# 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