# Chapter 11

# Handling Carrier Statements

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## Carrier Entity Definition

In Nexsure, two carriers are assigned to a policy: Issuing and Billing.

An issuing carrier is the company that issues the policy; the issuing carrier's name is on the policy, certificate and binder.

The billing carrier is the company that handles the money. The billing carrier for agency bill policies is paid net premium from the agency (payables). The billing carrier for direct bill policies pays commission to the agency (receivables).

The billing carrier may be the same as the issuing carrier, but could instead be a General Agent (GA) or Managing General Agent (MGA) that the agency brokers business through.

This chapter will be dealing with the billing carrier and referring to Carrier Payables and Receivables.

## Carrier Payables

Reconciliation for Carrier Payables is done at Territory level and is done either before or after the disbursements are added. Reconciled amounts are posted to the Reconciliation Clearing account identified in mandatory account setup at the Organization level. The mandatory accounts are setup when the organization is built. Work with the XDimensional Technologies, Inc. Account Manager for a clear understanding of how these accounts will be setup.

As previously mentioned, there are several ways that an agency might choose to handle their carrier payables. In this section each method is covered stepping through the entire process of handling carrier payables. Make sure to read each method to have a clear understanding of the process before determining which is best for your organization.

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**Note:** DO NOT post to any of the mandatory general ledger accounts unless directed by XDimensional Technologies' Nexsure workflows. This can cause books to be out of balance as these accounts are used by Nexsure for automatic postings.

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## Reconciling Carrier Statements Prior to Check Issuance

To confirm the accuracy of carrier statements, Nexsure provides the ability to compare posted invoices in Nexsure with the carrier statement.

Navigating to the **reconciliation** tab is done by clicking the **ORGANIZATION** link on the **Primary** menu. Click the **territories** tab and click the **Details** icon for the territory where the Carrier Statement is to be reconciled. Click the **accounting** tab, the **transactions** tab and the **reconciliation** tab to bring up the Reconciliation Summary screen. If there are no results displayed, then the organization is new and no reconciliations have been previously done or the filter dates are out of range.
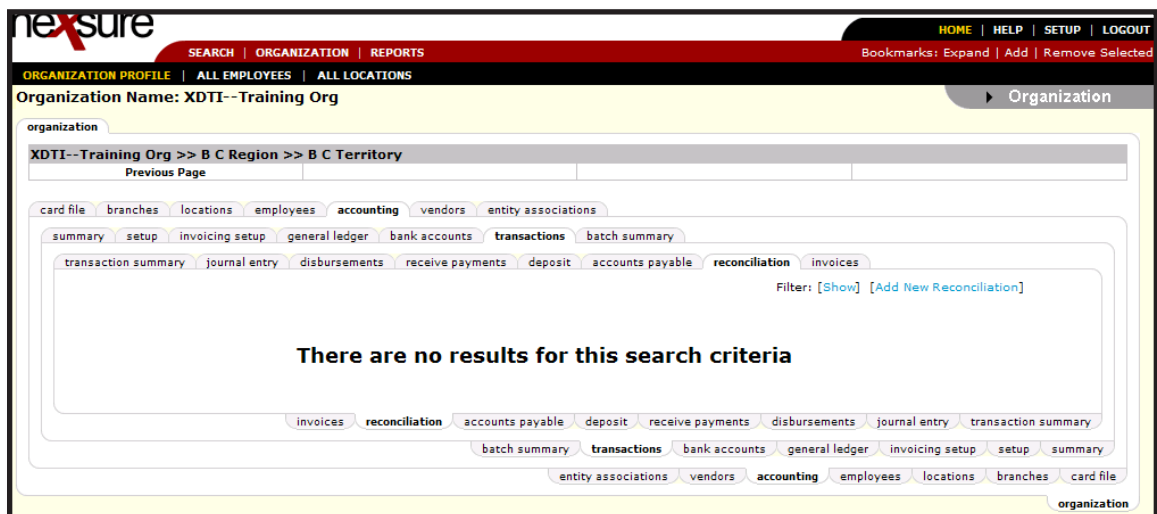


Clicking the **[Show]** link on the top right portion of the reconciliation screen will bring up the Search Filter fields. Notice the Region and Territory fields are not available to modify. The reason is that the selection for the region and territory was made when the territory **Details** icon was clicked. The **Created Date From** field defaults 7 days prior to the current date and the **To** field populates with the current date. These date ranges prevent pulling all the reconciliations across the web at once to help avoid time out errors on the screen. When working on the Internet, it is important to limit the amount of data being pulled because there is a time limit for each upload and download. The **Reconciliation Type** drop-down box defaults to show both agency and direct bill reconciliations and the **Status** to show all posted and unposted reconciliations. Modify these fields as needed to locate a previously entered reconciliation worksheet. Use the **Sort Order** fields at the bottom of the search filter to have data display in a particular order. Clicking the **Search** button on the bottom right of the search screen activates the search and returns matching data to the summary screen.
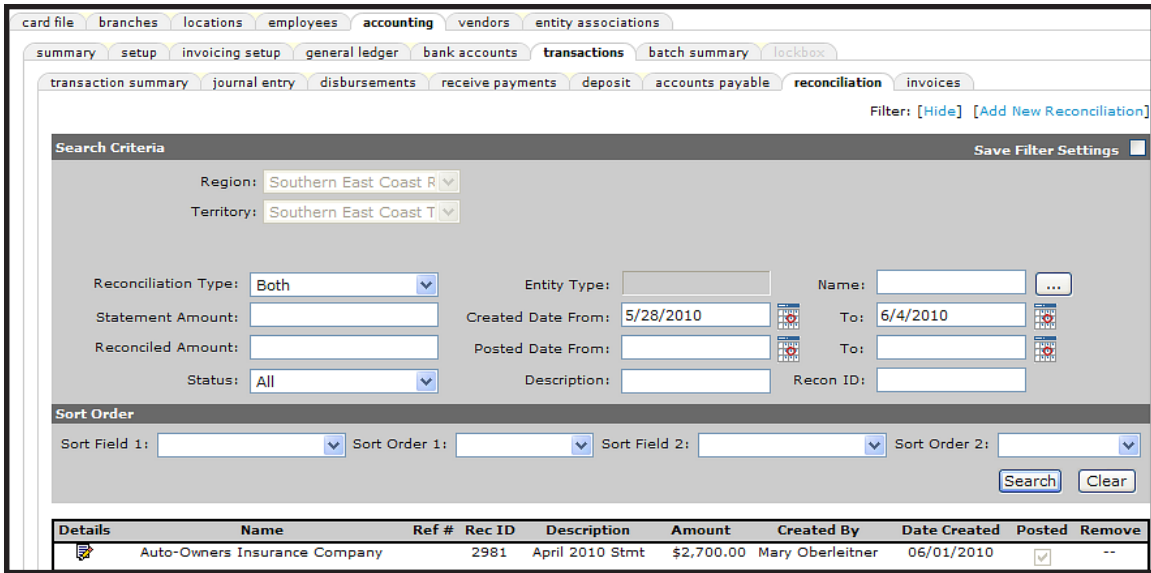
## Adding the Reconciliation Worksheet

In order to reconcile carrier statements in this scenario, invoices must be added to client policies and posted by agency personnel. These invoices are generally added during the account servicing process so the invoices will be ready to reconcile upon receipt of the statement.

To add the worksheet, click the **[Add New Reconciliation]** link on the upper right side of the Reconciliation Summary screen.



After clicking the **[Add New Reconciliation]** link the **Select Entity** window is displayed. This window allows searching for the entity being reconciled. In the **Entity Type** drop-down box select **Carrier** and in the field below enter at least 3 characters of the entity name. To activate the search, click the Search button to the right of the field. All matches to the characters entered are displayed in the box below the label **Select Name**. The (p) beside the name indicates that the carrier name is identified as the parent carrier and an (s) indicates a subordinate carrier. Choosing the carrier with a (p) beside it allows all invoices for the subordinate and parent to be available for reconciliation. Choosing the carrier with the (s) beside it allows only invoices for that carrier to be available for reconciliation, however, all or selected subordinates may be selected to include in the worksheet by placing a check in the box next to the carrier name.

**Note:** Only subordinate carriers identified as billing carriers will have any invoices available.

To select the carrier name, click to highlight and select subordinates only if it is necessary to include those carrier invoices in the reconciliation. Remember that selecting the parent automatically includes subordinate carriers. Click the **OK** button to diplay the **reconciliation** tab for the selected carrier.

There are three sections in the Reconciliation screen: **Reconciliation Header**, **Quick Navigation**, and **Input Fields**.

| Section | Description |
|---|---|
| **Reconciliation Header** | The Reconciliation Header section is located at the top of the tab with a shaded background. It summarizes the entire disbursement.<br><br>Header Definitions:<br>➢ **Reconciliation ID: System-generated used to identify the worksheet.**<br>➢ **Entity Type: Identifies the type of reconciliation.**<br>➢ **Name: The name of the Carrier for the reconciliation.**<br>➢ **Date Created: System-generated reconciliation creation date.**<br>➢ **Date Posted: System generated date is the date the reconciliation was actually posted.**<br>➢ **Created By: Name of user who created the record.**<br>➢ **Received payments records as selected in the Quick Navigation-Receipts/Disbursements link.**<br>➢ **Disbursements Total: Total amount of paid items as selected in the Quick Navigation-Receipts/Disbursements link.**<br>➢ **Adjustments Total: Total adjustments pulled from Quick Navigation-Adjustments link. These entries are made for the purpose of balancing an unbalanced reconciliation.**<br>➢ **Income/Receivable Total: Total amount of Direct Bill transactions selected from the Quick Navigation-Transactions link.**<br>➢ **Payable Total: Total amount of Agency Bill payable records selected from the Quick Navigation-Transactions link.**<br>➢ **Virtual Receipt Total: Total amount owed to the Agency as a result of the current reconciliation record.**<br>➢ **OR Virtual Disbursement Total: Total amount owed the Entity as a result of the current reconciliation record.** |
| **Quick Navigation** | Located on the right side of the tab, there are links used to access different sections of the reconciliation. This provides the user the flexibility to select the necessary items for the selected reconciliation. |
| **Input Fields** | Input Fields are located at the bottom left portion of the screen. The displayed input fields correspond with the selected (**Bold**) link on the right side of the screen (Quick Navigation). |

Edit **Header** Input fields. Click **Save** on Navigation Toolbar to save and move input to Reconciliation Header.

**Quick Navigation Link Definitions**

| Link | Description |
|------|-------------|
| Header | Use this link to edit Reconciliation Header input fields. |
| Receipts/Disbursements | If a Cash Receipt or Disbursement is added prior to the reconciliation being done, click this link and add the previously entered receipt or disbursement to clear the virtual amount on the reconciliation. Partial amounts may also be applied as needed. |
| Transactions - Agency Bill | Use this link to locate and select all the agency bill invoices included on the carrier statement. |
| Transactions - Direct Bill | Use this link to locate and select all posted direct bill invoices included on the carrier statement. |
| Statement Entry | Select this link to create direct bill invoices included on the carrier statement. |
| Unposted Invoices | Select this link to view and select unposted direct bill invoices included on the carrier statement. |
| Adjustments | Any adjustments included on a carrier statement where the amount does not affect the amount due on a client invoice such as advertising fees would be added on the adjustments link. Waiving small balances might be another use for this link. |
| Reconciliation Posting | Contains all the General Ledger entries that are generated for the selected reconciliation. Posting entries do not display until entries have been made or invoices selected. |

## Using the Search Filter to Locate Invoices

To select the invoices included on the carrier statement, click the **Quick Navigation > Transactions - Agency Bill** link located on the right side of the screen to bring up the Transactions screen. Clicking a link in the Quick Navigation panel will also save and move Header input to the Reconciliation Header. Make sure to use the Search Filter by clicking the **[Show]** link located just above the listed invoices on the right. There are date range filter defaults just like on the Reconciliation Summary screen.

After clicking the **[Show]** link on the screen, the filter options are displayed. After entering the search criteria, click the **Search** button to return all matches. Clicking the **Clear** button clears all the fields on the search filter.

**Filter Definitions**

| Field Label | Description |
|---|---|
| **Region** and **Territory** | These identify what Region and Territory the reconciliation is for and may not be changed here. |
| **Branch** | If the reconciliation is only for one Branch under the selected Territory and Branch, use the drop-down box to select the specific Branch. If the reconciliation is for all Branches under the selected Territory, leave blank. |
| **Department** | The Department drop-down box is only active if a specific Branch is selected. The reason is that the Departments are added at each specific Branch. If the reconciliation search results are for a specific Department, first choose the Branch and then the Department. |
| **Unit** | The Unit drop-down box is only active if a specific Branch and Department is selected. The reason is that the Departments are added at each specific Branch and the Unit is added to specific Departments. If the reconciliation search results are for a specific Department and Unit, first choose the Branch, Department and then the Unit. |



| | |
|---|---|
| **Bill Method** | The Bill Method of Agency Bill may not be changed here. Nexsure provides the ability to reconcile both Agency and Direct Billed invoices in the event the carrier sends statements with both. To search for and reconcile Direct Bill transactions, select Transactions - Direct Bill on the Quick Navigation panel. |
| **Date Type** | When searching for invoices within a set date range, it is possible to identify what dates to return. Choose either Date Booked or Effective date of the invoice. |
| **Date Range** | The date range from and to will return all posted, open invoices for the selected date type within the date range entered. |
| **Amount Range** | If looking for amounts within a specific range amount, enter from and to amounts. |
| **Business Type** | Allows specific types of business to be filtered to simplify locating the invoices. Use the drop-down box to choose from All, Personal Lines, Commercial Lines, Benefits, Bond or Financial Services. |

| Field Label | Description |
|---|---|
| **Line of Business** | If looking for invoices for a specific line of business, select the line of business. If multiples are needed, press the control key on the keyboard and click on each line to be included. If none are selected all will be returned. |
| **Policy Number** | To locate a specific policy number, enter the policy number into the field. |
| **Exclude all transactions where the effective date is after the search ending date.** | Click to place a check in the box to exclude transactions where the effective date is after the ending date range entered. |
| **All/Paid/Unpaid** | If none are marked all invoices meeting other search criteria are returned. If All is marked both paid and unpaid invoices are returned and if unpaid is marked only unpaid invoices are returned. |
| **Sort Order** | The sort orders 1 and 2 fields allow the invoices to be displayed in a particular order. Sort in ascending or descending order for Date, Name, Policy Number or Amount. The sort 1 will be the first sort and sort 2 the sub sort. |

Once the search results are returned, there may be more than one page of invoices. To get to the invoices on other pages, use the **Navigation Arrows** at the top of the list to navigate:

- Single Page Forward ▶
- Single Page Back ◀
- Last Page ▶|
- First Page |◀

The drop-down box to the right of the arrows with the number 1 displaying allows the selection of any available pages so it is possible to quickly jump to a page in the middle (such as page 3). Just find the number and click to go to the selected page. The **Display** drop-down box on the right allows more than the default of 7 items to display. Use the drop-down box to select the number desired.

Click the **Maximize** 🔲 icon below the Quick Navigation panel to display the full screen view of listed invoices. Click the **Maximize** 🔲 icon a second time to collapse the expanded display.

To identify the invoices included on the statement after filtering the list, find the matching invoice and click the box in the **Select** column to place a check mark indicating the item should be included as payment in full.



To identify that only a partial amount has been paid, click the **Details** 📝 icon beside the invoice. When the **Payment** window is displayed, enter the amount of the payment and the description then click the **OK** button to return to the list of invoices.

Notice that this item shows a gray box with a check in it and the amount entered $1,000.00 is displaying in the **Paid** column on the right and the balance showing a reduction of $1,000.00. The Header Payable Total is changed to reflect the $1,000.00 partial payment.



If an adjustment is required for an invoice, the invoice may be reversed and reentered if desired at the client policy level. Or an adjusting invoice may be added from here by clicking on the **Item ID** link. This brings up the selected invoice.

The only adjustment allowed here is a commission adjustment. Clicking on the **Details** icon beside the premium will allow only the amount of commission to be altered. If the adjustment is for a set amount, click the **[Add New]** link and enter the information for the adjusted amount only.

Notice that when the **Details** 📝 icon is selected, the only change possible is the rate. Enter the rate change and click the **OK** button.



After clicking the **OK** button to save the change, a new line item has been added to both the agency commission and the producer commission. The original record is not altered but a new line is added for auditing purposes. Click the **Post Adjustment** link on the Navigation toolbar to add the new invoice. If the **Reconciliation** link on the Navigation toolbar is clicked prior to posting the adjustment, a warning displays that the adjustment has not been posted and all changes will be lost. Click **OK** to abort the adjustment and return to the reconciliation. Click **Cancel** to complete and post the adjustment.

When posting is complete and you are returned to the reconciliation worksheet, select both the invoices to include in the reconciliation. Notice that the Item ID number has a hyphen and the number 1 beside it. This indicates an adjustment to the original invoice.



Once all the invoices have been identified and selected, click the **Pay All Selected** link on the Navigation toolbar.

A confirmation of the selections is displayed. Take a look at the information and if it is correct, click the **OK** link to include all the selections.



## Handling Carrier Payables Not Related to Clients Included on Statements

To enter an adjustment such as an advertising or administrative fee, click on the **Quick Navigation > Adjustments** link on the right side of the screen. Click the **Add Row** link on the Navigation toolbar below the header. Make sure to include this adjustment with the reconciliation for the statement it is included on.

Click the **Ellipsis** [...] button to search for the account number the entry will be posted to.



Make certain to post the adjustment to the correct level by using the Branch, Department and Unit drop-down boxes before searching for the account number. Enter the search information for the GL account and click the **Search** button. Click the correct account number and the **OK** button to return to the reconciliation adjustments screen.

Enter a description for the entry and the amount of the adjustment. If the amount is a credit, just enter the amount in the credit column without a (-) as it is not needed. Click the **Reconciliation Posting** link in the Quick Navigation frame on the upper right side of the screen shows all entries to the general ledger and moves the adjustment total to the Reconciliation Header. The Adjustments Total is now $250.00, Payable Total is $1,545.21 (for the invoices selected to be included) and the Virtual Disbursement Total is $1,795.21. The Virtual Disbursement Total is the amount the check will be issued for and this should match the total amount due on the Carrier Statement.

**General Ledger**

| Account Number | | Description | Debit | Credit | 1099 | LID | # | Remove |
|---|---|---|---|---|---|---|---|---|
| | | | | $250.00 | | | | |
| 70.001.0001.000.00.571000 MVR Fees | ... | MVR Expense | 250.00 | 0.00 | ☐ | ... | 0 | 🗑 |
| | | **Totals:** | **$250.00** | **$250.00** | | | | |

**reconciliation**

Reconciliation ID: 778
Entity Type: Carrier
Name: Safeco

Posted: ☐

Date Created: 12/19/2007
Created By: Betsy Cormier

Receipt Total: $0.00
Disbursements Total: $0.00
Adjustments Total: $250.00
Income/Receivable Total: $0.00
Payable Total: $1,545.21

Virtual Disbursement Total: $1,795.21

Description: December 2007 Account Current
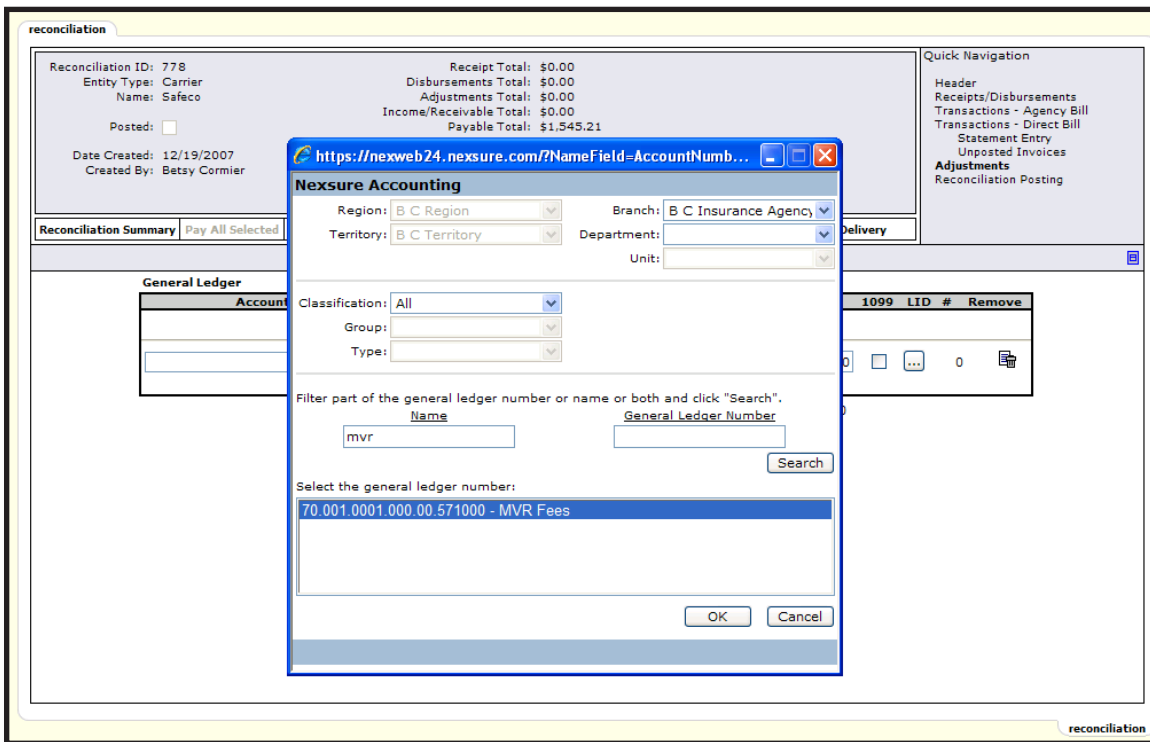
Quick Navigation

Header
Receipts/Disbursements
Transactions - Agency Bill
Transactions - Direct Bill
  Statement Entry
  Unposted Invoices
Adjustments
**Reconciliation Posting**

| Reconciliation Summary | Pay All Selected | Print | Post | Abort | Save | Add Row | Delivery | |
|---|---|---|---|---|---|---|---|---|

**Reconciliation Details**

| Account Number | Account Description | Debit | Credit |
|---|---|---|---|
| 70.001.0000.000.00.200000 | Carrier Payable | $25.00 | $0.00 |
| 70.001.0000.000.00.200000 | Carrier Payable | $35.71 | $0.00 |
| 70.001.0000.000.00.200000 | Carrier Payable | $473.10 | $0.00 |
| 70.001.0000.000.00.200000 | Carrier Payable | $11.40 | $0.00 |
| 70.001.0000.000.00.200000 | Carrier Payable | $1,000.00 | $0.00 |
| 70.001.0001.000.00.571000 | MVR Fees | $250.00 | $0.00 |
| 70.001.0000.000.00.110910 | Reconciliation Clearing Acct | $0.00 | $1,795.21 |
| | **Total:** | **$1,795.21** | **$1,795.21** |

To complete the Process, click the **Post** link on the Navigation toolbar.

The **Post Reconciliation** screen is displayed providing an opportunity to review the posting. Once confirmed that the posting is correct, click the **OK** button to complete the post.

A remittance advice may be printed by clicking the **Print** link on the Navigation toolbar and selecting from the drop-down box and clicking the **OK** button. This may be used to attach to the statement for your records and serve as a reminder that the disbursement still needs to be done.

Click **Reconciliation Summary** link on the Navigation Toolbar to return to the reconciliation tab. Clicking the **Reconciliation Summary** link will also save changes if you need to leave the reconciliation worksheet before it is complete.

## Completing the Reconciliation with a Disbursement

If a Virtual Disbursement Total is on the reconciliation header, this indicates a disbursement would need to be added to issue payment to the carrier.

Navigating to the **disbursements** tab is done by clicking the **ORGANIZATION** link on the **Primary** menu. Click the **territories** tab and click the **Details** 📝 icon for the territory where the disbursement is to be added. Click the **accounting** tab; the **transactions** tab and the **disbursements** tab to bring up the Disbursement Summary screen. If there are no results displayed, then the organization is new and no disbursements have been previously done or the filter dates are out of range.



To add the Carrier Disbursement for the Reconciled Carrier Statement, first select the bank account to enter the disbursement for in the **Select Bank Account** drop-down box located on the upper left of the Disbursement Summary screen. Then click the **[Add New Disbursement]** link located in the upper right of the Disbursement Summary screen.

After clicking the **[Add New Disbursement]** link the **Select Entity** window is displayed. This window allows searching for the entity the disbursement is for. In the **Entity Type** drop-down box select **Carrier** and in the field below the type enter at least 3 characters of the entity name. To activate the search, click the **Search** button to the right of the field. All matches to the characters entered are displayed in the box below the label **Select Name**. The (p) beside the name indicates that the carrier name is identified as the parent carrier and an (s) indicates a subordinate carrier. Choosing the carrier with a (p) beside it displays all subordinate carriers for the selected parent. If the reconciliation was done for one of the subordinates, then one may be selected but choosing the parent will include all subordinates. Use the drop-down address box to choose a different address to print on the check. Click the **OK** button on the bottom of the window to add the disbursement. Clicking the **Cancel** button will abort the process.

After clicking the **OK** button, the disbursement is added.

There are three sections in the Disbursement screen: **Disbursement Header**, **Quick Navigation**, and **Input Fields**.

| Section | Description |
|---|---|
| **Disbursement Header** | The Disbursement Header section is located at the top of the tab with a shaded background. It summarizes the entire disbursement.<br><br>Header Definitions:<br><br>➢ **Disbursement ID: System-generated used to identify the disbursement.**<br><br>➢ **Entity Type: Identifies the type of disbursement.**<br><br>➢ **Payee: The name of the Entity selected for the disbursement.**<br><br>➢ **Date Posted: System generated date is the date the disbursement was actually posted. When posted the box will contain a check.**<br><br>➢ **Cleared: A box with a check inserted indicates that the disbursement has cleared the bank. This is done when reconciliation of the bank account is completed by the organization.**<br><br>➢ **Date Created: System-generated disbursement creation date.**<br><br>➢ **Created By: The logged in User name is placed here at the point the disbursement is added.**<br><br>➢ **Bank Name: The bank name the disbursement is being added is selected prior to adding the disbursement on the Disbursement Summary screen and displays here on the header.**<br><br>➢ **Bank Number: The bank number the disbursement is being added is selected prior to adding the disbursement on the Disbursement Summary screen and displays here on the header.**<br><br>➢ **GL Account Number: This number is assigned when the bank account is added to the Territory. When the bank is selected prior to adding the disbursement that determines what displays in the header.**<br><br>➢ **Balance: The balance is the bank balance at the time the disbursement was added.**<br><br>➢ **Disbursement Amount: Once entries for the disbursement are made, the total of the disbursement amount is added to the header.**<br><br>➢ **Estimated Balance: The estimated balance shows the balance subtracting the amount of the disbursement from the balance at the time the disbursement was added.**<br><br>➢ **Check Number: The check number should not be entered on the check unless adding a check out of sequence. The check number is entered based on the last check printed. The number is assigned and stored when the check is printed.**<br><br>➢ **Description: The description entered in the first description box on the disbursement displays here in the header when the Save link on the Navigation toolbar is selected.** |
| **Quick Navigation** | Located on the right side of the tab, there are links used to access different sections of the disbursement. This provides the user the flexibility to select the necessary links for the disbursement. |
| **Input Fields** | Input Fields are located at the bottom left portion of the screen. The displayed input fields correspond with the selected bolded link on the right side of the screen (Quick Navigation). |

**Quick Navigation Link Definitions**



| Link | Description |
|------|-------------|
| **General Ledger** | Any adjustments not included on a carrier statement where the amount does not affect the amount due on a client invoice such as advertising fees would be added on this link. |
| **Accounts Payable** | Use this link to locate and select all the Accounts Payables added and posted for future disbursements. |
| **Reconciliation** | This link is used when the reconciliation has been added prior to adding the disbursement. Selecting a reconciliation worksheet in a disbursement will reduce the reconciliation clearing account for the selected reconciliation amount. |
| **Invoices** | This link allows invoices to be reconciled that were not reconciled on a reconciliation statement. They may be included with a reconciliation worksheet if necessary or separate if not associated with the worksheet. |
| **Payment Advance** | This link is used if payment is being advanced to the carrier on behalf of the client. |
| **Disbursement Posting** | Contains all the General Ledger entries that are generated for the selected disbursement. Posting entries do not display until items have been included and/or entries have been made. |

After entering data into the input fields on the first page, click the **Save** link on the Navigation toolbar or click one of the links in the **Quick Navigation** panel to save entries.

To select the reconciliation for this carrier statement, click the **Quick Navigation > Reconciliation** link located on the right side of the screen to bring up the Reconciliation screen. Click the **[Add New Reconciliation]** link located just below the Navigation toolbar on the right.



Any reconciliation worksheet added for the selected carrier is displayed. If more than one should be included with the disbursement, click in the box in the **Select** column to choose selected ones or the **[Select All]** link above the list on the left. Clicking the **[Deselect All]** link will clear the selections. In this scenario, only one will be sent.



After selecting the reconciliation the disbursement is being issued for, click the **OK** button. The selected reconciliation worksheet is added to the disbursement.

## Using the General Ledger Link

If a fee or write-off was not included on the worksheet and still must be added so the amount of the disbursement is correct, click on the **Quick Navigation > General Ledger** link.

Click the **Add Row** link on the Navigation toolbar. Click the **Ellipsis** [...] button to search for the account number the entry will be posted to.

Make certain to post the adjustment to the correct level by using the Branch, Department and Unit drop-down boxes before searching for the account number. Enter the search information for the GL account and click the **Search** button. Click the correct account number and the **OK** button to return to the General Ledger screen.



Enter a description for the entry and the amount of the adjustment. If the amount is a credit, just enter the amount in the credit column without a (-) as it is not needed.

Clicking the **Quick Navigation > Disbursement Posting** link on the right side of the screen shows all the entries to the general ledger.



## Removing Entries from the General Ledger Link

The disbursement being entered should match the reconciliation worksheet unless multiple items are being added. In this scenario, MVR fees will not be paid with the statement, so the entry added on the General Ledger link must be removed. To remove the item, click the **Quick Navigation > General Ledger** link. Then click the **Remove** icon.



Click the **OK** button to confirm the deletion in the pop-up warning.
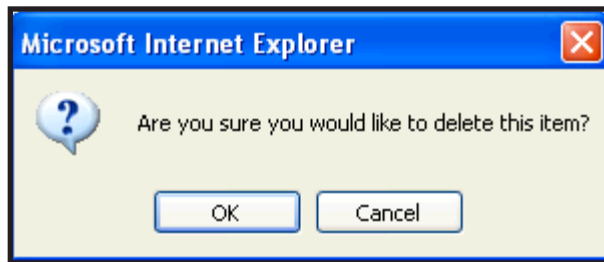
The adjustment is successfully removed from the disbursement.

| Disbursement Summary | Pay All Selected | Print | Post | Abort | Save | Add Row | |
|---|---|---|---|---|---|---|---|

**General Ledger**

| Account Number | Description | Debit | Credit | 1099 | LID | # | Remove |
|---|---|---|---|---|---|---|---|
| 02.001.0000.000.00.100000 Trust Account | Safeco Stmt for Aug 2008 - Prints on memo of Check | | | | | | |
| | **Totals:** | $0.00 | $0.00 | | | | |

## Reconciling Invoices from a Disbursement

This may be used to issue a check to the carrier if just one or a few invoices are involved. Selecting the invoices in the carrier disbursement identifies them as being reconciled.

This link may also be used if the reconciliation statement was posted but there is still one invoice missing that will be picked up at the time the disbursement is added, click the **Quick Navigation > Invoices** link on the right side of the screen. If the invoices are not displayed, then click the **[Show]** link and modify filters to search for them. If they still do not show up, then check to make sure the invoice was added and for the correct billing carrier. Select the invoices to be included in the reconciliation by clicking in the box in the **Select** column to add a check. Click the **Pay All Selected** link on the Navigation toolbar to include in the disbursement. If the link is not selected the items will not be included in the disbursement.

disbursements

| | |
|---|---|
| Disbursement ID: 79 | Entity Type: Carrier |
| Posted: ☐ | Payee: Safeco Insurance |
| Cleared: ☐ | Bank Name: Bank of America |
| Date Booked: 9/5/2008 | Bank Account #: 209902025 |
| | GL Account: 02.001.0000.000.00.100000 Trust Account |
| Date Created: 9/5/2008 | Balance: $148,470.00 |
| Created By: Betsy Cormier | Disbursement Amount: $7,690.00 |
| | Estimated Balance: $140,780.00 |
| | Check #: |
| | Description: Safeco Stmt for Aug 2008 - P... |

**Quick Navigation**
Disbursement Header
General Ledger
Accounts Payable
Reconciliation
**Invoices**
Payment Advance
Disbursement Posting

| Disbursement Summary | Pay All Selected | Print | Post | Abort | Save | Add Row | |
|---|---|---|---|---|---|---|---|

Search Filter: [Show]

**Agency Bill**
[Select All] [Deselect All]

| Select | Details | Date | Name | Invoice | Policy Number | Bill Type | Amount | Paid | Balance |
|---|---|---|---|---|---|---|---|---|---|
| ☑ | 📝 | 8/1/2008 | Cormier Construction, Inc. | 394 | GL123456 | Endorsement | $39,770.00 | $0.00 | $39,770.00 |
| | | | | | | This Page Total: | $39,770.00 | $0.00 | $39,770.00 |
| | | | | | | All Pages Total: | $39,770.00 | $0.00 | $39,770.00 |

After clicking the **Pay All Selected** link, the **Pay All Selected** confirmation window is displayed providing an opportunity to go back and make changes to invoices selected. Confirm the invoices are to be included in the disbursement by clicking the **OK** button.



After clicking the **OK** button on the **Pay All Selected** confirmation window, the Invoices screen is displayed showing all the selected invoices with a gray checkbox, which indicates the invoices, are included in the disbursement.

Clicking the **Quick Navigation > Disbursement Posting** link on the right side of the screen shows that the invoices included have been added and also notice that the adjustment removed on the General Ledger link has also been removed.



## Aborting the Disbursement

If the disbursement is not needed, it may be aborted prior to posting. Click the **Abort** link on the Navigation toolbar.



## Posting the Disbursement and Printing the Check

Checks cannot be printed until the disbursement is posted. To complete the process so the check may be printed, click the **Post** link on the Navigation toolbar.

The **Post Disbursement** screen is displayed providing an opportunity to review the disbursement amount. If the disbursement is out of balance, a message is displayed advising of the out of balance. At that point correct the disbursement and post again. Once confirmed that the posting is correct, click the **OK** button to complete the post.
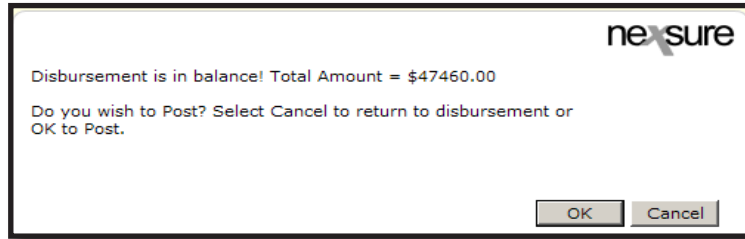


After the disbursement is posted the disbursement screen is refreshed and Post is no longer an option.
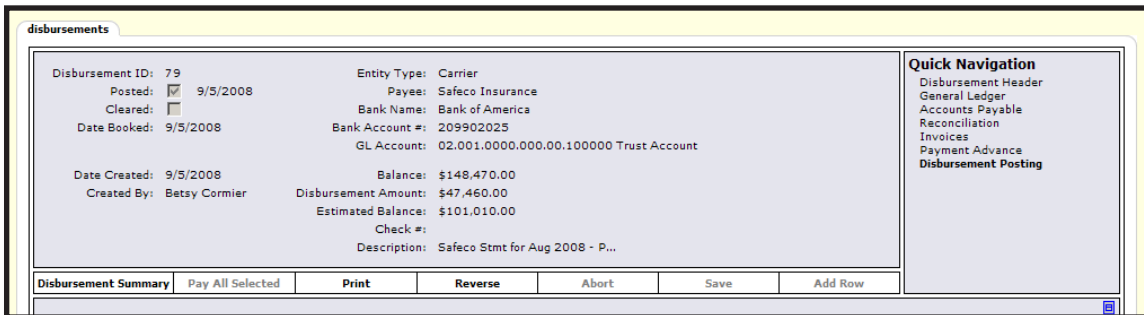


A check may be printed by clicking the **Print** link on the Navigation toolbar and selecting the check style from the drop-down box and clicking the **OK** button.

After clicking the **OK** button, the next screen shows the type of check selected and the check number field is empty. This field has no number in it if the check has not been previously printed or a check number was not entered on the disbursement header. A check number would not be entered normally since Nexsure will check to see what the next check number is and automatically number. So, leave the check number blank and click the **OK** button.
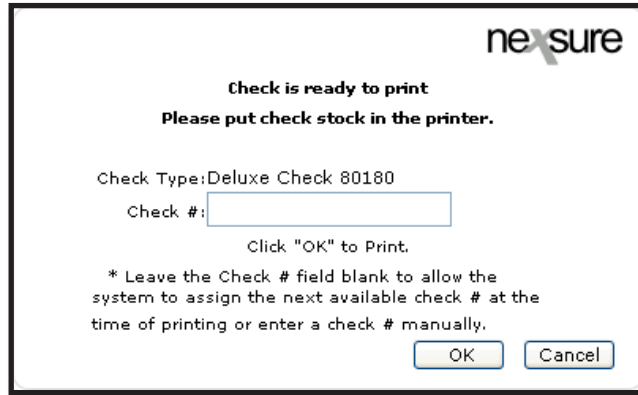


The check is displayed. To print the check, click the **Adobe® Reader® printer** icon just above the document. Checks should be in the printer prior to printing.

## Reversing the Disbursement

If the disbursement is incorrect, it may be reversed by clicking the **Reverse** link on the Navigation toolbar. The check number assigned to the reversed disbursement may be re-used by entering the number in the field on the Disbursement or at the time the check is being printed.



Reversed disbursements will display on the summary screen with 2 disbursement numbers with a "/" between them. This indicates the in and out of the entries. The associated reconciliation, invoices and any general ledger adjustments are available again to be used in the new disbursement. Click **Disbursement Summary** link on the Navigation toolbar to exit the **Disbursement** and view the **disbursement summary** tab.
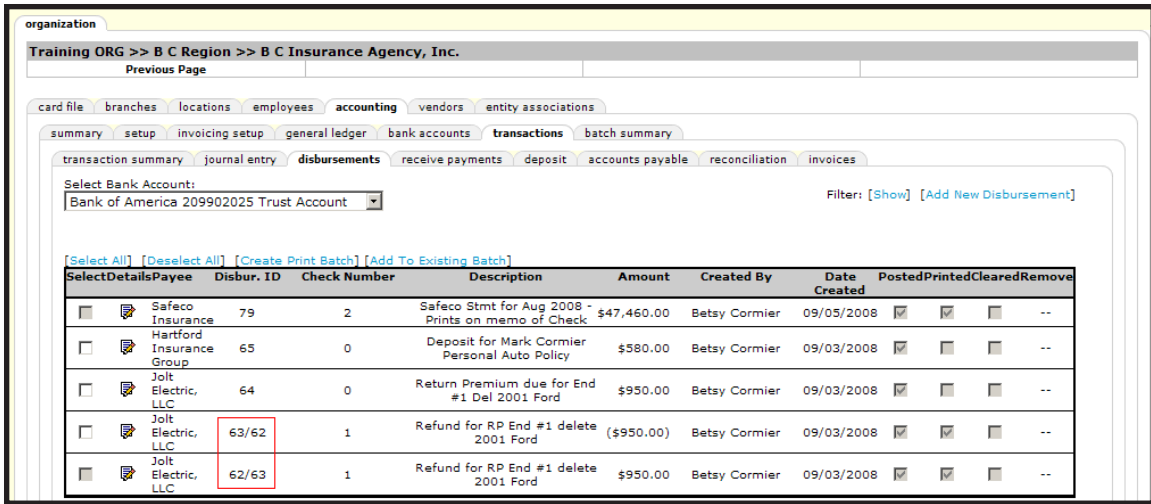
## Removing Disbursements Not Posted

If the disbursement is incorrect, it may be removed by clicking the **Remove** [icon] icon on the right side of disbursement.
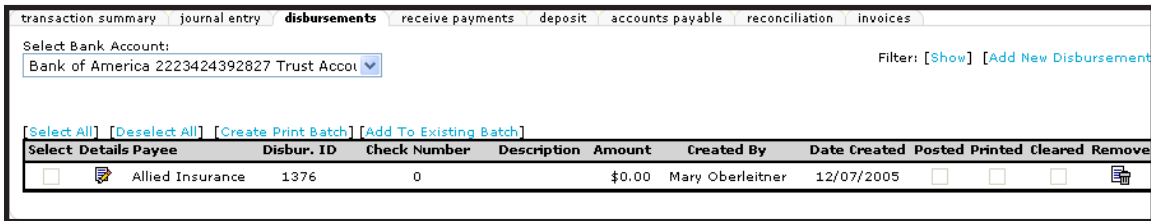


The abort confirmation is displayed allowing an opportunity to go back to the summary view without aborting the disbursement. To confirm the deletion, click the **OK** button. Clicking the **Abort** link on the disbursement itself works the same as removing from the summary screen.
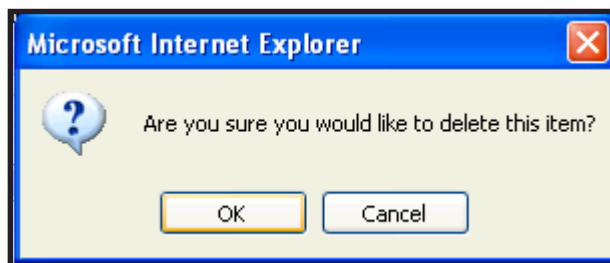
## Paying the Carrier Prior to Reconciling

If for some reason it is necessary to pay the Carrier Statement today and reconcile later, make sure to do the following:

Navigating to the **disbursements** tab is done by clicking the **ORGANIZATION** link on the **Primary** menu. Click the **territories** tab and click the **Details** ![icon] icon for the Territory where the disbursement is to be added. Click the **accounting** tab; the **transactions** tab and the **disbursements** tab to bring up the Disbursement Summary screen. If there are no results displayed, then the organization is new and no reconciliations have been previously done or the filter dates are out of range.
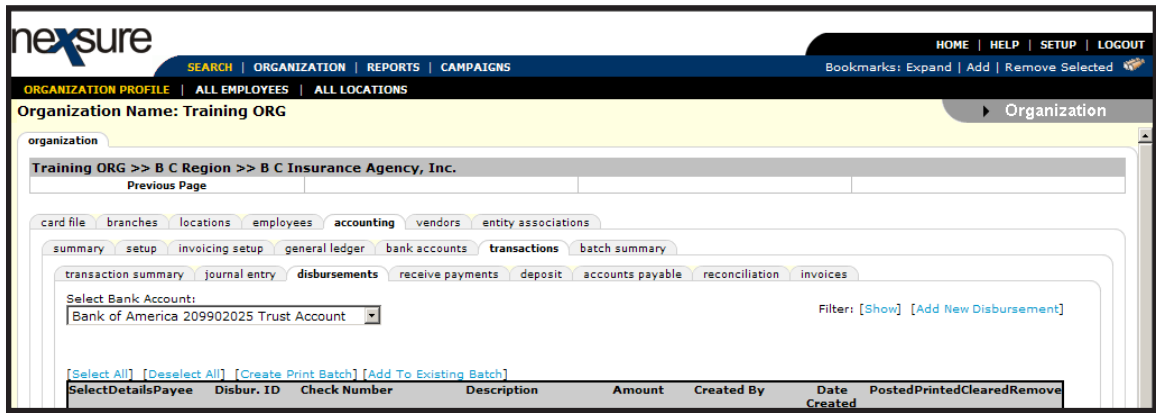


To add the Carrier Disbursement for the unreconciled Carrier Statement, first select the bank account to enter the disbursement for in the **Select Bank Account** drop-down box located on the upper left of the Disbursement Summary screen. Then click the **[Add New Disbursement]** link located in the upper right of the Disbursement Summary screen.

After clicking the **[Add New Disbursement]** link the **Select Entity** window is displayed. This window allows searching for the entity the disbursement is for. In the **Entity Type** drop-down box select Carrier and in the field below the type enter at least 3 charact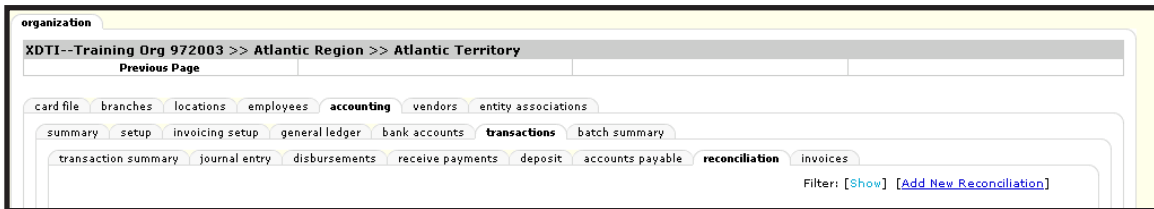ers of the entity name. To activate the search, click the Search button to the right of the field. All matches to the characters entered are displayed in the box below the label Select Name. The (p) beside the name indicates that the carrier name is identified as the parent carrier and an (s) indicates a subordinate carrier. Choosing the carrier with a (p) beside it displays all subordinate carriers for the selected parent. If the reconciliation is to be done for one of the subordinates, then one may be selected but choosing the parent will include all subordinates making certain the correct invoice is available when reconciling later. Use the drop-down address box to choose a different address to print on the check. Click the **OK** button on the bottom of the window to add the disbursement. Clicking the **Cancel** button will abort the process.

After clicking the **OK** button, the disbursement is added.

After entering data into the input fields on the first page, click the **Save** link on the Navigation toolbar or click one of the links in the **Quick Navigation** panel to save entries.

To offset the amount of the disbursement to the **Reconciliation Clearing Acct**, click the **Quick Navigation > General Ledger** link located on the upper right side of the screen to bring up the General Ledger screen. Click the **Add Row** link located on the Navigation toolbar.  Click the **Ellipsis** [...] button to search for the account number the entry will be posted to.

Enter the search information for the GL account and click the Search button. Click the correct **Reconciliation Clearing Acct** account number and the **OK** button to return to the General Ledger screen.

Enter a description for the entry and the amount of the disbursement. Enter the debit amount in the debit field and click the **Save** link on the Navigation toolbar. Click the **Post** link on the Navigation toolbar to post the disbursement.

The Post Disbursement screen is displayed providing an opportunity to review the disbursement amount. If the disbursement is out of balance, a message is displayed advising of the out of balance. At that point correct the disbursement and post again. Once confirmed that the posting is correct, click the **OK** button to complete the post.



A check may be printed by clicking the **Print** link on the Navigation toolbar and selecting the check style from the drop-down box and clicking the **OK** button.

After clicking the **OK** button, the next screen shows the type of check selected and the check number field is empty. This field has no number in it if the check has not been previously printed or a check number was not entered on the disbursement header. A check number would not be entered normally since Nexsure will check to see what the next check number is and automatically number. So, leave the check number blank and click the **OK** button.
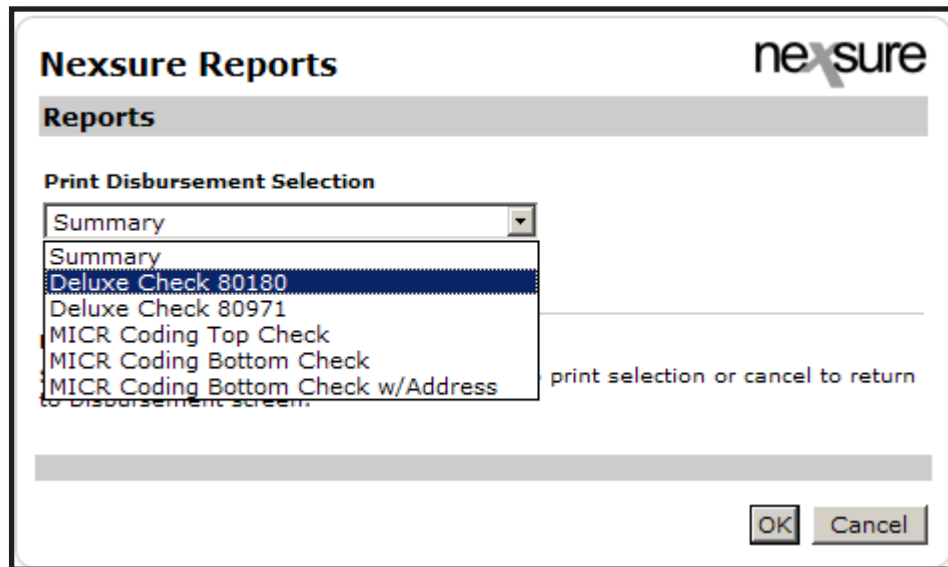
## Adding the Reconciliation for the Previously Entered Disbursement

Navigating to the **reconciliation** tab is done by clicking the **ORGANIZATION** link on the **Primary** menu. Click the **territories** tab and click the **Details** [icon] icon for the Territory where the Carrier Statement is to be reconciled. Click the **accounting** tab, the **transactions** tab and the **reconciliation** tab to bring up the Reconciliation Summary screen. If there are no results displayed, then the organization is new and no reconciliations have been previously done or the filter dates are out of range.



In order to reconcile carrier statements in this scenario, invoices must be added to client policies and posted by agency personnel. These invoices are generally added during the account servicing process so the invoices will be ready to reconcile upon receipt of the statement.

To add the worksheet, click the **[Add New Reconciliation]** link on the upper right side of the Reconciliation Summary screen.



After clicking the **[Add New Reconciliation]** link the **Select Entity** window is displayed. This window allows searching for the entity being reconciled. In the **Entity Type** drop-down box select **Carrier** and in the field below the type enter at least 3 characters of the entity name. To activate the search, click the **Search** button to the right of the field. All matches to the characters entered are displayed in the box below the label Select Name. The (p) beside the name indicates that the carrier name is identified as the parent carrier and an (s) indicates a subordinate carrier. Choosing the carrier with a (p) beside it allows all invoices for the subordinate and parent to be available for reconciliation. Choosing the carrier with the (s) beside it allows only invoices for that carrier to be available for reconciliation, however, all or selected subordinates may be selected by clicking the box placing a check to include in the worksheet.

To select the carrier name, click to highlight and select subordinates only if it is necessary to include those carrier invoices in the reconciliation. Remember that selecting the parent automatically includes subordinate carriers. Click the **OK** button to bring up the Reconciliation for the selected carrier.

Make sure to change the date booked if necessary and enter the description and any internal note necessary for the reconciliation to identify it later. It might be good to enter the check number or Disbursement ID previously entered in the description. Click the **Save** link on the Navigation toolbar or click a link on the right to store modifications.

In order to associate the amount entered on the Disbursement to the Reconciliation Clearing account, click the **Quick Navigation > Receipts/Disbursements** link on the right side of the screen. Click the **[Show]** link to search for **Receipts** and/or **Disbursements** as needed.



Any previously issued **Disbursements** or **Receipts** are displayed. Click the **Select** check box. If a partial amount is to be applied, type in the specific amount in the **Amount** box provided. Click the **Save** link to keep the entry.

The disbursement is added to the reconciliation worksheet to identify that this worksheet is associated with it. This does not create another entry to the general ledger but closes the checks and balances in Nexsure. This step must be done if the check was paid prior to the reconciliation.



The invoices that were previously paid (found on the reconciliation statement) must be identified. To select the invoices included on the carrier statement, click the **Quick Navigation > Transactions > Agency Bill** link located on the right side of the screen to bring up the Transactions screen.  Make sure to use the Search Filter by clicking the **[Show]** link located just above the listed invoices on the right. There are date range filter defaults just like on the Reconciliation Summary screen.



After clicking the **[Show]** link on the screen the filter options are displayed. After entering the search criteria, click the Search button to return all matches. Clicking the **Clear** button clears all the fields on the search filter.

Once the search results are returned, there may be more than one page of invoices. To get to the invoices on other pages, use the **Navigation Arrows** at the top of the list to navigate:

- Single Page Forward ▶
- Single Page Back ◀
- Last Page ▶|
- First Page |◀

The drop-down box to the right of the arrows with the number 1 displaying allows the selection of any available pages so it is possible to quickly jump to a page in the middle (such as page 3). Just find the number and click to go to the selected page. The **Display** drop-down box on the right allows more than the default of 7 items to display.



To identify the invoices included on the statement after filtering the list, find the matching invoice and click the box in the **Select** column to place a check mark indicating the item should be included as payment in full. To identify a partial amount, click the **Details** 📝 icon beside the invoice and enter the amount.

Once all the invoices have been identified and selected, click the **Pay All Selected** link on the Navigation toolbar.



A confirmation of the selections is displayed. Take a look at the information and if it is correct, click the **OK** link to include all the selections.

All invoices included now have a check in the **Select** box and are grayed out indicating they have been included. If a selection error was made, click the **Details** ✎ icon of the invoice and enter a zero amount and save, this will open the invoice for reselection if necessary.



Clicking the **Quick Navigation > Reconciliation Posting** link on the right side of the screen shows what accounts will be offset.

Click the **Post** link on the Navigation toolbar to post the reconciliation. Click **OK** if the reconciliation total looks correct.



## Carrier Receivables

Reconciliation for Carrier Receivables is done at Territory level and is done either before or after the payments are received. Reconciled amounts are posted to the Reconciliation Clearing account identified in mandatory account setup at the Organization level. The mandatory accounts are setup when the organization is built. Work with the XDimensional Technologies, Inc. Account Manager for a clear understanding of how these accounts will be setup.

As previously mentioned there are several ways that an agency might choose to handle their carrier receivables. In this section each method is covered stepping through the entire process of handling carrier receivables. Make sure to read each method to have a clear understanding of the process before determining which is best for your organization.

## Reconciling Carrier Statements Prior to Adding the Cash Receipt

To confirm the accuracy of carrier statements, Nexsure provides the ability to compare posted invoices in Nexsure with the carrier statement. To add the Reconciliation worksheet, see the Carrier Payable section in this chapter on **Reconciling Carrier Statements Prior to Check Issuance**.

When searching for invoices after selecting the **Quick Navigation > Transactions** link on the right side of the screen click the **[Show]** link to show the filter options. Enter the search criteria, making sure to select Direct Bill and click the **Search** button to return all matches. Clicking the **Clear** button clears all the fields on the search filter. Both Agency and Direct may be selected if both are included on the Carrier Statement. If money is owed to the carrier a Virtual Disbursements amount is displayed in the header and if money is due to the Agency a Virtual Receipt amount is displayed in the header.

Follow the remaining steps for the Carrier Payable Reconciliation. If the carrier has sent a check with the statement, once all items have been included in the worksheet the Virtual Receipt Amount in the header should show the amount matching payment if all steps were followed correctly. Post the worksheet to complete.

## Completing the Reconciliation with a Receive Payment

If a Virtual Receipt Total is on the reconciliation header, this indicates a Receive Payment would need to be added to identify that the receivable has been received.
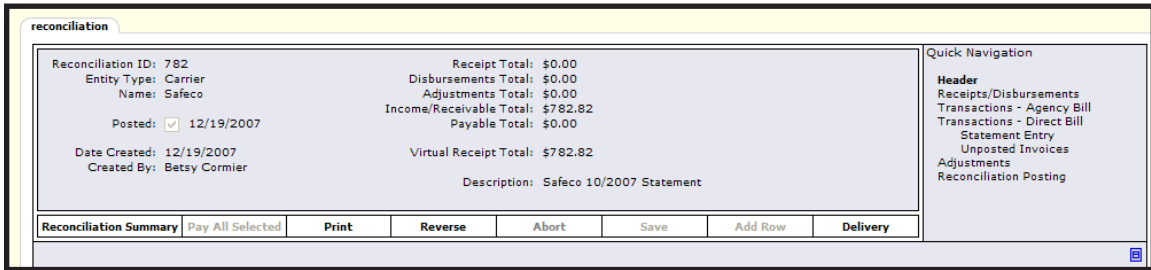


To add the Receive Payment, navigate to the **territories** tab. If not already at territory accounting level, click the **ORGANIZATION** link on the **Primary** menu. Click the **territories** tab and click the **Details** 📝 icon for the territory where the disbursement is to be added. Click the **accounting** tab, the **transactions** tab and the **receive payments** tab to bring up the summary screen. If there are no results displayed, then the organization is new and no receipts have been previously done or the filter dates are out of range.
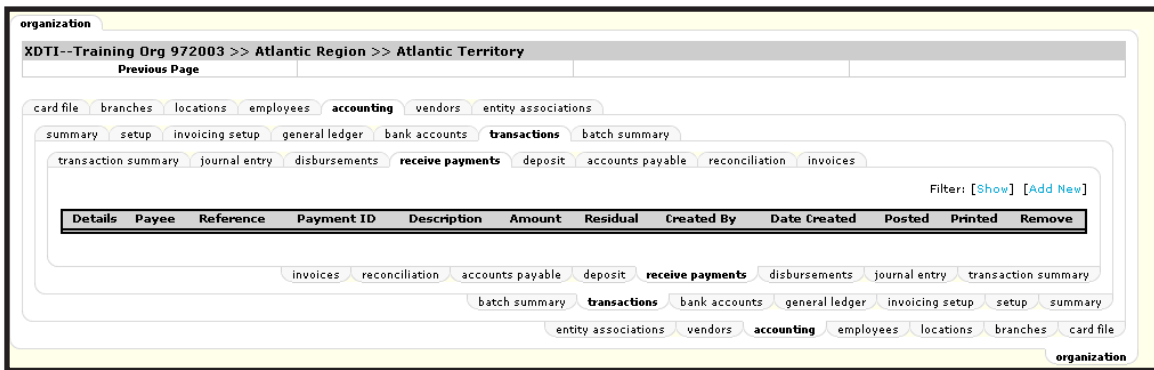
To add the Receive Payment for the Reconciled Carrier Statement, click the **[Add New]** link located in the upper right of the Receive Payments Summary screen.

After clicking the **[Add New]** link the **Select Entity** window is displayed. This window allows searching for the entity the payment is for. In the **Entity Type** drop-down box select Carrier and in the field below the type enter at least 3 characters of the entity name. To activate the search, click the **Search** button to the right of the field. All matches to the characters entered are displayed in the box below the label **Select Name**. The (p) beside the name indicates that the carrier name is identified as the parent carrier and an (s) indicates a subordinate carrier. Choosing the carrier with a (p) beside it displays all subordinate carriers for the selected parent. If the reconciliation was done for one of the subordinates, then one may be selected but choosing the parent will include all subordinates. Use the drop-down address box to choose a different address to print on the check. Click the **OK** button on the bottom of the window to add the disbursement. Clicking the **Cancel** button will abort the process.

After clicking the **OK** button, the payments received screen is added. Enter details of the payment using the definitions below.



There are three sections in the Payments Received screen: **Payments Received Header**, **Quick Navigation**, and **Input Fields**.

| Section | Description |
|---------|-------------|
| **Payments Received Header** | The Payments Received Header section is located at the top of the tab with a shaded background. It summarizes the entire payment.<br><br>Header Definitions:<br><br>➢ **Payment ID: System-generated used to identify the payment.**<br><br>➢ **Entity Type: Identifies the type of payment.**<br><br>➢ **Name: The name of the Entity the payment is from.**<br><br>➢ **Posted: System generated date is the date the reconciliation was actually posted. When posted the box will contain a check.**<br><br>➢ **Processed: Not in use at this time.**<br><br>➢ **Date Booked: This is entered by the User and is the date the entry will be posted to.**<br><br>➢ **Date Created: System-generated payment creation date.**<br><br>➢ **Created By: The logged in User name is placed here at the point the payment is added.**<br><br>➢ **3rd Party Type: Not in use at this time.**<br><br>➢ **Payment Type: Displays the type of payment selected when adding the payment.**<br><br>➢ **Payment Amount: The payment amount entered in the Payment Amount field is required on the payment header details and the amount entered here displays in the top header.**<br><br>➢ **Reference #: This number is entered in the Reference # field on the payment header details to identify the payment such as a check number and displays on the top header.**<br><br>➢ **Description: The description entered in the first description box on the payment header displays here in the header when the** Save **link on the Navigation toolbar is selected.** |

| Section | Description |
|---------|-------------|
| **Quick Navigation** | Located on the right side of the tab, there are links used to access different sections of the payment. This provides flexibility to select the necessary links for the payment. |
| **Input Fields** | Input Fields are located at the bottom left portion of the screen. The displayed input fields correspond with the selected bolded link on the right side of the screen (Quick Navigation). |

**Quick Navigation Link Definitions**

| Link | Description |
|------|-------------|
| **General Ledger** | Any adjustments not included on a carrier statement where the amount does not affect the amount due on a client invoice such as advertising fees would be added on this link. |
| **Payment Header** | Use this link to edit the Payments Received Header input fields. |
| **Accounts Payable** | Use this link to locate and select all the Accounts Payables added and posted for future disbursements. |
| **Reconciliation** | This link is used when the reconciliation has been added prior to adding the payment. Selecting a reconciliation worksheet in a payment will reduce the reconciliation clearing account for the selected reconciliation amount. |
| Receive Payment Posting | Contains all the General Ledger entries that are generated for the selected payment. Posting entries do not display until items have been included and/or entries have been made. |

After entering data into the input fields on the Payment Header, click the **Save** link on the Navigation toolbar or click one of the links on the right to save entries. Like disbursements, use the **Quick Navigation > General Ledger** link for any adjustments.

To select the reconciliation for this carrier statement, click the **Quick Navigation > Reconciliation** link located on the right side of the screen to bring up the Reconciliation screen. Click the **[Add new]** link located just below the Navigation toolbar on the right.

Any reconciliation worksheet added for the selected carrier is displayed. If more than one should be included with the payment, click in the box in the **Select** column to choose selected ones or the **[Select All]** link above the list on the left. Clicking the **[Deselect All]** link will clear the selections. In this scenario, only one will be selected. After selecting the reconciliation the disbursement is being issued for, click the **OK** button. The selected reconciliation worksheet is added to the disbursement.

Clicking the **Quick Navigation > Receive Payment Posting** link on the right side of the screen shows what accounts are being posted to. The Undeposited Funds Account is a mandatory account that holds all payment amounts until they are identified as being added to the bank account through a deposit. To complete, add a deposit. See Chapter 14,"Deposits" in this manual for more details.

## Aborting the Payment

If the payment is not needed, it may be aborted prior to posting. Click the **Abort** link on the Navigation toolbar.



## Posting the Payment

To complete the Process so the payment can be deposited, click the **Post** link on the Navigation toolbar. The Post Payment screen is displayed providing an opportunity to review the amount. If it is out of balance, a message is displayed advising of the out of balance. At that point make any corrections and post again. Once confirmed that the posting is correct, click the **OK** button to complete the post.



After the payment is posted the screen is refreshed and Post is no longer an option on the Navigation toolbar.

## Reversing the Payment Prior to Adding a Deposit

This works just like reversing a disbursement as long as the Deposit has not been added. For more details on reversing payments, see Chapter 9, "Client-Account Receivable" in this manual. Once the payment has been reversed, the reconciliation worksheet is available to be added to the correct payment later.



## Removing Payments Not Posted

If the payment is incorrect, it may be removed by clicking the **Remove** icon on the right side of the Receive Payment summary screen.



The abort confirmation is displayed allowing an opportunity to go back to the summary view without aborting the payment. To confirm the deletion, click the **OK** button. Clicking the **Abort** link on the payment itself works the same as removing from the summary screen.
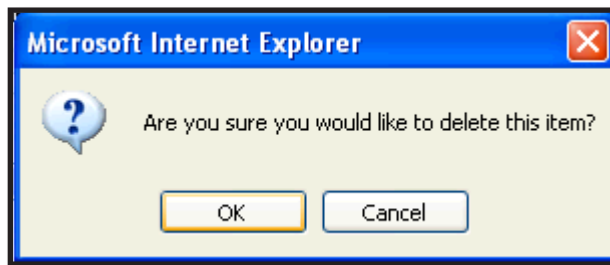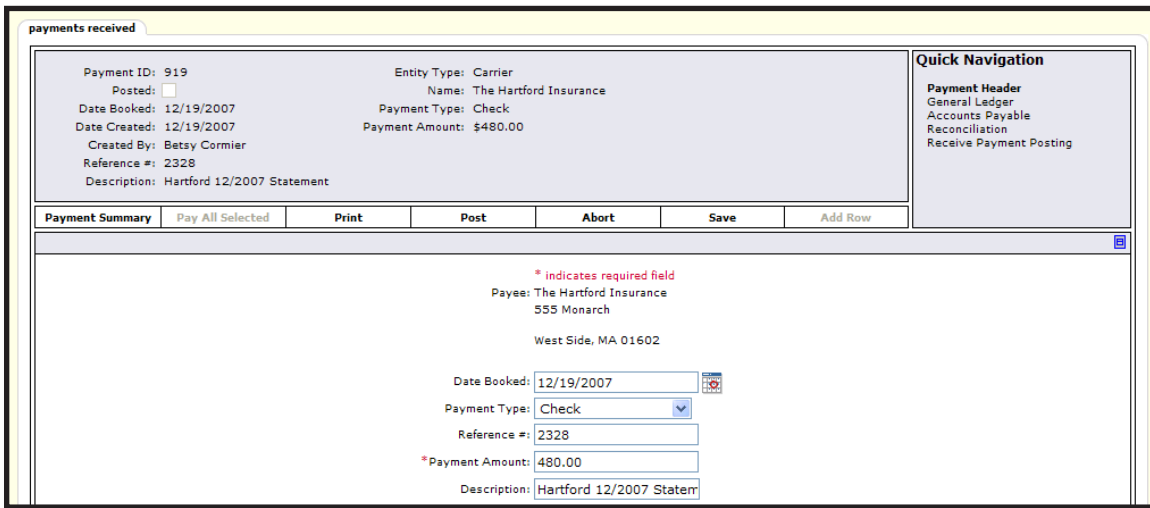
## Receiving the Payment Prior to Reconciling the Carrier Statement

In many cases the payment is added prior to reconciling the Carrier Statement. For this scenario, use the following to make sure payments are allocated correctly.

Navigating to the **receive payments** tab is done by clicking the **ORGANIZATION** link on the **Primary** menu. Click the **territories** tab and click the **Details** icon for the Territory where the payment is to be added. Click the **accounting** tab, the **transactions** tab and the **receive payments** tab to bring up the receive payments summary screen. If there are no results displayed, then the organization is new and no reconciliations have been previously done or the filter dates are out of range.

Follow the instructions to add a receive payment in the section called **Completing the Reconciliation with a Receive Payment**. After selecting the carrier and adding the Receive Payment screen, enter the payment detail into the Payment Header. Click the **Save** link on the Navigation toolbar to store the entries.



To offset the amount of the payment to the Reconciliation Clearing account, click the **Quick Navigation > General Ledger** link located on the right side of the screen to bring up the General Ledger screen. Click the **Add Row** link located on the Navigation toolbar. Click the **Ellipsis** button to search for the account number the entry will be posted to.

Enter the search information for the GL account and click the **Search** button. Click the correct account number and the **OK** button to return to the General Ledger screen.

Enter a description for the entry and the amount of the adjustment. Enter the payment amount in the credit field and click the **Save** link on the Navigation toolbar.
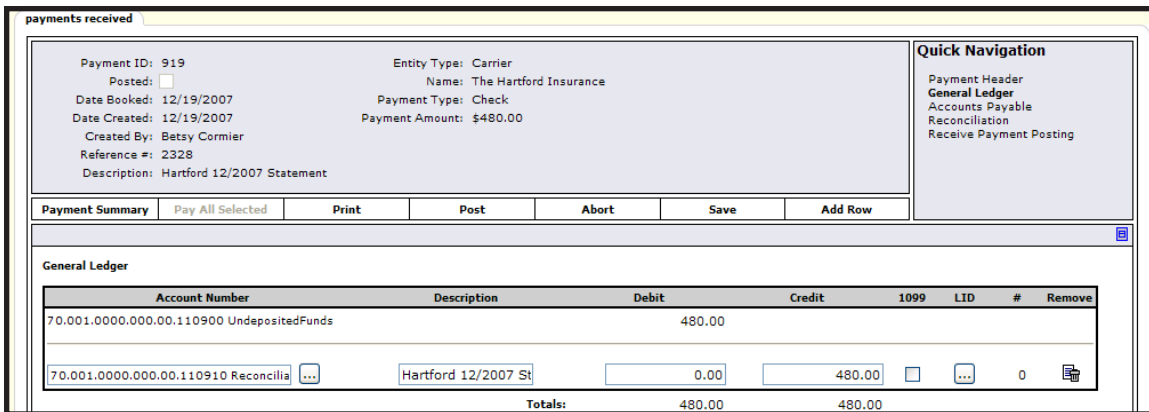


Click the **Quick Navigation > Receive Payment Posting** link on the right side of the screen to verify where the entries are posting. Click the **Post** link on the Navigation toolbar to post the payment. Make sure to add in a deposit for the day.
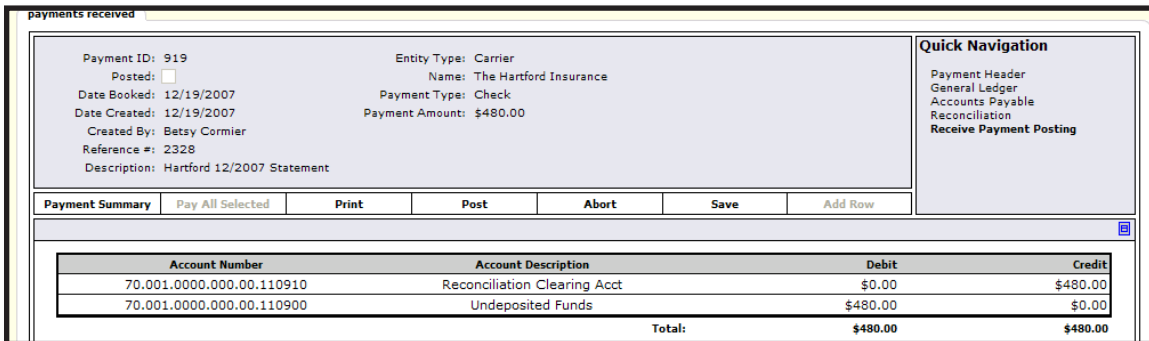
## Adding the Reconciliation for the Previously Entered Payment

Follow the directions in this chapter under **Adding the Reconciliation for the Previously Entered Disbursement**. Also, make sure to search for Direct Bill or Both when searching for invoices to be included on the statement.



After adding the Receipt and invoices, click the **Reconciliation Posting** link on the right side of the screen to see account posting.



## Invoicing From Carrier Statement in the Reconciliation Worksheet

This method is used only if invoices are not created at client level and transaction detail is needed for production reports and paying employees. Follow the steps in this chapter for adding a reconciliation worksheet up through selecting invoiced **Transactions - Agency Bill** or **Transactions - Direct Bill** link on the **Quick Navigation** panel. There may be some invoices that were previously added using the following method that would need to be included because they were only partially paid, but in this scenario, no prior invoices are considered since this is a new organization.

Click the **Statement Entry** link on the **Quick Navigation** panel. The policies that are available for statement entry transactions are displayed according to the search criteria selected.

If policies to be used for statement entry transactions are not immediately displayed, click **[Show]** to open the search filter. Enter criteria to search for policies that will be used to create transactions. It is important to make sure all service personnel are entering the estimated premium information on the **policy info** tab at policy underwriting level. This saves time when adding invoices at this level.

**Filter Definitions**

| Field Label | Description |
|---|---|
| **Region** and **Territory** | These identify what Region and Territory the reconciliation is for and may not be changed here. |
| **Branch** | If the reconciliation is only for one Branch under the selected Territory, use the drop-down box to select the specific Branch. If the reconciliation is for all Branches under the selected Territory, leave blank. |
| **Department** | The Department drop-down box is only active if a specific Branch is selected. The reason is that the Departments are added at each specific Branch. If the reconciliation search results are for a specific Department, first choose the Branch and then the Department. |
| **Unit** | The Unit drop-down box is only active if a specific Branch and Department is selected. The reason is that the Departments are added at each specific Branch and the Unit is added to specific Departments. If the reconciliation search results are for a specific Department and Unit, first choose the Branch, Department and then the Unit. |
| **Bill Method** | The bill method of Direct Bill may not be changed here. |
| **Date Type** | When searching for policies within a set date range, use the Date Type drop-down box to return policies by Coverage Term Effective or Policy Term Effective date within that date range. |
| **Date Range** | The date range from and to will return all policies for the selected Date Type within the date range entered. |
| **Amount Type** | When searching for policy info amounts within a set range, use the Amount Type drop-down box to return policies by Premium or Commission per line item in the policy's policy info tab. |
| **Amount Range** | The amount range from and to will return all policies with the selected Amount Type, Premium or Commission, within the amount range entered. |
| **Business Type** | Allows specific types of business to be filtered to simplify locating policies. Use the drop-down box to choose from All, Benefits, Bonds, Commercial Lines, Financial Services, Personal Lines. |
| **Lines of Business** | If looking for policies for a specific line of business, select the line of business. If multiples are needed, press the control key on the keyboard and click on each line to be included. If none are selected, all will be returned. |
| **Name** | Enter a client Bill To name to search for all policies with that Bill To name on the policy info. |

| Field Label | Description |
|---|---|
| Policy Number | To locate a specific policy number, enter the policy number into the field. |
| Policy Mode | The drop-down box allows for selection of All, New, ReNew or Re-New-Co to filter policy search results. |
| Policy Status | The drop-down box allows for selection of all or a specific policy status to filter policy search results. |
| Include Policies In History | Select box to include policies from History in search results. To exclude History policies in search results, deselect the box. |
| Include Selected Items | Select box to maintain previously selected transactions in search results. |
| Sort Order | The sort orders 1 and 2 fields allow the policy transactions to be displayed in a particular order. The sort 1 will be the first sort and sort 2 the sub sort. |

After entering any search criteria, click the **Search** button at the bottom to return results.

Once the search results are displayed, select the policy transactions to create invoices from the carrier's statement by clicking the box in the **Select** column. Policy numbers preceded by an (H) are iterations of the policy in History.



Nexsure uses the data in each field of a selected line item to create an invoice. All fields of a selected policy line item must be completed to create an invoice. Each policy available for statement entry displays information from the policy info tab to assist with selection and entry of premium and commission information.

- **Name: Client/Bill To** - If the **Bill To** name is the same as the client's name, only the client name is displayed.

- **Policy # / (LOB)** - Displays the policy number and line of business assigned to the policy.

- **Policy: Mode / Status** - Displays the mode and status from the policy header.

- **Eff Date** - The default date is the coverage term effective date. The date can be changed to the invoice effective date. Invoices created through Statement Entry will post on the later of the effective date of the transaction entered here or the calendar date they are created in the reconciliation.

- **Premium Paid** - This amount can be edited to reflect the amount of the invoice. If the rate type is **% of Premium**, the commission paid field will auto-figure based on the rate and premium entered in this field.

- **Rate Type** - The default selection is the commission type from the policy's **policy info** tab. This type can be changed if necessary.

- **Rate** - The default entry is the commission rate from the policy's policy info tab. If the **Rate** is changed and the rate type is **% of Premium**, the **Commission Paid** field entry will automatically adjust based on the premium in the **Premium Paid** field.

- **Commission Paid** - The default entry is from the estimated agency commission on the policy's **policy info** tab. This amount can be changed to the commission on the carrier's statement. If the **Rate** is **% of Premium** and **Commission Paid** is entered, the **Premium Paid** will automatically calculate. If the rate is **Flat**, the **Premium Paid** field will not automatically calculate.

  _____

  **Note:** Fields for policy line items selected to create invoices cannot be blank. If the **Rate** is **Flat**, enter the commission received in both the **Commission Paid** and **Rate** fields.

  _____

- **Bill Type** - The default selection is from the background servicing activity. The options are Audit, Cancellation, Endorsement, Installment and Term Policy. Installment is exclusive to direct bill statement entry.

Note:  **Bill Type** impacts the annualized and billed amounts of the policy being invoiced. The **Premium Paid** amount will add to the **policy info** tab's billed premium total for all transactions except **Term Policy** bill types. **Term Policy** invoicing updates annualized and billed with the **Premium Paid** amount of the transaction, replacing any previously entered totals. Cancellation transactions do not impact the annualized premium total. Installment invoicing will add to the annualized and billed during the policy term as determined by the transaction effective date. The master invoice together with the general invoice determines the annualized premium. An invoice must be created each time an installment commission is received. Invoices created from policies in **History (H)** will not update the **In Force** policy's annualized and billed premiums. To accurately accrue annualized and billed premiums, use the **In Force** policy for each commission received on a carrier's statement, changing the **Bill Type** selection for each transaction. When the first invoice is created, the **In Force** policy is again available for selection.

- **Other** - When a policy line item is selected by clicking the box in the Select column, the **Ellipsis** [...] button will become active if **Other Commissions** have been added to the policy. Click the **Ellipsis** [...] button to display existing Other Commissions at the bottom of the screen. Click the [Add New Other Commission] link to add other People Commissions for this transaction. Click **OK** to add the other commission or **Cancel** to return to the **Add Carrier Statement Transactions** screen without saving **Other Commissions** additions.
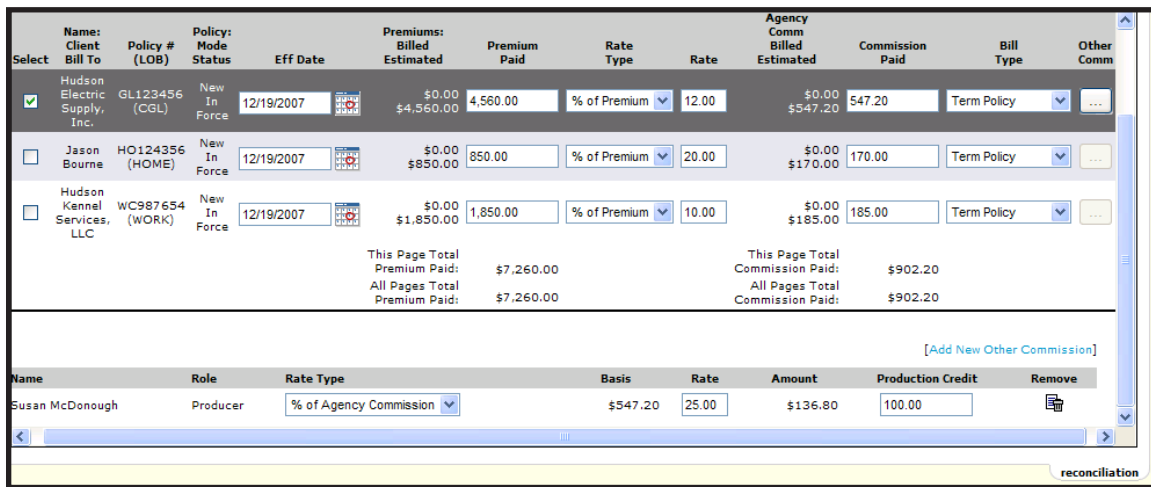


Once all selections and entries have been made, click **Save** on the Navigation Toolbar. Notice the **Create Invoices** and **Create/Pay All** links are now active on the Navigation toolbar. To review created invoices prior to posting, click the **Create Invoices** link on the Navigation toolbar. Click **OK** in the confirmation dialog box to create invoices for the selected transactions. Click **Close** to exit the reconciliation process while the invoices are being created. The created invoices are moved to the **Unposted Invoices** link in the **Quick Navigation** panel and display when the screen refreshes.

If **Create/Pay All** is clicked, invoices are created, posted and flagged as paid all at once.



To edit an invoice before posting, click the Item ID. The Item ID for invoices created by Statement Entry are identified by an (S). Clicking the Item ID displays the invoice screen.



Make any necessary changes to the premium and/or commissions and click the **Reconciliation** link on the invoice Navigation toolbar to return to the **Transactions - Unposted Invoices** screen.

After verifying the created invoices, click **Post Invoices** on the Navigation Toolbar.

Click **OK** in the **Post Selected** confirmation box or **Cancel** to the list of unposted invoices. Clicking **OK** posts and pays the invoices, moving them to the **Transactions - Direct Bill** link on the Quick Navigation panel.
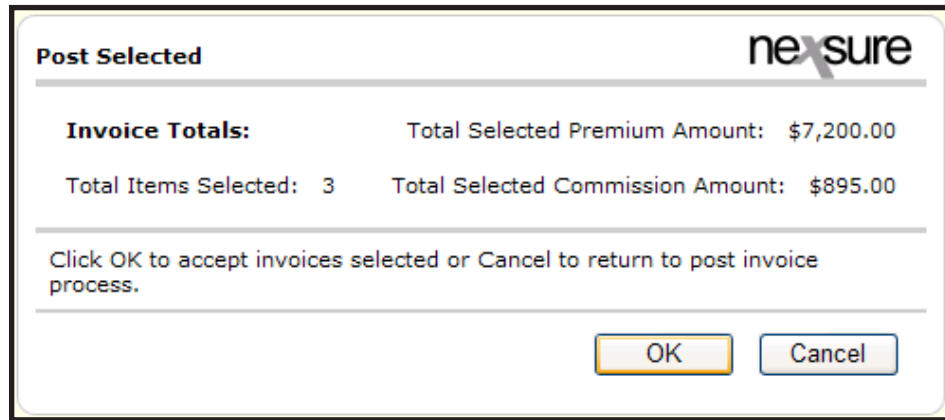


When the screen is refreshed, the **Transactions - Direct Bill** link is displayed. The **Pay All Selected** link is not active. All posted invoices created in Statement Entry have been created, posted and flagged as paid.
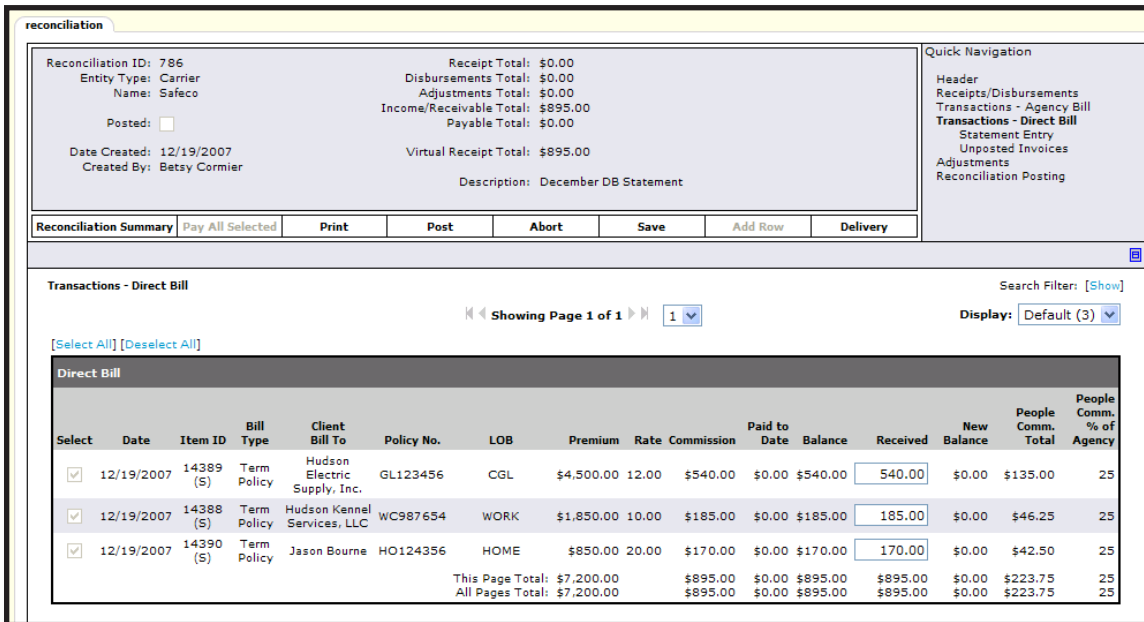


Follow the rest of the directions for completing the reconciliation, posting, entering the disbursement or cash receipt in this chapter. The reconciliation must be posted to complete invoicing from a carrier statement using Statement Entry.

> **Note**: Invoices created through **Statement Entry** in a reconciliation will post on the invoice's **Date Booked**. The invoice **Date Booked** is the later of the transaction effective date or the date created in the Reconciliation. The reconciliation's **Date Booked** does not determine the invoice **Date Booked**.

Invoices created through Statement Entry are posted to the Client's policy and viewed from the **Transaction** link on the **Client** Menu or the **transaction** tab at policy underwriting.



## Commission Downloads

To use **Commission Downloads**, do not add invoices at the Policy level since the processing of **Commission Downloads** creates and posts the invoices in addition to creating the reconciliation worksheet for the carrier. Carrier Commission Download is not available for all carriers. Check Nexsure Help for a complete list of carriers. Nexsure provides a formatted Microsoft Excel spreadsheet option to import commission information for carriers that do not supply AL3 files for their direct bill commission statements.
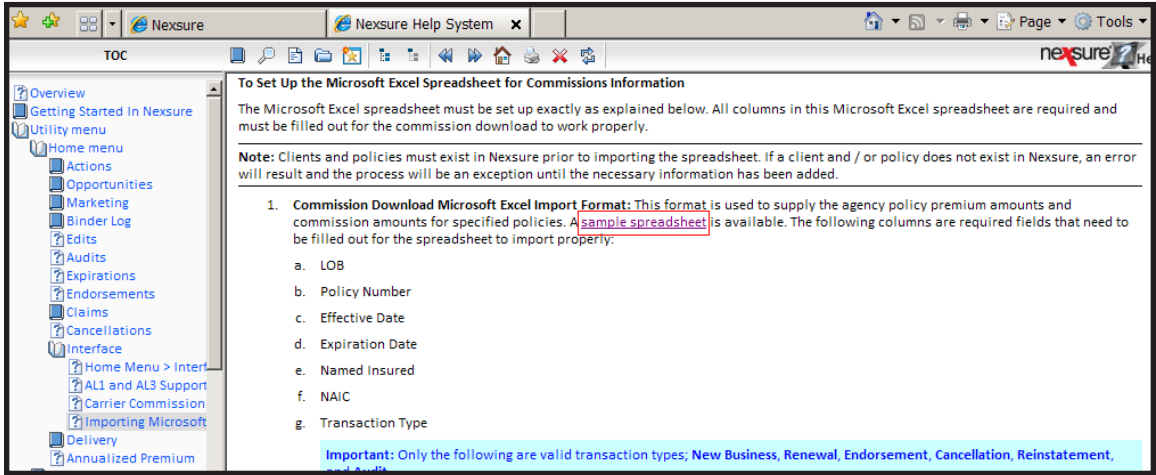
Formatted Microsoft Excel spreadsheets for direct bill commission statements are manually imported into Nexsure as a commission download file. Manually imported files along with Carrier Commission Download files brought in through your IVANS mailbox are found on the **interface** screen. These **commission download files** are processed the same, whether the source is a file from the carrier or a formatted Microsoft Excel spreadsheet.

### Import Microsoft Excel Spreadsheet for Commission Download

A formatted Microsoft Excel spreadsheet is used to import premium and commission amounts for carriers that do not supply an AL3 file for their direct bill commission statements. The spreadsheet data, once imported, is processed through the Nexsure Interface screen with other **Commission Downloads**.

> **Note**: The Clients and policies must exist in Nexsure prior to importing the spreadsheet.

To setup the Microsoft Excel Spreadsheet for commission information, first download the spreadsheet from Nexsure Help:  **HELP** > **Utility** menu > **Home** menu > **Interface** > **Importing Microsoft Excel Files** > **To Set Up the Microsoft Excel Spreadsheet for Commission information** > **sample spreadsheet**.



The Microsoft Excel spreadsheet displays after clicking the **sample spreadsheet** link. Save the spreadsheet as an Excel 97-2003 Workbook.

The **Commission Download Microsoft Excel Import** spreadsheet format must be maintained for a successful import. All columns in the spreadsheet are required and must be filled out for the commission download to work properly. All column headers must remain in the same order and format as the downloaded spreadsheet. If the information supplied is not correct on the spreadsheet, the client or policy may not be found.

| Column Header | Field Description |
|---|---|
| **LOB** | Enter the **ACORD LOB Code**. Obtain the **ACORD LOB Code** from the **Available Lines of Business Report** in Nexsure Help: **HELP** > **Supporting Documents** > **Available Lines of Business**. You may need to convert the LOB provided by your carrier to the required **LOB Code**. |
| **Policy Number** | An exact match to the policy number in Nexsure is required. |
| **Effective Date** **Expiration Date** | Effective and Expiration Dates are required to find the correct policy term for the transaction. |
| **Named Insured** | An exact match to the named insured in Nexsure is required. |
| **NAIC** | Carrier and NAIC code match is required. Multiple NAIC codes may be included in one commission download spreadsheet. |

| Column Header | Field Description |
| --- | --- |
| **Transaction Type** | Valid **Transaction Types** are: **New Business**, **Renewal**, **Endorsement**, **Cancellation**, **Reinstatement**, and **Audit**. Other transaction types will cause the import to fail. You may need to convert the transaction type provided by your carrier to the appropriate valid **Transaction Type**. When invoices are created during the processing of commission download, New Business and Renewal will convert to a Bill Type of Term. |
| **Trans Effective Date** | Date of transaction is matched to the policy coverage term effective date. If a match cannot be found an exception is created to manually select the policy. |
| **Gross Amount** | Enter the gross premium to be invoiced through the processing of commission download. |
| **Commission Rate** | Enter the commission rate of the transaction to be invoiced. The spreadsheet will convert the rate to a flat amount. Commission Download process uses the commission rate on the spreadsheet to create the transaction invoice and ignores Agency Commission rate on policy info. |
| **Commission Amount** | Enter the commission amount of the transaction to be invoiced. |

**Reminder**: Every column must be completed with correct information for each transaction.

Save the completed commission spreadsheet to your **Source Directory** for manual import into the Nexsure **interface** screen.  Once imported, the file will display on the interface screen with a **Carrier** name of **Excel Commission Import** and **File Type** of **Excel Commission Download File**. Instructions for importing files through Exchange Manager (Manual Import) are in Chapter 21 of the **CRM Training Manual**.

## Commission Download Processing for Carrier Commission and Excel Commission Download

> **Important**: Clients and policies must exist in Nexsure before **Commission Downloads** can be processed. Before processing **Carrier Commission Downloads**, always process policy downloads first. For more information see "Policy Download and Import/Export", in Chapter 21, *CRM Training Manual*.

Click the **INTERFACE** link on the **Home** menu and process policy downloads first. To process **Commission Downloads**, click the **[Show]** link and select the **File Type of Commission Download** for Carrier Commission Downloads or **Excel Commission Download File** for imported Microsoft Excel Commission spreadsheets. Use other search criteria to locate the download file such as the **Carrier** and date range of the file. Searching **File Status** of **All** will return both pending statements and completed commission statements that came in without exceptions. Pending statements either include exceptions or are still processing (incomplete). After entering search criteria for the download files you want to process, click the **Search** button on the bottom right of the Search Filters to return results. Leave the Sort to display in ascending order to be certain you do not process download out of order.



If exceptions exist, use the following example to help process exceptions for **Carrier**, **Branch**, **Client** or **Policy**. Exceptions are items that could not process automatically and need the attention of the agency.

Click the red exception link ( ¹ ) to display the **Exception** item(s). Clicking the **Details** icon will display all transactions in the download file. The red exception message is displayed. In this example, the policy could not be determined.
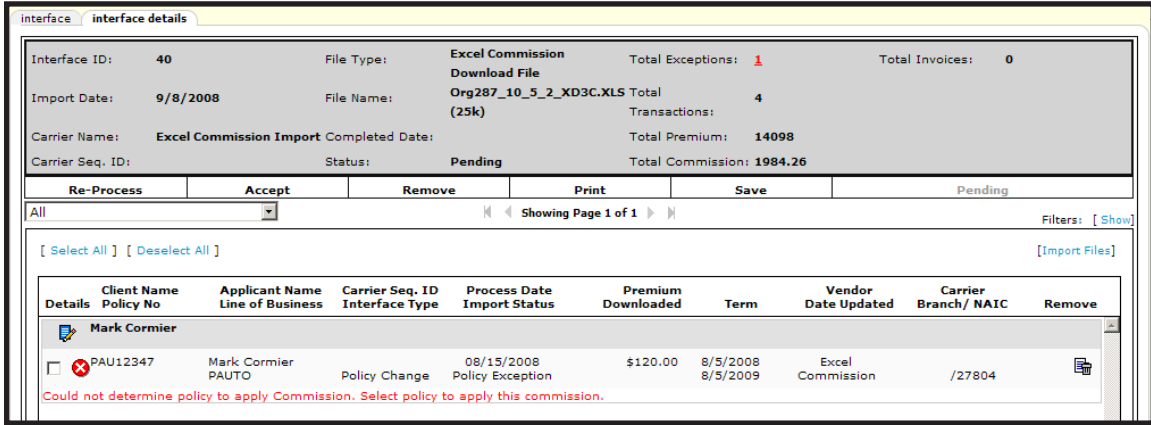


After clicking the red exception message, the **Policy** screen is displayed. Select the appropriate policy for the download and click **[Select]** to resolve the exception.
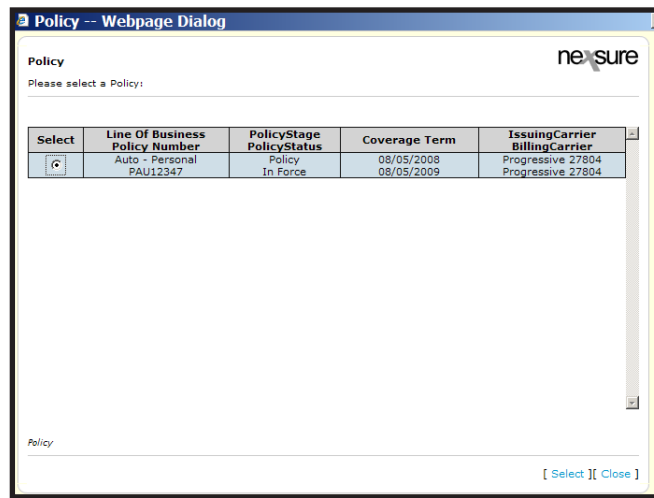


Resolve all exceptions in the download file, re-processing as many times as necessary. Transactions can also be removed by selecting the item and clicking the **Remove** option on the Navigation toolbar. If the agency invoices commercial lines at the Policy level, the agency will want to remove commercial lines transactions from the download file if the carrier sends both commercial and personal commission information in their download file.

The interface header identifies the total number of transactions remaining in the file. Invoices will be created for each of these transactions, whether or not they are all displayed on the screen. If desired, click the **[Show]** link to display the **interface details** filter. Change the **Import Status** to **All** and click the **Search** button to return all remaining transactions in the download file. To print a report of the listed transactions click the **Print** link on the Navigation toolbar.



Once all exceptions have been resolved, the **Create Invoices** link on the Navigation toolbar becomes available.

Click the **Create Invoices** link. Click **OK** on the **Create Selected** dialog box.
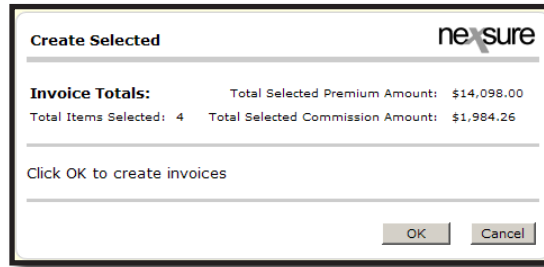


While the invoices are processing, the Navigation Toolbar displays a **Create Invoice Processing** message in the Navigation toolbar. Click the **Interface Details** tab to refresh the screen. The time required to create invoices depends on the number of invoices processed. The interface header status changes when invoices have finished processing. When the invoices have finished processing, the **View Invoices** link is active on the Navigation toolbar, replacing the **Create Invoice Processing** message.
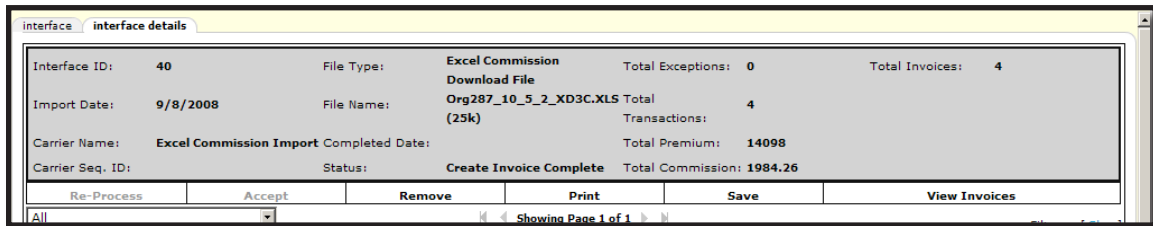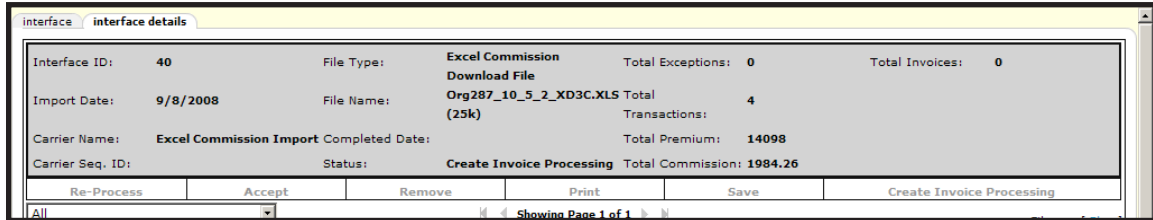




Click the **View Invoices** link to display the **Commission Download** screen. The **Commission Download** screen displays un-posted invoices. Only the **Bill Type** option of each invoice can be edited at this stage. New Business and Renewal transactions convert to a **Bill Type** of **Term**. The **Bill Type** list includes an option for **Installment** that may be selected. If Annualized is selected on the policy info tab of the policy, Endorsement transactions will calculate a new annualized premium; Term transactions will overwrite the existing annualized premium; Installment transactions will add to the existing annualized premium. Edit the **Bill Type** if necessary.

The staged transaction prior to the invoice being created and posted will use **Other Commission** information from the policy's policy info tab if that information exists. To view **Other Commissions**, select the check box for the invoice and click the **Other Commission Ellipsis** [...] button. **Other Commission** displays at the bottom of the screen.

If **Other Commission** information was available from the **policy info** tab, it will be listed and may be edited. To add **Other Commissions**, click the **[Add New Other Commission]** link to display the **Add People Commission** section.
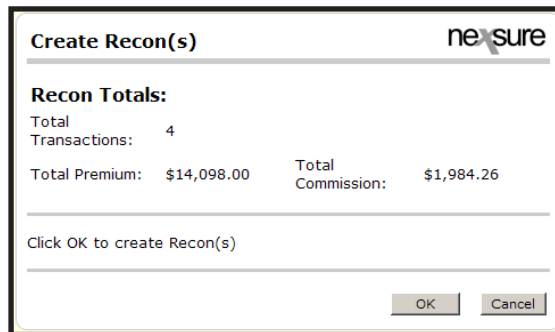
Search for the staff member to which commission will be added. Select the employee to use from the search results displayed in the **Employees** box. In the **Production Role** list, select the production role for the staff member. In the **Production Credit Amount** box, enter the production credit amount. In the **Rate** box, enter the rate of the commission. Click **OK** to add the **Other Commission** or **Cancel** to return to close the **Add People Commission** section.

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**Note**: Completing the **Other Commission** section of the policy's **policy info** tab at Policy level will streamline commission processing.

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When all information on the **Commission Download** screen is accurate, click the **Create Recon** or **Create/ Post Recon** link on the Navigation Toolbar. Invoices will be posted and included in the reconciliation for every transaction, whether or not they are selected.  Selection option is only used to activate the **Other Commission Ellipsis** ... button. All invoices will be posted, whether or not they are displayed on the screen.

| Option | Description |
|---|---|
| **Create Recon** | Click **Create Recon** to post invoices and create a new reconciliation for each Territory. The reconciliation is un-posted. |
| **Create/Post Recon** | Click **Create/Post Recon** to post invoices, create reconciliation for each Territory and post the reconciliations in one step. |

In this illustration, **Create Recon** was clicked. The **Create Recon(s)** dialog box displays. Click **OK** to create the recon.

The Navigation Toolbar displays the message **Recon Processing**. Click the **interface details** tab to refresh the screen. When complete, the **Reconciliation Created** link is active on the Navigation Toolbar. The interface header displays a status of **Recon Complete**.
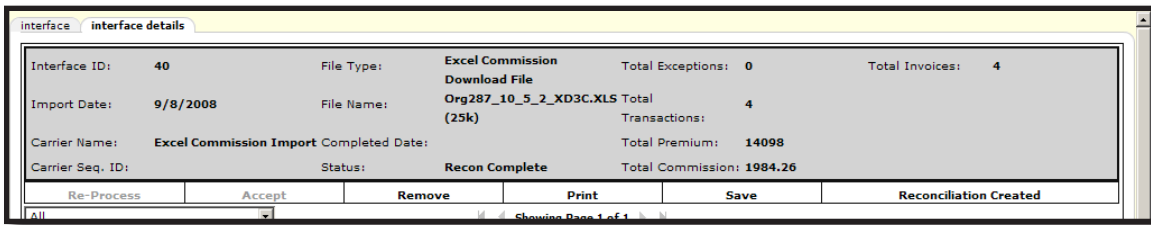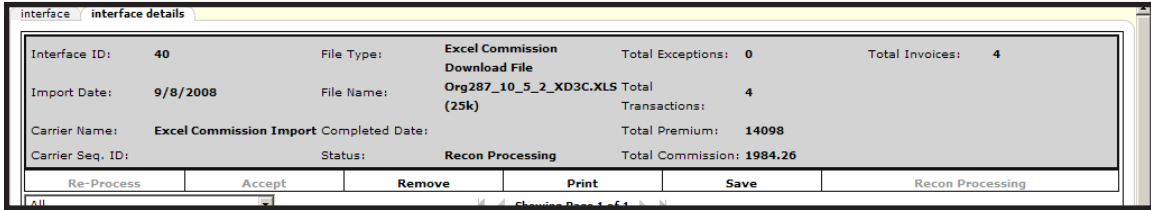




At this point all invoices have been added and posted to the client record and the reconciliation worksheet added to the applicable territory(ies). If the option to **Create/Post Recon** was selected, all invoices would be added and posted to the client record, and the reconciliation would be created and posted. Click the **Reconciliation Created** link on the Navigation Toolbar to display a **Recon Summary**.
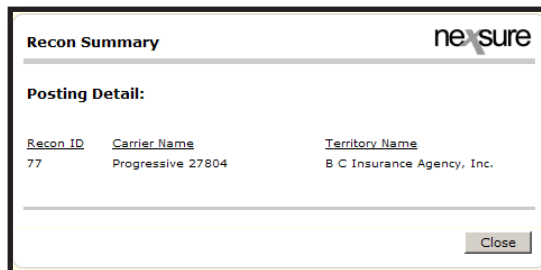


If transactions for more than one territory were included in the **Commission Download** statement, a separate reconciliation is created for each territory. The **Recon Summary** identifies the recon number for each territory. Click **Close** to exit the **Recon Summary**.
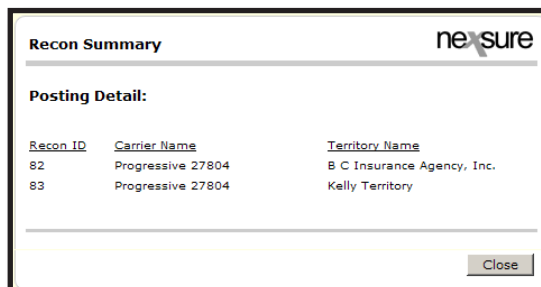
To complete Reconciliation worksheet, click the **ORGANIZATION** link, **territories** tab and then the territory **Details** icon. Select the **accounting** tab for selected territory. Click the **transactions** tab and then the **reconciliation** tab. If the Reconciliation worksheet is not displayed use the **[Show]** link to search for the specific Reconciliation. Click the **Details** icon on the left side of the screen beside the carrier name to display the worksheet.
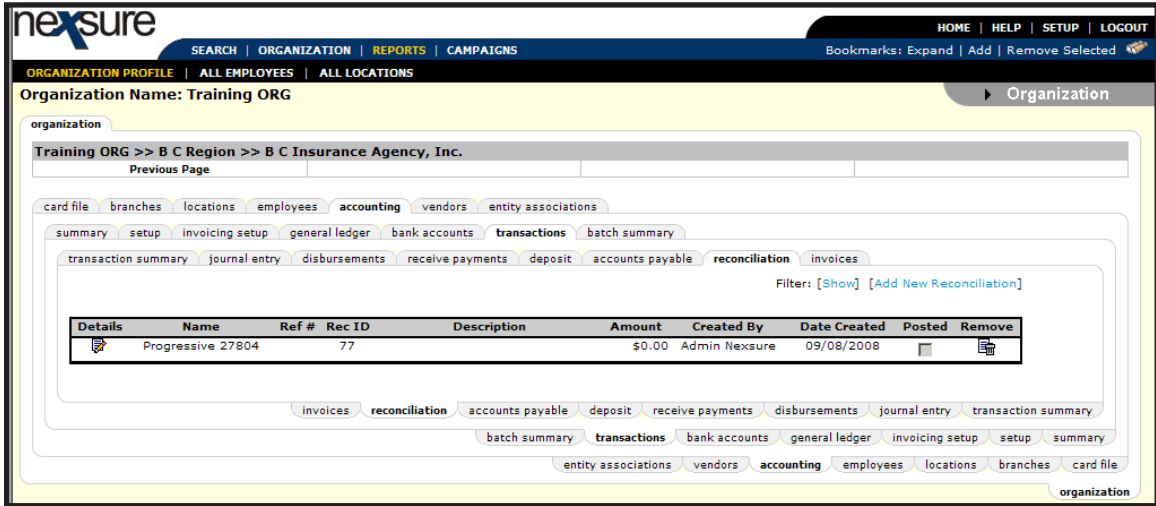


Enter a **Description** to identify the carrier statement on reports and any **Internal Note** needed in the header input fields. Click **Save** on the Navigation toolbar to save the header input.
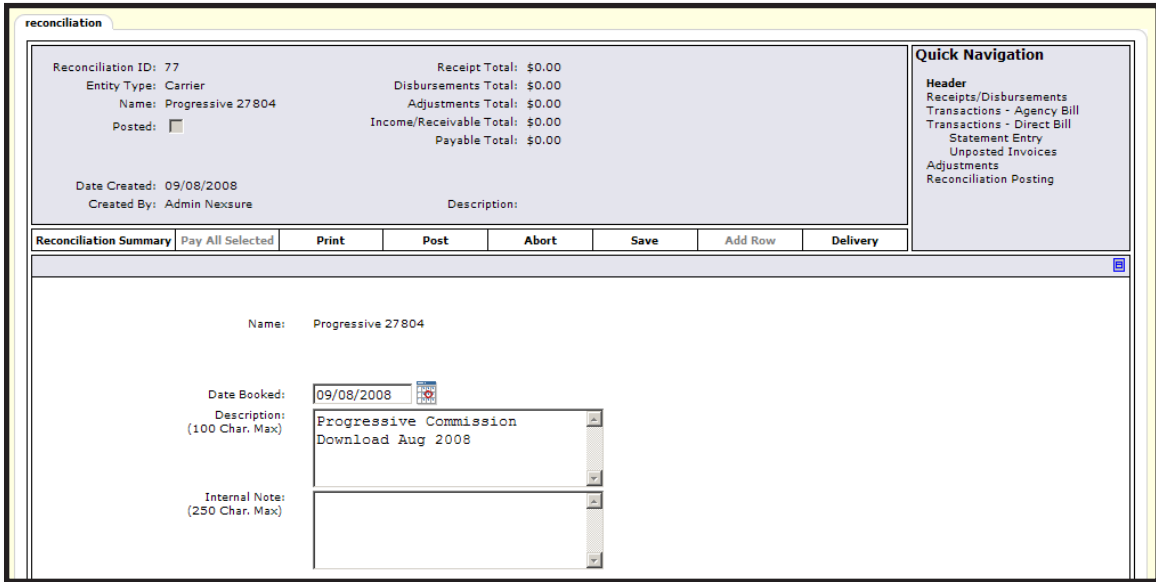
Click the **Transactions - Direct Bill** link on the **Quick Navigation** panel. Clicking a link on the **Quick Navigation** panel will also save changes to the header input fields. Any items included in the **Commission Download** are automatically included in the worksheet with a checkmark in the Select box to be included on the reconciliation. Use the **Maximize/Minimize** 🔲 icon to expand the workspace. Click the **Maximize/Minimize** 🔲 icon a second time to display the reconciliation header.

Agency commissions for transactions created through Commission Download display with a flat rate. If the producer commissions need to be adjusted, click the **Item ID** link of the invoice to display the invoice detail. Scroll down to the **other Commission** section of the invoice; click the **Details** icon to edit or **[Add New]** link. When editing is complete, click the **Post Adjustment** link on the Navigation toolbar and acknowledge the post.

Please note that if **Post Adjustment** is not selected any adjustments are aborted. (Clicking on the **X** will abort the adjustment) Click the **Reconciliation Summary** link on the Navigation toolbar to go back to the Reconciliation worksheet if no adjustment is added.

Click the **Pay All Selected** link once all Producer Commission adjustments have been completed.



Click the **OK** button on the **Pay All Selected** pop-up window to include all items included in the worksheet.



The checked boxes selected are now gray indicating these are the invoices included in the worksheet. Notice in this case on the Reconciliation header at the top of the screen that the Virtual Receipt Total has an amount beside it. This indicates that a Receive Payment will need to be added. Follow the directions in this chapter on **Completing the Reconciliation with a Receive Payment**. If there is a Virtual Disbursement Total displayed, read the section on **Completing the Reconciliation with a Disbursement**.

Click the **Post** link on the Navigation toolbar to complete the worksheet.

Click the **OK** button on the bottom of the **Post Reconciliation** screen after confirming the details are correct.



After posting the worksheet, click the **Reconciliation Summary** link on the Navigation toolbar to exit the reconciliation and display the reconciliation summary.



## Reversing, Aborting and Removing Accounting Entries

Please refer to Chapter 6, "Reversing, Aborting, and Removing Accounting Entries" in this manual.

**Notes**