Interim Payments

1. Overview

Interim Payments are **ad-hoc payments made by drivers directly to Big Apple Taxi (BAT)** outside the weekly DTR cycle. They allow drivers to reduce outstanding balances without waiting for earnings application.

- Captured at the **cashier / front desk** (Cash, Check, ACH).
- Always recorded against a **driver (TLC License)** and associated **medallion/lease**.
- Applied to a **specific obligation** (Lease, Repair, Loan, EZPass, PVB, Misc).
- **Partial payments** are allowed; obligation remains open until cleared.
- **Excess payments** are automatically applied to **Lease**, ensuring full allocation.
- Interim Payments do **not appear in the DTR**; they immediately reduce **Ledger_Balances**.
- Drivers receive a **standalone receipt** at the time of payment.

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2. Capture & Ingestion (Revised)

2.1 Entry Point

- Payment is captured against a **Driver (TLC License)**.
- System retrieves all **associated medallions/leases**.
- Cashier selects the relevant medallion → system displays **open obligations** from **Ledger_Balances**.

2.2 Payment Allocation

- Cashier chooses:
  - **Category** (Lease, Repair, Loan, EZPass, PVB, Misc).
  - **Specific line item** (from open Ledger_Balances).
  - **Payment Amount** + Method (Cash, Check, ACH).

2.3 Storage

- Raw payment is recorded in **Interim_Payments table**.
- Allocation is posted into **Ledger_Postings**, which reduces the chosen **Ledger_Balances** entry.

Key Fields – Interim_Payments:

- `Payment_ID` (PK)
- `Driver_ID` (FK)
- `Lease_ID` (FK)
- `Category` (Lease / Repair / Loan / EZPass / PVB / Misc)
- `Reference_ID` (e.g., Repair Invoice ID, Loan ID, Ticket Number)
- `Amount`
- `Payment_Date`
- `Payment_Method` (Cash, Check, ACH)
- `Created_By`, `Created_Timestamp`

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3. Posting Logic

3.1 Ledger as the Source of Truth

- All allocations (Interim + Earnings) are applied only to **Ledger_Balances**.
- **Source Tables** (Repairs, Loans, EZPass, PVB, Lease Schedule, Misc) remain immutable and record the original obligation.
- **Ledger_Balances** tracks the diminishing balances and represents the current outstanding position for each obligation.

3.2 Interim Payments

1. **Capture**
   - Payment is entered against a driver (TLC License).
   - Cashier selects the medallion/lease → system displays open balances from **Ledger_Balances**.
   - Cashier chooses category + specific obligation (Repair Invoice, Loan ID, Toll, Violation, etc.).
2. **Apply**
   - Interim payment is recorded in **Interim_Payments**.
   - A **Ledger_Posting** is created reducing the relevant **Ledger_Balances** entry.
3. **Allocation Rules**
   - **Partial payment** → reduces balance, obligation remains open.
   - **Exact payment** → obligation closed, Ledger_Balance set to zero.
   - **Excess payment** → obligation cleared, excess automatically applied to **Lease**.

4. **Output**
   - Balances in **Ledger_Balances** update immediately.
   - Driver receives an **Interim Payment Receipt** (not reflected in DTR).

3.3 Earnings Application (at DTR Generation)

1. CURB (CC) earnings for the week are consolidated.
2. System checks **Ledger_Balances** for all open obligations.
3. Earnings are applied based on strict **Payment Hierarchy**:
   - Taxes → EZPass → Lease → PVB → TLC → Repairs → Loans → Misc.
   - Within each category: oldest open obligation first.
4. Allocations are posted into **Ledger_Postings**.
5. Net results feed into the DTR:
   - Updated balances carried forward.
   - Net Earnings & Total Due to Driver calculated.

3.4 Principles

- The **ledger, not source tables, is reduced by payments**.
- **Every dollar** is accounted for at the ledger level (no floating credits).
- **Source tables = obligations issued**, **Ledger = obligations outstanding**.
- DTR generation is simply a **snapshot of Ledger_Balances** at the weekly cut-off.

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4. Reconciliation & DTR Impact

4.1 Reconciliation Process

- **Ledger_Balances** is the authoritative source for outstanding amounts.
- **Interim Payments** reduce Ledger_Balances immediately at the time of posting.
- **Earnings (Curb CC) Application (at DTR generation)** further reduces Ledger_Balances following the payment hierarchy.
- At any point, the sum of:
  - **Original Obligations (Source Tables) – Ledger_Postings = Ledger_Balances**.

This ensures every obligation can be reconciled back to its origin.

4.2 DTR Impact

- Interim Payments **do not appear as separate entries** in the DTR.
- Instead, their effect is visible as reduced balances in the applicable categories.
- At the time of DTR creation, the system pulls balances directly from **Ledger_Balances**:

- If a repair invoice had $149 outstanding and the driver made a $150 interim payment →
  - Repair balance = $0.
  - $1 excess auto-applied to Lease.
- DTR simply reflects the updated balances (Repair closed, Lease reduced).

4.3 Driver Receipts

- Each Interim Payment generates its own **receipt**, showing:
  - Driver (TLC License)
  - Medallion / Lease ID
  - Obligation category + line item reference (e.g., Repair Invoice #2457)
  - Amount paid
  - Allocation of payment (full, partial, excess applied to Lease if applicable)
- This ensures transparency without cluttering the DTR.

4.4 Key Principles

- **DTRs are clean** → only reflect balances as of cut-off.
- **Receipts track ad-hoc payments** separately.
- **Reconciliation is straightforward** → obligations (source) vs. postings (ledger) vs. balances (outstanding).

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5. UI Workflow

The Interim Payments workflow allows cashier desk staff to allocate a total payment amount across outstanding obligations, with real-time visibility into how balances are reduced.

Step 1 – Identify Driver

- Cashier enters or scans the **Driver's TLC License Number**.
- System retrieves driver profile and all **associated medallions/leases**.
- Cashier selects the relevant **Medallion / Lease ID**.

Step 2 – Enter Payment Details

- Cashier enters the **Total Payment Amount**.
- Cashier selects the **Payment Method** (Cash, Check, ACH).
- Payment Date defaults to **current date** (editable if required).

Step 3 – Allocation Screen

- System queries **Ledger_Balances** for the selected medallion.

- Outstanding obligations are displayed in a **multi-column table** organized by category.

Columns include:

1. **Category** – Lease, Repairs, Loans, EZPass, PVB, Miscellaneous.
2. **Reference ID** – Lease ID, Repair Invoice ID, Loan ID, Ticket Number, etc.
3. **Description / Notes** – Short detail for clarity (e.g., "Engine Repair Invoice").
4. **Outstanding Amount** – Current open balance in Ledger_Balances.
5. **Pay** – Input/checkbox for applied funds.
6. **Balance** – Auto-calculated: Outstanding – Pay.
7. **Due Date / Age** – Optional; helps prioritize older items.

Behavior:

- Cashier allocates funds by checking off obligations and entering partial or full amounts.
- The **Running Total Applied** updates in real-time and must not exceed the total payment.
- Cashier may allocate **down to the cent** (e.g., $1) against any obligation.
- If any part of the payment remains **unallocated at submission**, the system automatically applies it to **Lease**.

Step 4 – Confirmation & Posting

- Cashier reviews the allocation summary.
- On submission:
  - Record is created in **Interim_Payments**.
  - Allocations are posted into **Ledger_Postings**.
  - **Ledger_Balances** is updated (balances reduced).

Step 5 – Receipt Generation

- A receipt is issued showing:
  - Driver & TLC License
  - Medallion / Lease ID
  - Payment Method, Date, and Total Amount
  - Allocation breakdown by Category + Reference ID
  - If Lease auto-absorbs excess, it is displayed as a separate line item

6. Sample Interim Payment Allocation

Assumptions

1. **Driver**: John Doe (TLC License #1234567).
2. **Medallion / Lease ID**: MED-101.
3. **Total Interim Payment Entered**: $500 (Cash).
4. **Outstanding Balances (from Ledger_Balances)**:
   - Lease: $275 (last week unpaid).
   - Repair Invoice #2457: $149.
   - Driver Loan #LN-3001: $200.
   - EZPass Toll Batch #EZ-6789: $75.
   - PVB Ticket #PVB-9912: $120.

Allocation Screen (Before Submission)

Category	Reference ID	Description / Notes	Outstanding	Pay	Balance	Due Date / Age
Lease	MED-101-LS-09	Weekly Lease (09/15–09/21)	275.00	275.00	0.00	7 days overdue
Repair	INV-2457	Engine Repair Invoice	149.00	149.00	0.00	14 days overdue
Loan	LN-3001	Cash Advance	200.00	50.00	150.00	21 days overdue
EZPass	EZ-6789	Toll Batch – Plate XYZ123	75.00	25.00	50.00	Current
PVB	PVB-9912	Ticket – No Stopping Zone	120.00	**1.00**	119.00	30 days overdue

Running Total Applied: $500.00

Remaining Unallocated: $0.00

Receipt Summary (After Submission)

Driver: John Doe (TLC #1234567)

Medallion / Lease ID: MED-101

Payment Method: Cash

Payment Amount: $500.00

Category	Reference ID	Applied Amount	Balance Remaining
Lease	MED-101-LS-09	275.00	0.00
Repair	INV-2457	149.00	0.00
Loan	LN-3001	50.00	150.00
EZPass	EZ-6789	25.00	50.00
PVB	PVB-9912	1.00	119.00

Total Applied: $500.00

Excess Applied to Lease: N/A (driver allocated full payment).

Key Highlights

- Driver/cashier allocated **every cent** (including $1).
- **Partial payments** supported (Loan + EZPass).
- **Balances carry forward** where payment < outstanding.
- If John had only allocated $499, system would have auto-applied **$1 to Lease**.

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7. Validation Rules

The following validation rules must be enforced to ensure accuracy, auditability, and consistency when processing Interim Payments.

7.1 General Rules

- **Mandatory Fields**: Driver (TLC License), Medallion/Lease ID, Payment Amount, Payment Method.
- **Positive Amounts Only**: Payment amount must be greater than zero.

- **No Over-allocation**: Running total of applied funds must not exceed total payment amount entered.
- **Category Restriction**: Interim Payments cannot be applied to statutory **Taxes** (MTA, TIF, Congestion, CBDT, Airport).

7.2 Obligation Selection Rules

- **Valid Reference**: Selected obligation must exist in **Ledger_Balances** and have an open balance.
- **Closed Obligations**: Cannot apply payment to a fully cleared obligation.
- **Partial Allocations**: Allowed; balance carries forward.
- **Exact Allocations**: Obligation closed; balance set to zero.
- **Excess Handling**:
  - If any funds remain unallocated, excess is automatically applied to **Lease**.
  - Excess allocation is recorded as a separate Ledger_Posting.

7.3 Ledger Posting Rules

- Every Interim Payment must generate at least one corresponding **Ledger_Posting**.
- Each Ledger_Posting must link to:
  - `Payment_ID` (from Interim_Payments).
  - `Reference_ID` (from the obligation in Ledger_Balances).
- Ledger balances must always satisfy:
  - `Outstanding = Previous Balance - Payment Applied`.
- Duplicate prevention:
  - No two Interim Payments can generate Ledger_Postings against the same `Reference_ID` at the exact same timestamp.

7.4 Receipt Rules

- Receipts must reflect the **exact allocation table** (Category, Reference ID, Applied Amount, Remaining Balance).
- If Lease fallback is triggered, it must appear clearly as a separate line.
- Receipt total must always equal the payment amount captured.

7.5 Audit & Reconciliation Rules

- Interim_Payments + Ledger_Postings must always reconcile with the driver's outstanding balances.

- Any adjustment or reversal must be traceable (e.g., voided receipt, reversal posting).

- Ledger_Balances must never go negative.