Outstanding Clearing Account Items

Overview

This procedure provides an explanation for how to research the cause of an outstanding clearing account item. It also provides details for how to resolve or clear the outstanding item received from the Ops Accounting team. These items should be resolved as soon as possible to reduce the impact on the Ops Accounting teammates.

Procedure

Premium Clearing Items 500/266342

Note: Premium Clearing account errors are cleared with a same day turnaround time. Errors received from Ops Accounting for account 266342 should be handled high priority and cleared same day. If this is not possible, communicate with Ops Accounting. Clearly state why the errors cannot be cleared and when you expect it will be.

Check Batches

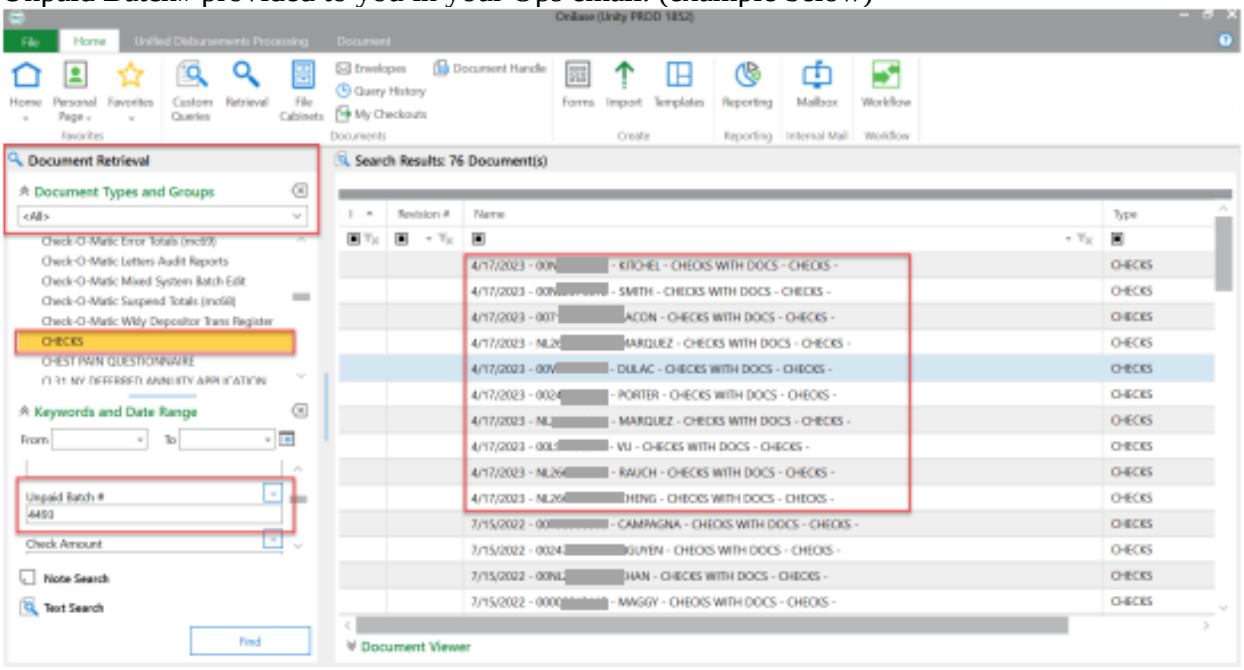
If you receive this notification, it means that you processed a batch of checks the day prior and something did not post correctly. Most often these are credits (ex. (4808.80) in the Net field highlighted above) which means a premium did not get paid or did not get paid correctly. If you have a debit (i.e., no parentheses around the NET field), then something was overpaid, and reversal accounting will need to be processed and potentially a journal entry.

Step 1: research the error

In the scenario above, the following research should be conducted:

1. Go to OnBase and search for your related checks in Document Retrieval. Do not Select APPLICATION FILE GENERAL, leave your Document Retrieval on Document Types & Groups ALL. Type in the lower box ‘CHECKS’ and search for your checks with the

Unpaid Batch# provided to you in your Ops email. (example below)



2. Compare checks in OnBase to what posted in the clearing account. Make sure to only look at checks with the relevant date as Unpaid Batch#'s are recycled and you will normally see past checks with an older date. Compare checks to your email from Ops Accounting to determine which policy either did not get paid or did not get paid correctly.
    - If you have a (credit) you will need to reprocess the payment in an UNPD batch, <u>using the same batch number</u> from the email you received from Ops Accounting.
    - If you have a debit you will need to do correction accounting (see below).

Step 2: Correct the outstanding item

Click the nav-arrow below to do correction accounting for outstanding credit or debit,

<u>Note:</u> Only complete the steps below when you have done your research and identified where the discrepancy lies.

To correct an outstanding credit

- Start an Unpaid Batch in mainframe using the same batch number indicated in your email.
- Input payment record.
- Balance your batch (this amount should equal the outstanding credit; provided in your email).
- Reply all to the original email confirming completion.

To correct an outstanding debit

- If a Vantage policy was overpaid, you can reverse the payment to MC 63 on an NA1 screen with the 4-digit batch#. DO NOT **ever** reverse to MC 63 *without* a batch number. This method should only be used for batch corrective accounting.
- If a TRAD policy was overpaid, you will need to reverse the payment to the correction account (MF Account# 0002875), and then complete a journal entry to debit that account (MF Account# 0002875 = Lawson account 266304) and (credit) the batch account (266342). Make sure to reference the 4-digit batch number on the 266342 credit entry.

W Batches

Most often, web exception payments error because we either accepted a group payment, the policy number sequence was entered incorrectly, or you accepted a policy type (ex. Consecta) through Web Exceptions that cannot be processed through the web exception platform.

Step 1: Research the error

In the scenario above, the following research should be conducted:

1. Go to OnBase and select Unpaid in the drop-down box.
2. Select 'Lock Box Payments'.
3. Input your credit amount in the 'Check Amount' field and hit find. Your item should populate to the right. If it does not, input your credit amount in the 'Amount Applied' field.
4. Once you locate the check, determine the correct policy number that the payment belongs to and process the payment in an UNPD batch accordingly.

Step 2: Correct the outstanding item

1. Start an Unpaid Batch in mainframe using the same batch number indicated in your email.
2. Input payment record.

3. Balance your batch (this amount should equal the outstanding credit; provided in your email).

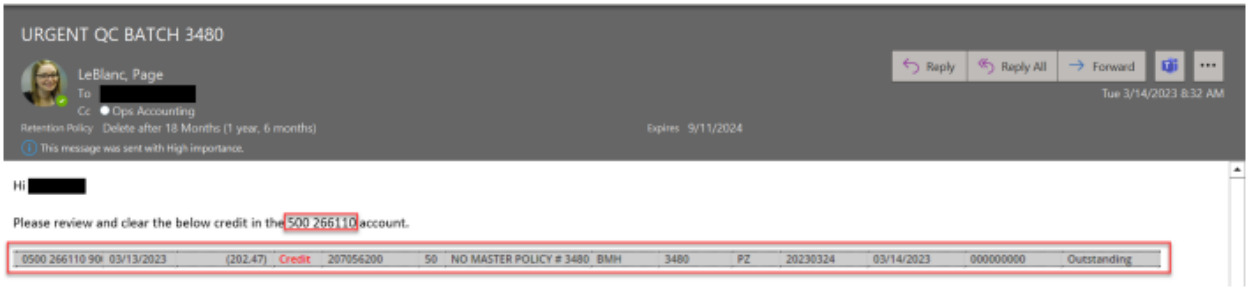
4. Reply all to the original email confirming completion.

Dump Account Items 500/560 266110, 266105

Dump account errors are cleared with a same day turnaround time. Errors received from Ops Accounting for account 266110 & 266105 should be handled high priority and cleared same day. If this is not possible, make sure you are communicating with Ops Accounting as to why it cannot be cleared and when you expect it will be.

Example 1 (266110):

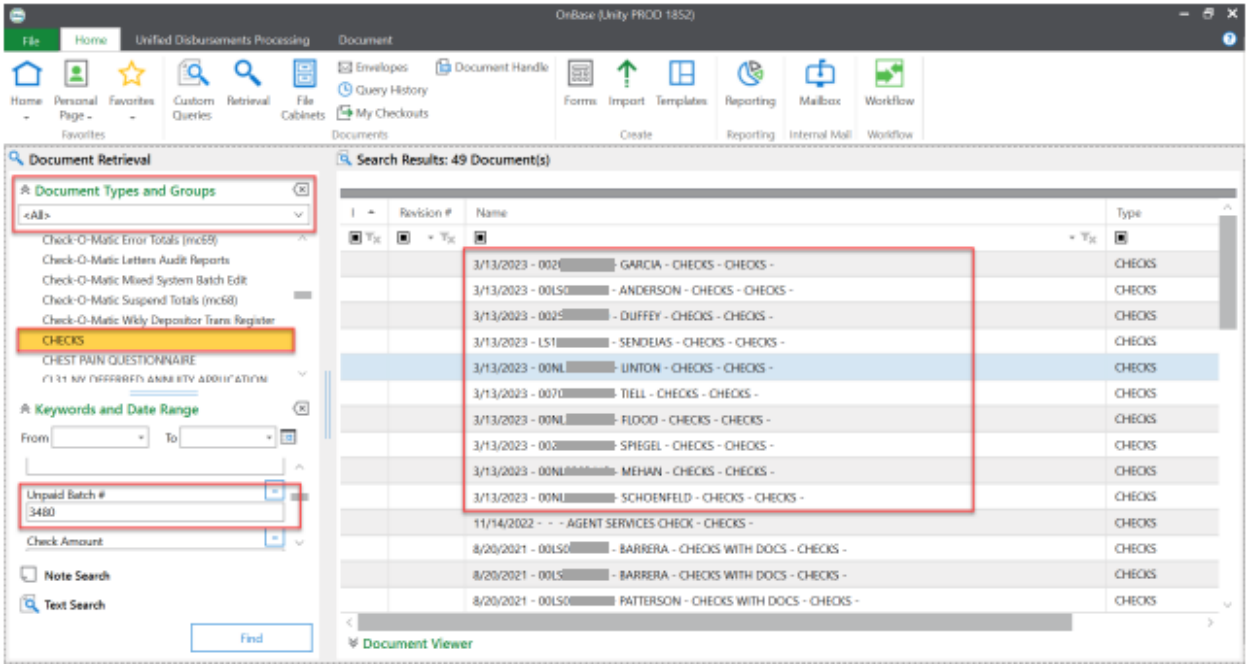
Dump Account **266110** errors are most commonly credits for the following reasons: Incorrect policy number, incorrect line code on a TRAD/DI policy or a forgotten term code on a lapsed/surrendered policy.



Step 1: Research the error

1. Go to OnBase and search for your related checks in Document Retrieval. Do not Select APPLICATION FILE GENERAL, leave it on Document Types & Groups ALL. Type in the lower box ‘CHECKS’ and search for your check(s) with the Unpaid Batch# provided to you in your Ops email.

   Note: Not all 266110 account items will be check batches. If the batch number is not a 4-digit check batch number, you will need to change your research path and determine what you were working on with the policy in question before making any corrections.



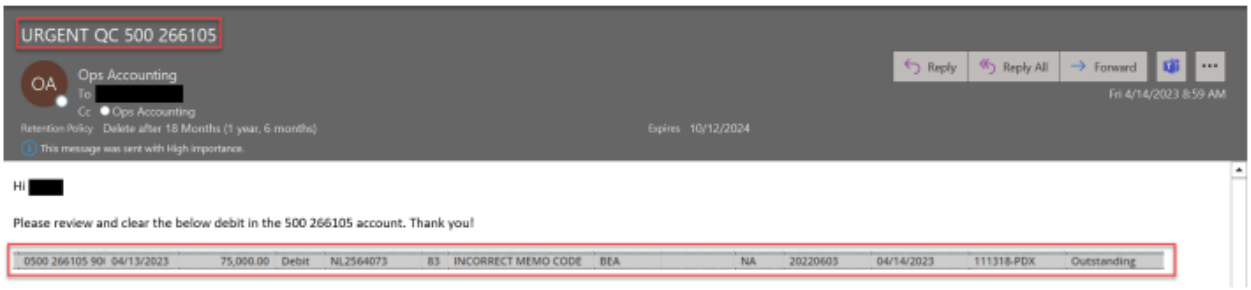
Step 2: Correct the outstanding item

If the policy is on the TRAD/DI system and this was a line code typo – the item can be cleared from the 266110 account by applying the payment on Mainframe using a FRAM screen. Your P9 entry will need to debit the MF account# 0002871.

Note: If the policy is lapsed or surrendered and funds need to be placed in suspense with a specific who code (ex. Policy has a Y 979), a journal entry is required to move the credit from the Dump Account to the Premium Clearing Account (make sure to reference the same batch number). This would then need to be reprocessed in an UNPD batch using the same batch number.

Example 2 (266105):

Dump Account **266105** errors are typically a credit from a reversal that was processed with either no memo code, or an incorrect memo code. Debits are typically from a payment applied with either no memo code, or an incorrect memo code. These errors are typically for Vantage policies.


URGENT QC 500 266105

Ops Accounting

To [redacted]

Cc Ops Accounting

Retention Policy Delete after 18 Months (1 year, 6 months) Expires 10/12/2024

This message was sent with High importance.

Reply Reply All Forward

Fri 4/14/2023 8:59 AM

Hi [redacted]

Please review and clear the below debit in the 500 266105 account. Thank you!

0500 266105 900	04/13/2023	75,000.00	Debit	NL2564073	83	INCORRECT MEMO CODE	BEA		NA	20220603	04/14/2023	111318-PDX	Outstanding

Step 1: Research the error.

In this scenario, the following research should be conducted:

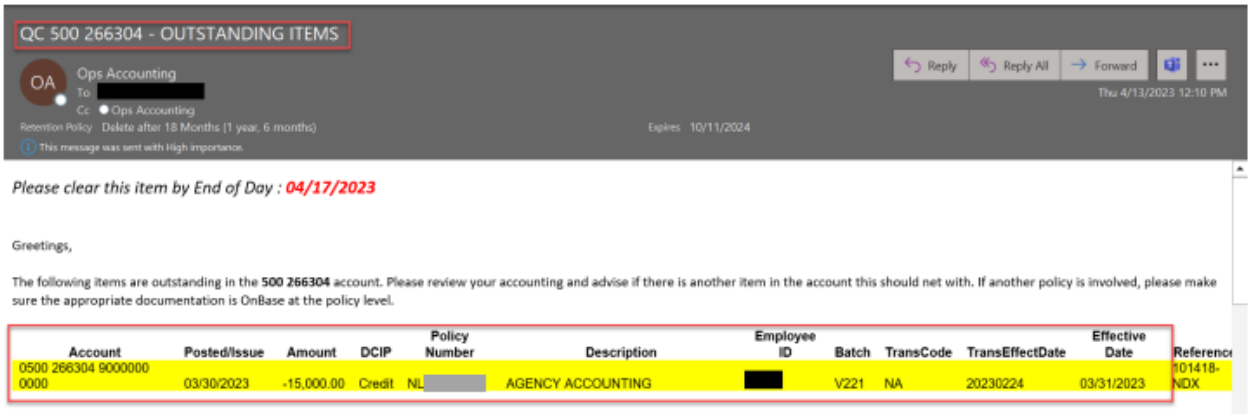
1. Go to OnBase to review any policy documents that might determine what these funds represent. (Ask yourself What were you trying to do?)
2. Run a Lawson '3a Accounting Journal' to review the accounting that was being processed.
3. Run a quick find in Frontier for any other outstanding items.

Step 2: Correct the outstanding item

More than likely, a journal entry will need to be processed to move the funds to the account you intended to offset originally.

Refund/Correction Clearing Accounts 500/560 266304

Credit Entries


QC 500 266304 - OUTSTANDING ITEMS

Ops Accounting

To [redacted]

Cc Ops Accounting

Retention Policy Delete after 18 Months (1 year, 6 months) Expires 10/11/2024

This message was sent with High importance.

Reply Reply All Forward

Thu 4/13/2023 12:10 PM

*Please clear this item by End of Day : **04/17/2023***

Greetings,

The following items are outstanding in the **500 266304** account. Please review your accounting and advise if there is another item in the account this should net with. If another policy is involved, please make sure the appropriate documentation is OnBase at the policy level.

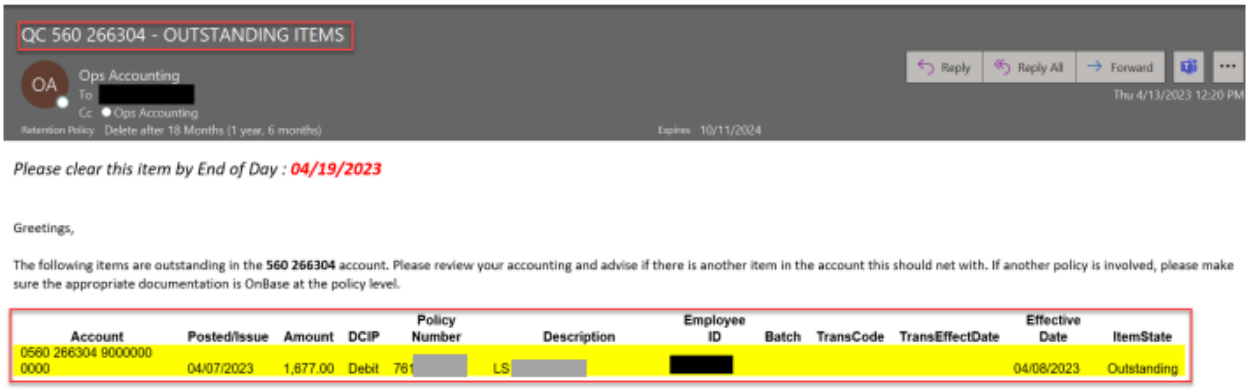
Account	Posted/Issue	Amount	DCIP	Policy Number	Description	Employee ID	Batch	TransCode	TransEffectDate	Effective Date	Reference
0500 266304 9000000 0000	03/30/2023	-15,000.00	Credit	NL[redacted]	AGENCY ACCOUNTING	[redacted]	V221	NA	20230224	03/31/2023	101418-NDX

If you have an outstanding credit in one of the above accounts, you need to review the policy file in OnBase to determine what you were working on with this policy.

Common reasons for outstanding credits

- A refund was rejected, and the money needs to be placed back in suspense (there should be evidence of a refund rejected in OnBase).
- A correction was processed and the item nets with another policy. Make sure the appropriate documentation of moving the funds is filed in OnBase at the policy level (form should be completed and filed under both policy numbers under doc type BILLING).

Debit Entries


QC 560 266304 - OUTSTANDING ITEMS

OA Ops Accounting
To [redacted]
Cc Ops Accounting
Retention Policy Delete after 18 Months (1 year, 6 months) Expires 10/11/2024

Reply Reply All Forward
Thu 4/13/2023 12:20 PM

*Please clear this item by End of Day : **04/19/2023***

Greetings,

The following items are outstanding in the **560 266304** account. Please review your accounting and advise if there is another item in the account this should net with. If another policy is involved, please make sure the appropriate documentation is OnBase at the policy level.

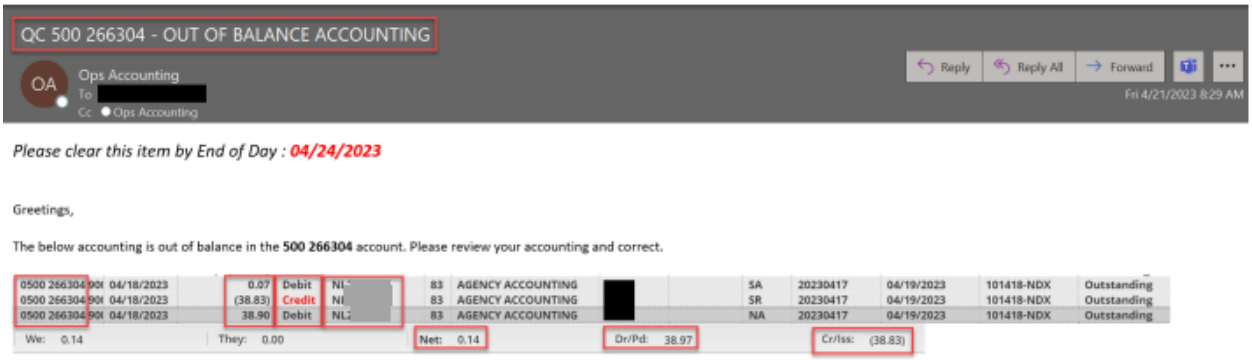
Account	Posted/Issue	Amount	DC/P	Policy Number	Description	Employee ID	Batch	TransCode	TransEffectDate	Effective Date	ItemState
0560 266304 9000000 0000	04/07/2023	1,677.00	Debit	761[redacted]	LS[redacted]	[redacted]				04/08/2023	Outstanding

If you have an outstanding debit in one of the above accounts, you will need to review the policy file in OnBase to determine what you were working on with this policy.

Common reasons for outstanding debits

- A correction was processed and the item nets with another policy. Make sure the appropriate documentation of moving the funds is filed in OnBase at the policy level (Inter-Policy Transfer of Funds form should be completed and filed under both policy numbers under doc type BILLING). It's also possible your correction accounting was done incorrectly.

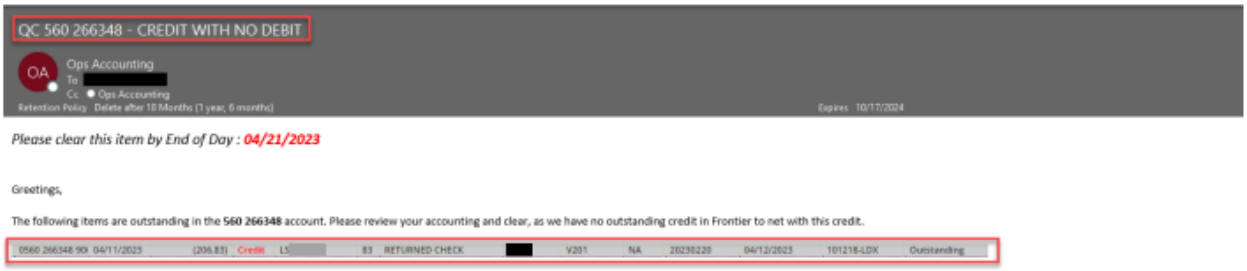
Both Credit and Debit Entries (Out of Balance Accounting)



If your accounting is out of balance, you will need to determine what was processed incorrectly and correct. Consult with a Team Lead or an Ops Accountant if you are unsure of the best way to correct.

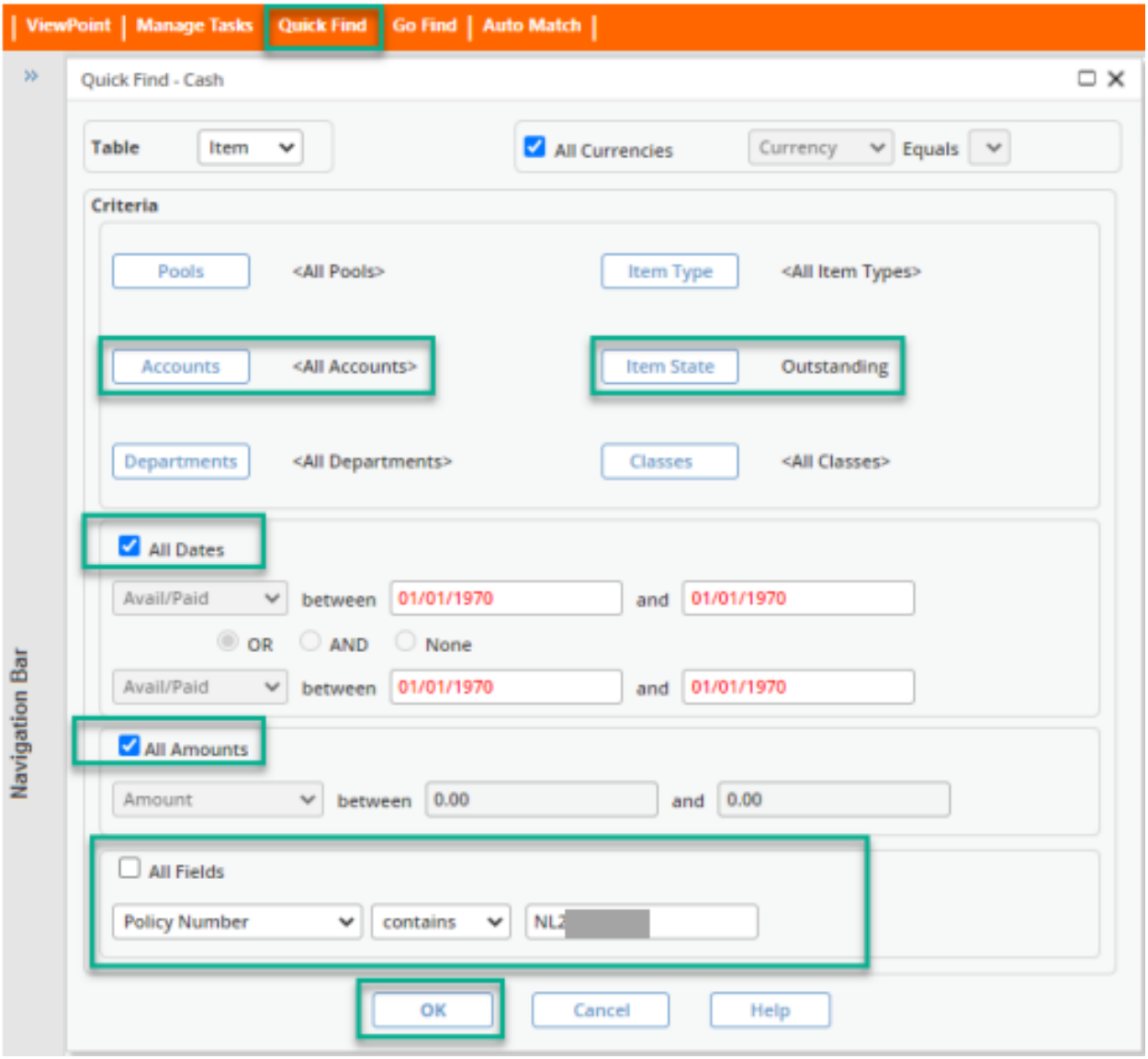
Returned Check Accounts 500/560 266348, 266318, 266320

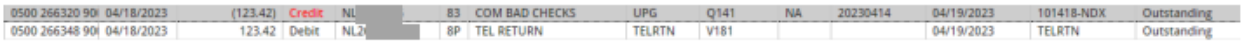
Credit Entries



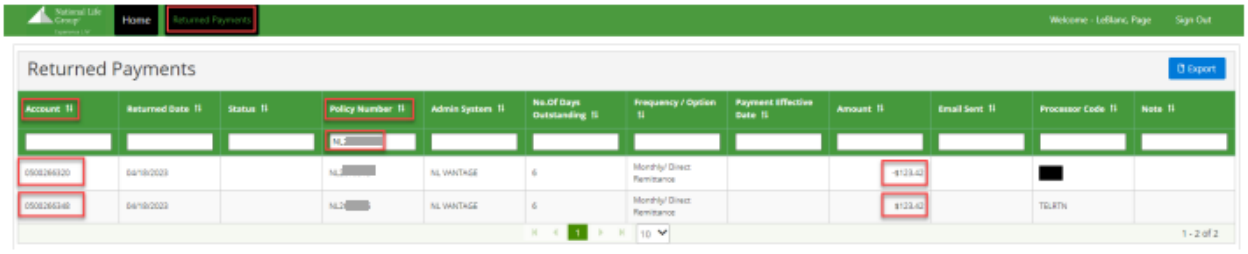
If you have an outstanding credit in one of the above returned check accounts, more than likely too many premium payments were reversed, or a payment was reversed to clear a return that had already been cleared. If you are receiving this notice, there is no debit to net with this credit and the money may need to be re-applied to the policy.

Confirm there is not a debit in one of our other returned check accounts by running a ‘Quick Find’ in Frontier.

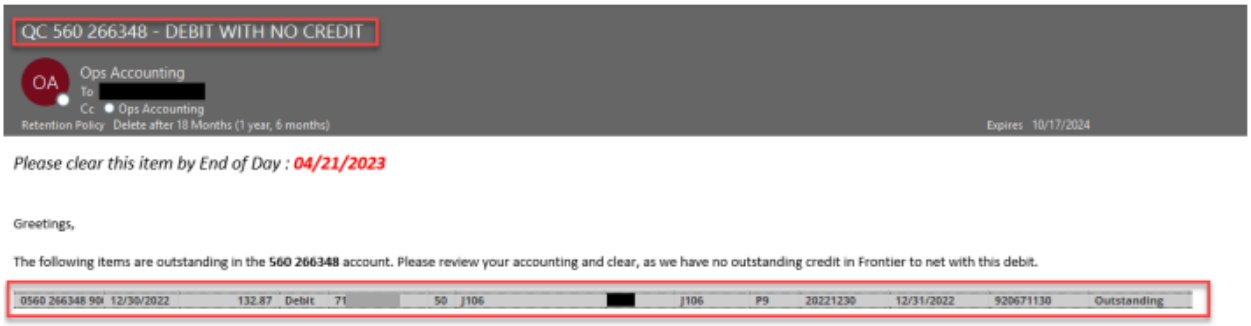




You can also confirm by filtering by the policy number into the LSP for Returned Payments table. This table pulls data straight from the returned check accounts in Frontier and updates each morning, so if there was a debit in another account it will show you. If there is a debit in another returned check account, you will need to complete a journal entry to clear.



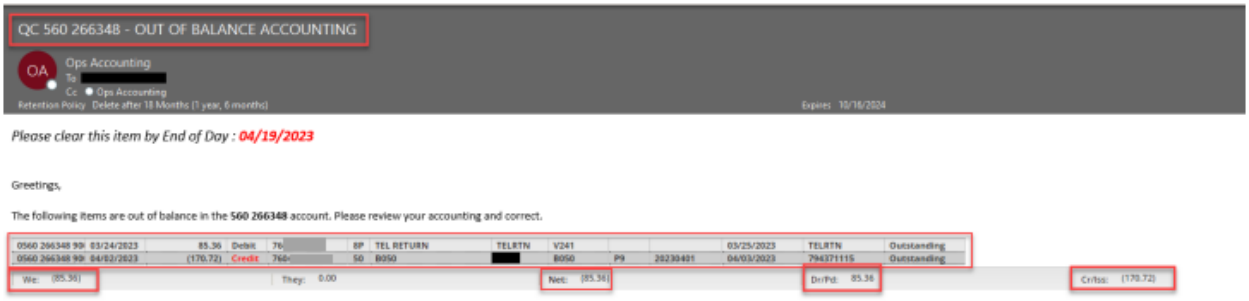
Debit Entries



Processor debit entries in the returned check accounts are not common.

If you have a debit in one of the returned check accounts, you should first run a ‘Quick Find’ in Frontier to ensure that the credit offset is not in one of other returned check accounts (or check in the LSP for Returned Payments table). If there is not a credit in another account, you will need to research what you were working on. Please discuss with a Team Lead or an Ops Accountant if you are unsure of the best way to correct.

Both Credit and Debit Entries (Out of Balance Accounting)



Common reasons for out of balance accounting

- There were multiple returns and you only reversed one.
- There was only one return and you reversed multiple.
- The return amount and the premium amount are different, but a full premium was reversed.
- The accounting is off by a small discrepancy. If it’s a small discrepancy, your PP accounting may be incorrect. Review the PP accounting that was processed and seek assistance from a Team Lead or Ops Accountant if you are unsure of the best way to correct.

Related Resources

- For payments accepted in Web Exceptions that fail to post to the policy, refer to Web Exception Batch Corrections
- See also Understanding Policy Accounting
- See also Frontier User Guide
- See also Lawson User Guide
- Source document: Outstanding Clearing Account Items.pdf

Article Details

Last Reviewed	2/7/2024	**Intended Audience**	Billing and EFT
Reviewed by	Page LeBlanc	**Business Block**	Inbound Payment Center

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