATCH" is the only matching contribution account that can have a vesting schedule and will be used for non-safe harbor matching contributions subject to vesting.

Add Default Sources

Clicking the "Add Default Sources" link will add all sources that are applicable to the plan, as set up in Plan Specifications. This is typically used after a plan document change, such as changing a non-safe harbor plan to be a safe harbor plan. Only sources created by the system will permit contributions in the transaction menu. To this end, if a source is missing from the source grid, it is a best practice to first review the permitted sources in Plan Specifications à General Features and Plan Specifications à Contributions, make the necessary changes if applicable; then use the "Add Default Sources" link to add the missing sources.

The screenshot shows the 'FTW 401k Demo Plan' interface. At the top, there's a navigation bar with 'Wolters Kluwer' logo, 'FTW 401k Demo Plan', and buttons for 'Go', 'Workflow', and 'User Name'. Below this is a breadcrumb trail: 'Home > Edit Company > Edit Plan > Compliance > Plan Specifications > Work with Sources/Inv Accounts'. The main area contains fields for 'Company: FTW Demo Company ID:' and 'Plan: FTW 401k Demo Plan ID:'. A section for 'Use Investment Accounts to track Participant balances:' has radio buttons for 'Yes' (selected) and 'No', with a link 'Work With Investment Accounts'. A 'Compliance Menu' on the right lists: 'Census', 'Tasks', 'Transactions', 'Miscellaneous', 'Tools/Settings', and 'Plan Specifications'. Below the menu, a link 'Loan Source Distribution/Hierarchy | Add Default Sources' is highlighted with a red arrow. At the bottom is a table with columns: SourceID, Suppress, Top Heavy, Source Name, Source External ID, Vesting, Vest Other, Contribution Source, Earnings Alloc Meth, and Curr Yr Factor. The table contains one row for '401K' with values: No, Yes, Elective Deferral, [blank], 100%, N/A, ElectiveDeferral, Bal Forward - Trad, 100.00.

Loan Source Distribution/Hierarchy

Clicking the "Loan Source Distribution/Hierarchy" will open a box where the user will verify the sources that loans can be taken from. Set sources to "Yes" for sources that loans may be taken from and set to "No" if loans are not permitted from the applicable source. Be sure to click "Update" to save your changes. Click the Hierarchy drop down box to set up the hierarchy for loan distributions by source, again either pro rata or ordering rule. Click "Update" to save your changes, then return to the Source Setup page.

The screenshot shows the 'Loan Source Distribution/Hierarchy' dialog box. It has a title bar with a question mark icon and a close button. The dialog contains a table with columns: Source ID, Source Name, Allow Loans, and a dropdown for hierarchy. The table has one row for '401K' with values: Elective Deferral, Yes, and Pro rata. Below the table are 'Close' and 'Update' buttons. A blue arrow points from the 'Loan Source Distribution/Hierarchy | Add Default Sources' link in the previous screenshot to this dialog box.

Work with Investment Accounts

In general, investment accounts should be added if you need to have the system allocate earnings and/or if you have more than one place money is held. No investment accounts are needed if uploading from only one vendor and no earnings allocation will be calculated by ftwilliam.com. If you will not be using investment accounts, set “Use Investment Accounts to Track Participant Balances” to no, otherwise set this to “Yes”. When “Yes” is selected, the “Work with Investment Accounts” link will appear. Click this link to enter investments.

The screenshot shows the 'FTW 401k Demo Plan' interface. At the top, there's a navigation bar with 'Wolters Kluwer' logo and a search bar. Below it, a breadcrumb trail reads: Home > Edit Company > Edit Plan > Compliance > Plan Specifications > Work with Sources/Inv Accounts. The main content area has a form for 'Company: FTW Demo Company' and 'Plan: FTW 401k Demo Plan'. Below this, a checkbox labeled 'Use Investment Accounts to track Participant balances:' is checked, with a red arrow pointing to a 'Work With Investment Accounts' link. To the right is a 'Compliance Menu' with options: Census, Tasks, Transactions, Miscellaneous, Tools/Settings, and Plan Specifications. At the bottom, a table lists sources with columns: SourceID, Suppress, Top Heavy, Source Name, Source External ID, Vesting, Vest Other, Contribution Source, Earnings Alloc Meth, and Curr Yr Factor. The first row shows '401K' with 'No' for Suppress, 'Yes' for Top Heavy, 'Elective Deferral' for Source Name, and '100%' for Vesting.

You may add each investment being used by the plan as shown in the screenshot below. A description of each of the columns follows:

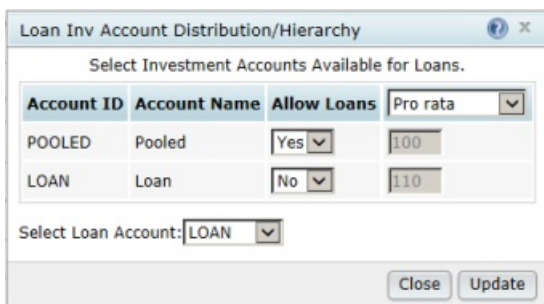
The screenshot shows the 'Investment Accounts' window. It has a title bar 'Investment Accounts' and a close button. Below the title bar is a link 'Loan Inv Account Distribution/Hierarchy'. The main area contains a table with columns: AccountID, Account Name, Account Description, Type, and Del. The table has several rows, with the first row containing 'POOLED', 'Pooled', 'Pooled', 'Cash', and a trash can icon. Below the table is a checkbox labeled 'Add all Investments to all Sources' which is checked. At the bottom are 'Close' and 'Update' buttons.

- Arrows – Click on the arrow and drag up or down to change the position of the investment.
- AccountID - this is the unique identifier for the investment used by the system. For amounts held with an asset custodian you should use “Vendor”. Other typical IDs are “Pooled” for a pooled account, “Brokerage” for a brokerage account and “Loan” for the loan fund.
- Account Name - you can assign a name to the investment; this name will be used to identify the investment on other screens and on reports. You may want to use the name of the asset custodian for the vendor account; otherwise you should use something that will easily identify the investment both to you and other system users.
- Account Description - this is a field you can use to enter more detailed information about the investment; it is not used in any other areas or reports.
- Type - select “Brokerage” for brokerage accounts and “Cash” for all other investments. “Unit” is not currently an active option.
- Del – Press the garbage can icon to delete an investment. If the icon does not appear for an investment, this means that the user has not yet pressed the “Update” button and can just erase the text entered in the fields (see Loan investment in the screenshot above for an example of this).

Checking the box to “Add all Investments to all Sources”, automatically adds every investment account setup here to every source on the source page once the “Update” button is pressed. After pressing the update button, a pop-up box will appear, asking the user to confirm that they wish to add all Investments to all sources. Press “Yes” to instantly add all investments to all sources. Press “No” to cancel this operation.

Loan Inv Account Distribution/Hierarchy

If the plan is using the Loan Module you will also want to indicate which investments can be used for loan issue. Select “Yes” from the drop down box for each of the investments that can be used for loans. Note that the Loan Fund should always have “No” selected. You should also ensure that the designated loan fund is correct under “Select Loan Account”. Next click “Hierarchy” and indicate whether loans should be issued pro-rata from all applicable investments or whether the ordering rule is used. If you choose “Ordering Rule” you will need to indicate the order by using the sequence numbers.



Account ID	Account Name	Allow Loans	Pro rata
POOLED	Pooled	Yes	100
LOAN	Loan	No	110

Select Loan Account: LOAN

Close Update