Payment Appropriation

Payment appropriation definition will have the rules to apply funds to various financials when payment is received. Payment appropriation method is derived based on the 2 configurations Payment Application Method and Payment Due Status.

Payment Application Method

Payment application method determines the criteria to apply the payment amount towards the unpaid bills of a loan account. The payments received can be applied to satisfy the oldest bills to the latest or satisfy a component of all outstanding bills and then move to the next component or a combination where the components of old bills will be satisfied for Overdue bills whereas the due and current bills are satisfied by bill.

Payment Due Status

Payment due status determines whether the payment is Overdue, due, current, or advance. Given below are the valid payment due statuses for a loan account.

1. Overdue - More than one bill is overdue (Scheduled Last Due Date > < Next Due Date)
2. Due - One bill is overdue (Scheduled Last Due Date = Next Due Date)
3. Current - No bills are overdue (Scheduled Next Due Date = Next Due Date)
4. Advance - Paid ahead bills generated (Scheduled Next Due Date < < Next Due Date