Lesson 11 Managing Direct Bill Payments

11.1   Prerequisites

For this exercise, use:

- In a supported browser go to the BillingCenter URL
    - Username: **studentXX**
    - Password: **gw**

This exercise builds on the payments entered in the **Enter New Payments** exercise from the **Receiving Direct Bill Payments** lesson. If you have not completed this exercise, enter a new suspense payment for $400 for policy PA01-CBRANDT before starting this exercise.

11.2   Exercise 1: Handle a suspense payment.

Activity

In this exercise, you continue with the suspense payment that you created in the exercise from the **Receiving Direct Bill Payments** lesson.

1. **Add a Personal Auto policy the Caroline Brandt XX account:**

    - Policy #: PA01-CBRANDT-XX
    - Payment Plan: **PP12**
    - Premium: **$2000**
    - Tax: **$400**

2. **On the Suspense Payments screen, confirm that there is an open suspense payment that is targeted for the policy you just created.**

    a) Indicate to the instructor that you are ready to continue (**11,1,2**)

3. **WAIT: The instructor will run the *Suspense Payment* batch process to automatically release the suspense payment you created in a previous exercise.**

4. **Refresh the display and answer the following questions about the suspense payment:**

    a) Is the $400 suspense payment listed on the **Suspense Payments** screen?
    b) Where is the money from the suspense payment now?
    c) Indicate to the instructor that you are ready to continue (**11,1,4**)

5. **WAIT: The instructor will bill the first invoice for the new policy.**

a) What happened to the money from the suspense payment?

11.3 Solution

Solution

1. **Add a Personal Auto policy the Caroline Brandt account:**

   - Policy #: PA01-CBRANDT-XX
   - Payment Plan: **PP12**
   - Premium: **$2000**
   - Tax: **$400**

2. **On the Suspense Payments screen, confirm that there is an open suspense payment that is targeted for the policy you just created.**

3. *WAIT*: **The instructor will run the** *Suspense Payment* **batch process to automatically release the suspense payment you created in a previous exercise. -** *See Appendix for details*

4. **Refresh the display and answer the following questions about the suspense payment:**

   a) Is the $400 suspense payment listed on the **Suspense Payments** screen? *No, it does not appear in the list of Open suspense payments. If you select Applied from the drop-down, you will see the payment. Note: If the payment appears in the Open list, check that the suspense payment has the correct policy number.*

   b) Where is the money from the suspense payment now? *It is in the designated unapplied fund for the Caroline Brandt XX's Personal Auto policy.*

5. **WAIT**: **The instructor will bill the first invoice for the new policy.**
   See appendix for details.

   a) What happened to the money from the suspense payment? *The Invoice batch process automatically applied the payment from the designated unapplied fund to invoice items on the first invoice. The Invoice batch process is one of the four batch processes that perform payment allocation.*

11.4 Exercise 2: Correct payment allocation

Activity

You have received a $1440 payment from Caroline Brandt. Caroline wants $200 applied to the Personal Auto policy and the remaining amount to a new Homeowners policy. For the purposes of this exercise, you will incorrectly apply the payment and subsequently correct the payment allocation.

1. **Add a new Homeowners policy to the Caroline Brandt <u>XX</u> account:**

   - Policy #: HO01-CBRANDT-<u>XX</u>
   - Payment Plan: **PP12**
   - Premium: **$4400**
   - Tax: **$800**

2. **<u>WAIT</u>: The instructor will bill the first invoice of the new policy.**

3. **Enter a new direct bill payment as specified below:**

   - Amount: **$1440**
   - Unapplied Fund: **HO01-CBRANDT-<u>XX</u>**
   - Payment Instrument: **Check**

   a) Why does the **Distribution** tab include an item from a planned invoice?

   b) Execute the payment.

4. **Caroline requested that $200 be applied to the Personal Auto policy and the remaining $1240 be applied to the Homeowners policy. However, currently the whole payment is applied to the Homeowners policy.**

   a) How can you confirm that this payment is applied incorrectly (that is, not applied according to Caroline's request)?

5. **Modify the allocation of the payment to apply $200 to the Personal Auto policy and $1240 to the Homeowners policy. Tip: To allocate an amount to a policy, first aggregate the invoices by Summary on the Distribution tab of the Modify Payment screen. You can refer to the Solution for detailed steps, if needed.**

   a) After you execute the modified payment, will there be any unpaid amounts on the billed invoices for either policy?

   b) What are the paid amounts on both policies?

   c) Is this what you expected?

6. **Execute the modified payment.**

7. **<u>WAIT</u>: The instructor will edit the Default Payment Allocation Plan, to remove the Planned Invoice filter that was added in a previous exercise.**

11.5 Solution

 Solution

1. **Add a new Homeowners policy to the Caroline Brandt account:**

    - Policy #: HO01-CBRANDT-<u>XX</u>
    - Payment Plan: **PP12**
    - Premium: **$4400**
    - Tax: **$800**

2. <u>**WAIT**</u>**: The instructor will bill the first invoice of the new policy. -** *See Appendix for details*

3. **Enter a new direct bill payment as specified below:**

    - Amount: **$1440**
    - Unapplied Fund: **HO01-CBRANDT-<u>XX</u>**
    - Payment Instrument: **Check**

    a) Why does the **Distribution** tab include an item from a planned invoice? *In the previous exercise, we added a filter to the **Default Payment Allocation Plan** to include invoice items from the **Next Planned Invoice**.*

    b) Execute the payment.

4. **Caroline requested that $200 be applied to the Personal Auto policy and the remaining $1240 be applied to the Homeowners policy. However, currently the whole payment is applied to the Homeowners policy.**

    a) How can you confirm that this payment is applied incorrectly (that is, not applied according to Caroline's request)? *Go to the **Payments** screen for the account and click the $1440 payment. The payment details show that the entire payment has been applied to the same billed invoice.*

5. *Modify the allocation of the payment to apply $200 to the Personal Auto policy and $1240 to the Homeowners policy. Tip: To allocate an amount to a policy, first aggregate the invoices by Summary on the Distribution tab of the Modify Payment screen. You can refer to the Solution for detailed steps, if needed.*
    Steps for reallocating a payment

    a) *On the **Payments** screen for the account, select **Actions → Modify Distribution** for the payment.*

    b) *In the **Modify Payment** screen, click **Override Distribution**.*

    c) *If the account uses cash separation (which our example does use) and you want to include invoice items from another policy, click **Add Items**.*

    d) *Find and select the target policy. You can filter*

    e) *Click **Search** to find the invoice items belonging to the selected policy.*

    f) *Click the checkbox next to the items you want to pay.*

    g) *Click **Add Selected Items**.*

    h) *Optional: On the Distribution tab, select **Summary** as the **Aggregate**.*

    i) *Enter the desired amount in the **Override Amount** field.*

The solution starts here:

  a) After you execute the modified payment, will there be any unpaid amounts on the billed invoices for either policy? *No*

  b) What are the paid amounts on both policies? *The Homeowners policy is $1240 and the Personal Auto is $600.*

  c) Is this what you expected? *Yes, the Personal Auto policy had the initial $400 payment applied. Then the $1440 payment was split across both policies. The Personal Auto policy received $200 and Homeowners policy received $1240.*

6. **Execute the modified payment. *Click Execute.***

7. <u>**WAIT**</u>**: The instructor will edit the Default Payment Allocation Planto remove the Planned Invoice filter that was added in a previous exercise. – *See Appendix for instructions***