

Your ultimate guide to settlements and disbursements

Tips to help you gain a holistic view of all the revenue you're capturing by offering your customers a smarter way to pay over time using Affirm.



Intro

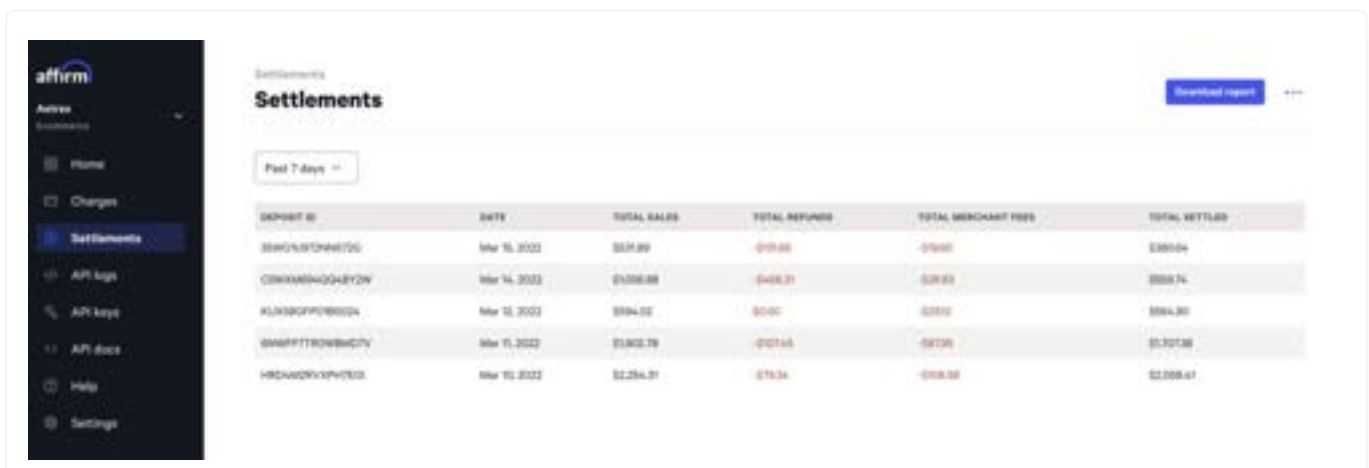
Affirm's flexible payment plans are twofold. Not only do they allow your customers to buy more of what they want, but they also allow you to enjoy a measurable impact on top line sales.

But how do funds populate in your bank account when customers pay over time? In this guide, we'll help you understand all the revenue you're capturing by offering your customers a smarter way to pay with Affirm.

Settlements

You can think of settlements as the result of transactions you capture by offering Affirm as a payment option to your customers. These figures show the sum result of sales transactions, refunds, disputes and fee adjustments that are applied to your customers' loans.

To get started, simply click on the Settlements dashboard from your Merchant Portal. Here you'll find a list of settlements organized by the most recent date that funds were sent to you. Note that this date does not reflect when the item was purchased, or when money is actually deposited into your account.



DEPOSIT ID	DATE	TOTAL SALES	TOTAL REFUNDS	TOTAL MERCHANT FEES	TOTAL SETTLED
BBQXU8TQW475G	Mar 16, 2023	\$291.89	-\$19.88	-\$9.00	\$262.04
CBKXABW0Q48Y2W	Mar 14, 2023	\$1088.88	-\$488.21	-\$28.83	\$571.84
KUX3GQFP08602K	Mar 12, 2023	\$594.55	\$0.00	-\$28.10	\$566.45
SWPFTTROW8WCPV	Mar 15, 2022	\$1802.78	-\$101.45	-\$81.06	\$1,620.28
H8DVAQX0XPH7E3	Mar 10, 2023	\$2,254.31	-\$79.34	-\$108.58	\$2,066.41

While there is one report for each deposit settled to your bank account, there may be days when you receive more than one settlement report. This can be reflective of settlements from different lending partners, allowing you to easily reconcile your transactions with the deposits made into your bank account.

Takeaways



Merchant fees and refunds are automatically deducted from settlements



Settlements are performed in bulk, once per official banking day for each issuing bank



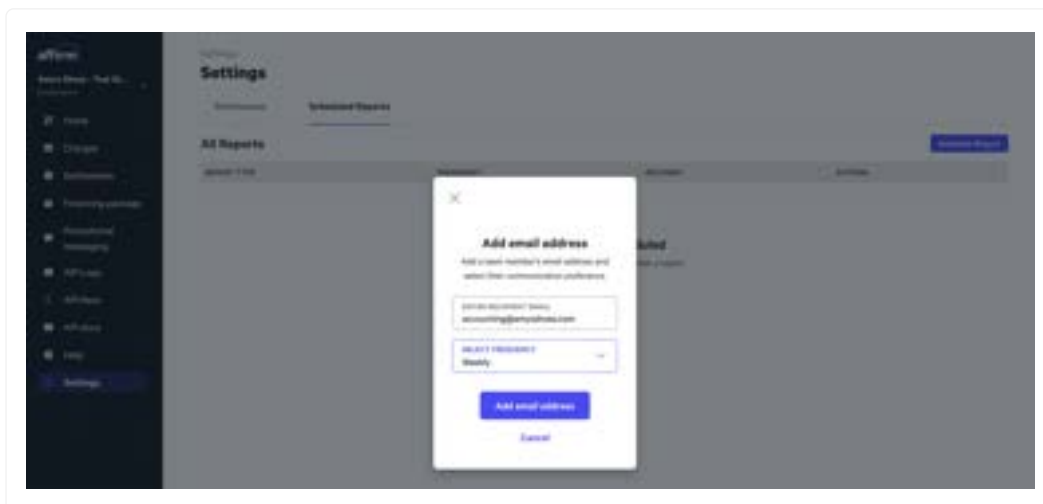
Affirm will batch multiple settlements together after non-banking days



Tip: Schedule insights delivered straight to your inbox at your preferred frequency

While your settlement report offers a comprehensive overview of total sales, refunds, and merchant fees, you can also view the individual transactions that comprise these payouts by downloading a detailed version of the report or having it emailed automatically.

1. To manually download your detailed settlement report, navigate to Settlements > Download button.
2. To schedule your detailed settlement report to send automatically via email, navigate to Settings > Schedule Reports tab > Schedule Report button. From there, enter the recipient's address and preferred frequency to ensure they receive reports at the right time—without having to sign into your Merchant Portal.



Unable to generate a settlement report?

It may be due to having a negative balance on your account, since a deposit ID and settlement report are only generated when a disbursement has been made. This usually occurs when a customer has returned an item that exceeds your balance, causing Affirm to pull back a payout. To confirm, search 'Refunded' under your Charges tab.

Disbursements

Disbursements are your payouts of sales captured. Because Affirm works with multiple lending partners to extend loans to your customers, the disbursements are carried out by these partner entities and sent to your bank account on business days when there is a positive settlement balance.

Scheduled disbursements follow similar schedules to credit card payments and can be delayed due to a variety of reasons. These include Affirm's underwriting review process when you first sign up, inaccurate bank account details entered in your Affirm account, or a negative balance due to previous refunds or disputes. This should only cause a minor delay and will not stop disbursements owed to you.



Best Practices

Consider payout timing: Like other payment processors, it typically takes time to deliver funds to you after a customer pays for their purchase. The same is true when a customer uses Affirm: it can take 2-4 business days to see disbursements reflected in your bank account. This practice is standard and allows for factors such as fund clearance and transfer. It's also worth noting that settlements do not occur on bank holidays or weekends, and as such one report is generated the following business day that sums the settlements that occurred during that time period.

Don't forget about returns: At times, you might find that you didn't receive an expected settlement or your settlement report shows a negative balance. This is usually reflective of Affirm pulling back a payout due to a customer returning an item that exceeds your account balance, thus yielding a negative balance. When this occurs, no action is required of you; the negative balance will simply be withheld from your next transaction(s) and payouts will resume when a positive balance is reached. You can also look up refunded loans by searching for 'Refunded' under your Charges tab.

Alternatively, you may have not received an expected settlement due to incorrect bank account details in your Affirm account. In this case, reach out to our Merchant Care team by emailing merchanthelp@affirm.com and we will be happy to assist you.



Does your account often exceed \$500 in negative balances?

You can opt to have Affirm direct debit your account, which automatically retrieves any balances owed without having to wait for a new sale to settle.



Best Practices cont.

Build a practice for reconciliation: Consider the other payment options offered to customers and existing accounting workflows to easily reconcile sales across platforms. For instance, Affirm offers multiple ways to capture a holistic view of accurate sales totals:

- Using Order ID, take the sum of all the amounts with the same Order ID across different reports to calculate the final state of that order
- For merchants on Charges API, you may map each Transaction_id to your accounts payable or accounts receivable in your accounting system
- For merchants on Transactions API, you may map each merchant_transaction_id to your accounts payable or accounts receivable in your accounting system

By building a process to reconcile Affirm sales with other revenue streams, you'll be able to capture an accurate portrayal of revenue and costs, save your business money, and prevent surprises down the road.

Looking for more resources?

Visit our Business Resource Hub at: <https://businesshub.affirm.com>

