Practices for Lesson 14: Monitoring Overdue Debt - Part 2: Overdue Processing

Overview

Practices for Lesson 14b: Overview

Lesson Overview

The system periodically monitors how much your customers owe to ensure they haven't violated your collection rules. When a violation is detected, the system initiates the appropriate activities (e.g., letters, disconnect notices, collection agency referrals, and eventually write off). The topics in this section describe how to configure the system to manage your overdue processing requirements.

> **Targeted at bill-oriented customers.** The overdue processing module has been designed to collect on virtually anything from an unpaid bill to an unmatched financial transaction. You tell the system what you collect on by configuring the various overdue processing control tables. In this release, we supply algorithms that support collecting on overdue bills. If your organization practices balance-forward accounting (i.e., collection is based on overdue service agreement balances), you will not use this functionality. Rather, you will use the functionality described under the Credit & Collection - Collection, Severance, and Write-Off Processing.

Lesson Objectives

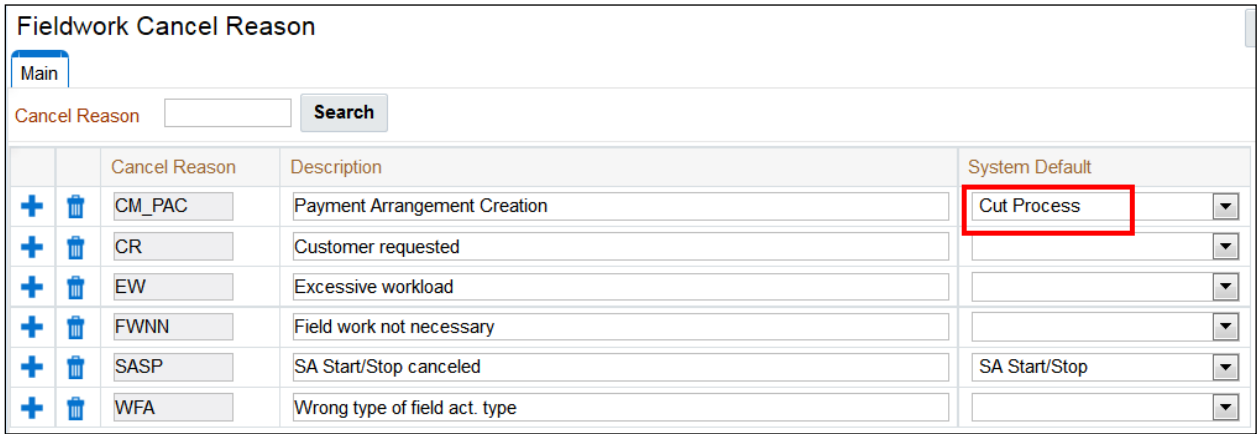
By the end of this chapter, you will be able to:

- Describe how the system determines an account's debt is overdue.
- Explain how and when the system creates an overdue process.
- Describe how the system cancels an overdue process when the overdue objects are paid.
- Describe how the system can cut service if initial attempts to collect overdue debt fail.
- Set up a payment arrangement for overdue debt.
- Explain how and when the system writes off overdue debt.

Instructor Note

Prior to beginning these exercises, please make sure that the Fieldwork Cancel Reason for Payment Arrangement Creation has been set to Cut Process.

In order to do this, navigate to Admin > Field Work > Fieldwork Cancel Reason and set the Payment Arrangement Creation cancel reason's system default option to Cut Process. Click Save.



Practice 14b-1: Examine Overdue Monitor Rules

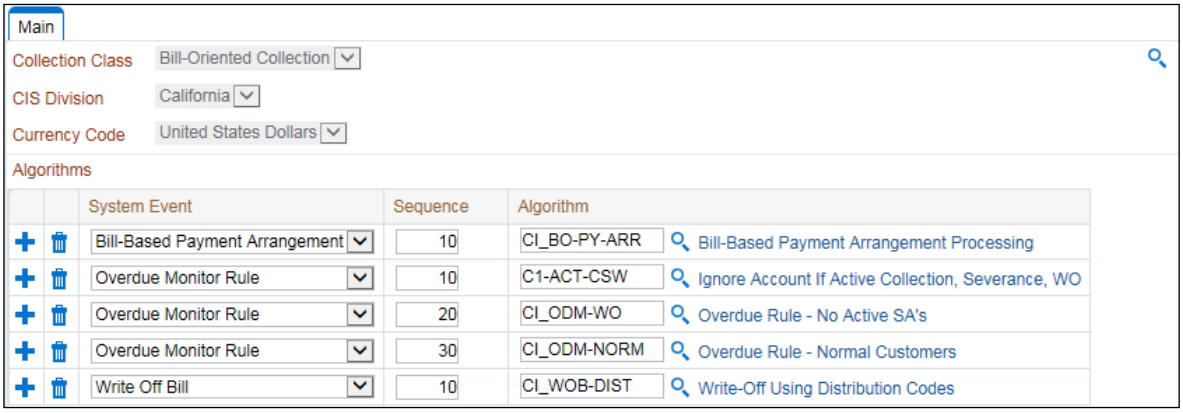
Overview

In this exercise, you'll look at the Overdue Monitor Rules (i.e., algorithms) for “bill-oriented collection” customers. We’d like to highlight that the base-package algorithm is only pertinent for implementations who:

- Perform open-item accounting, and
- Collect on overdue bills

Task

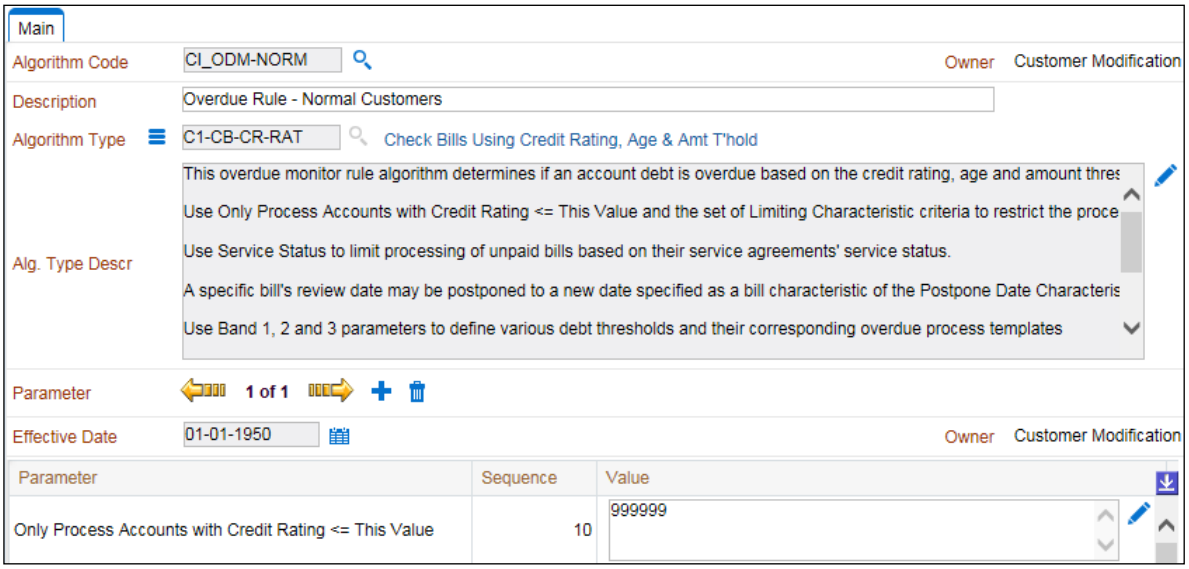
1. Display Collection Class Overdue Rules
   - Navigate to **Admin > Credit & Collection > Collection Class Overdue Rules > Search**.
   - Find the rule for *Collection Class: Bill-Oriented Collection, CIS Division: California, Currency Code: United States Dollars*.



   - Notice this page simply has a grid that contains a variety of algorithms. We're interested in those algorithms that are invoked by the **Overdue Monitor** (i.e., algorithms with a System Event of Process Overdue Account).
   - Notice that there are three algorithms that will be called for accounts with the selected **Collection Class**, **Division**, and **Currency Code**.
2. Click the hyperlink for **Overdue Rule - Normal Customers** to transfer to the **Algorithm** (notice this is the last algorithm that will be called by the Overdue Monitor for accounts with the selected **Collection Class**, **Division**, and **Currency Code**).

3. Take a look at an **overdue rule algorithm**.

   The **overdue rule algorithm** that you've selected is rich in configurable functionality. Read its description for the details.



4. Check out some of the parameter values to see how the business rules have been configured for our case study.

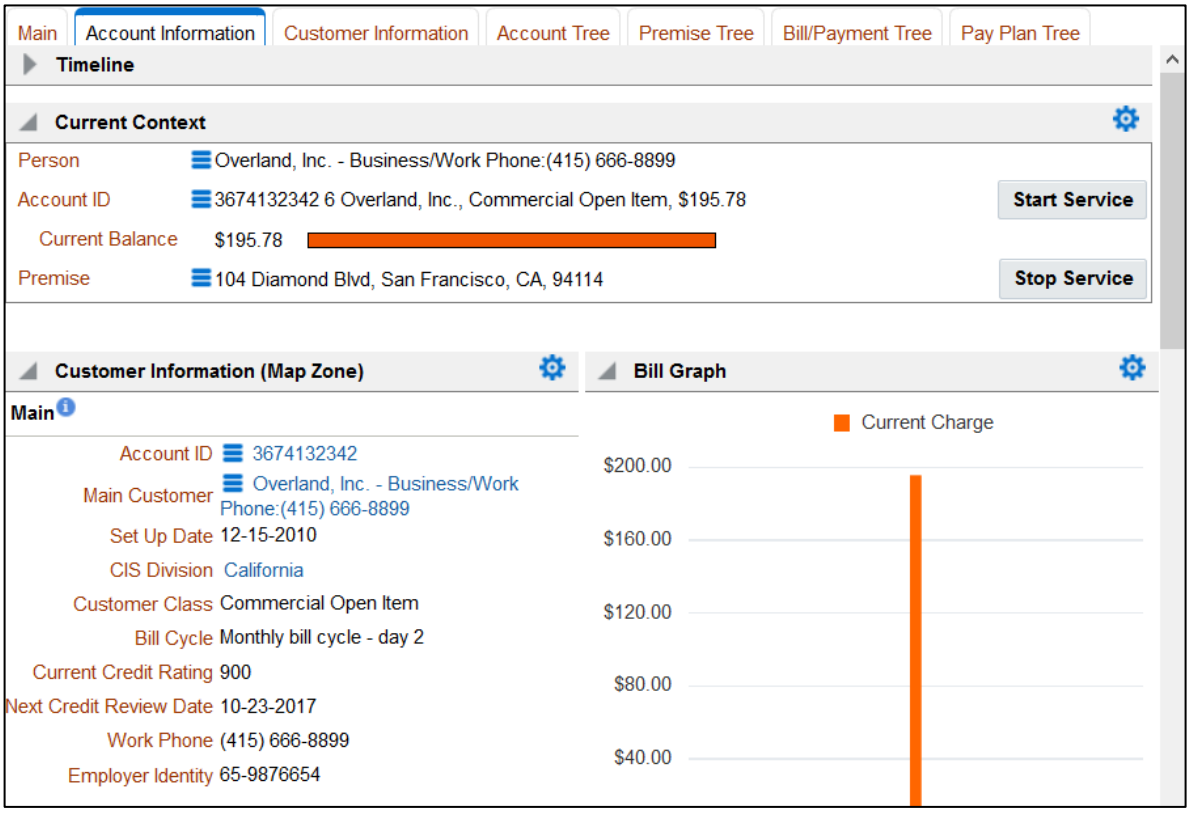
Practice 14b-2: Look at OverLand, Inc's Overdue Process

Overview

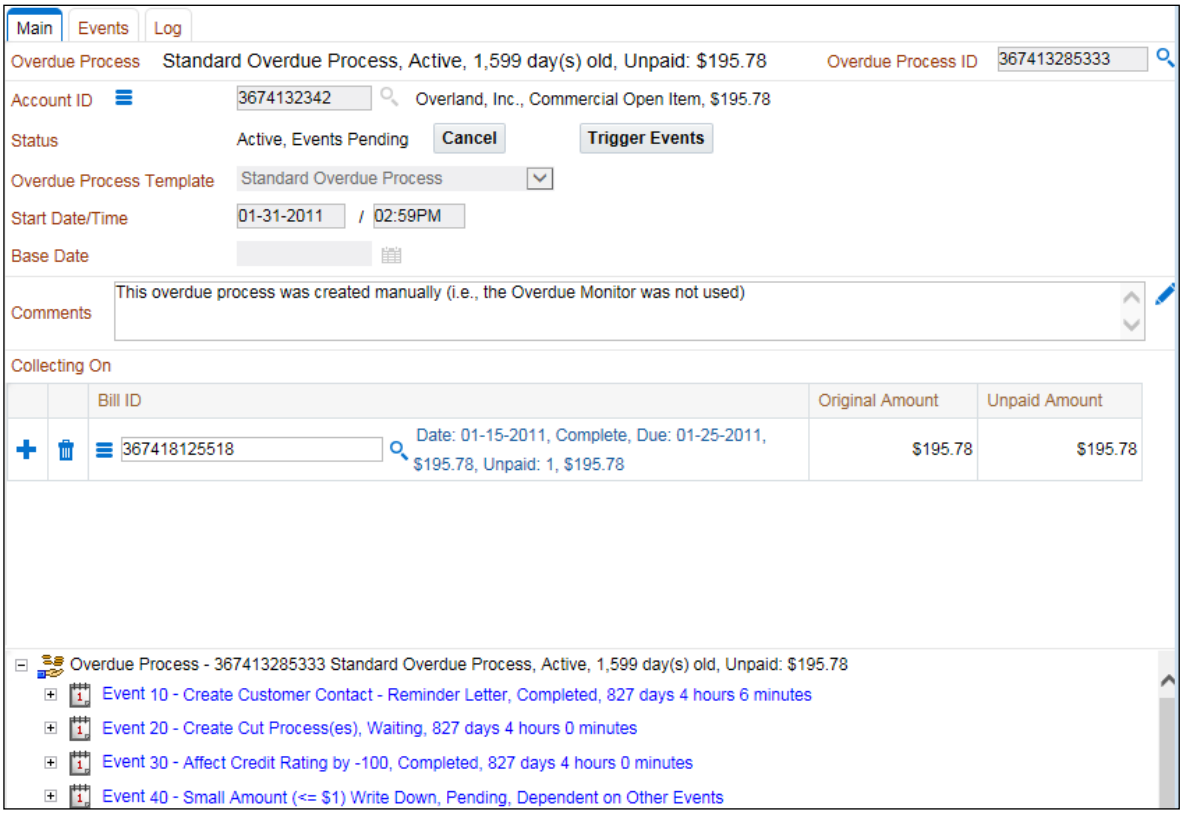
In this exercise, you'll look at an overdue process that's been created to collect OverLand's unpaid bills.

Tasks

1. Display *Overland, Inc* in **control central**.
   - Navigate to **Control Central** and display *Overland Inc*.



2. Click the overdue process alert.
   - Click the alert in the **Dashboard** that highlights the existence of the **overdue process**. You will be transferred to **Overdue Process page**:



3. Use the **tree** (at the bottom of the **Main** page) to navigate to the second page where you can see the details of each event.
4. Navigate to the **Log** page to see a history of what's taken place during the lifetime of this process.

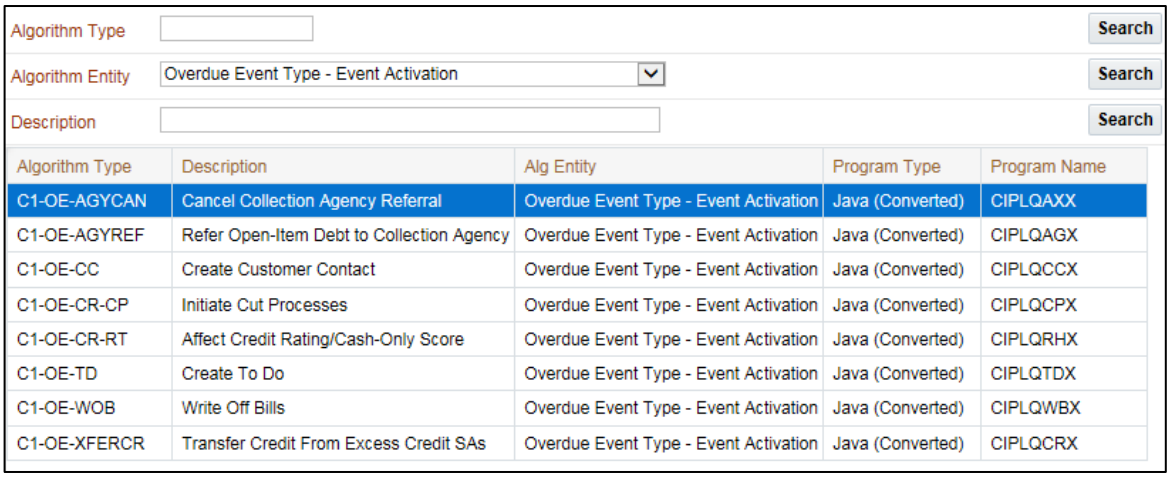
Practice 14b-3: Review Event Type Activation Algorithms

Overview

In this exercise, you'll look at some of the event type algorithms supplied with the base package.

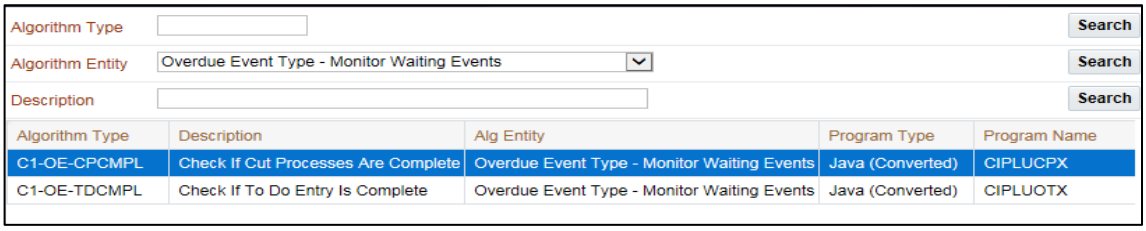
Tasks

1. Display Overdue Event Type - Event Activation Algorithms.
   - Navigate to **Admin > System > Algorithm Type > Search**.
   - Select **Overdue Event Type - Event Activation** from the **Algorithm Entity** drop-down and click **Search**.
   - Review the different algorithm types available.



Algorithm Type	Description	Alg Entity	Program Type	Program Name
C1-OE-AGYCAN	Cancel Collection Agency Referral	Overdue Event Type - Event Activation	Java (Converted)	CIPLQAXX
C1-OE-AGYREF	Refer Open-Item Debt to Collection Agency	Overdue Event Type - Event Activation	Java (Converted)	CIPLQAGX
C1-OE-CC	Create Customer Contact	Overdue Event Type - Event Activation	Java (Converted)	CIPLQCCX
C1-OE-CR-CP	Initiate Cut Processes	Overdue Event Type - Event Activation	Java (Converted)	CIPLQCPX
C1-OE-CR-RT	Affect Credit Rating/Cash-Only Score	Overdue Event Type - Event Activation	Java (Converted)	CIPLQRHX
C1-OE-TD	Create To Do	Overdue Event Type - Event Activation	Java (Converted)	CIPLQTDX
C1-OE-WOB	Write Off Bills	Overdue Event Type - Event Activation	Java (Converted)	CIPLQWBX
C1-OE-XFERCR	Transfer Credit From Excess Credit SAs	Overdue Event Type - Event Activation	Java (Converted)	CIPLQCRX

2. Display **Overdue Event Type** - **Monitor Waiting Events Algorithms**.
   - Select Overdue Event Type – *Monitor Waiting Events* from the Algorithm Entity drop-down and click **Search**.
   - Review the different algorithm types available.



Algorithm Type	Description	Alg Entity	Program Type	Program Name
C1-OE-CPCMPL	Check If Cut Processes Are Complete	Overdue Event Type - Monitor Waiting Events	Java (Converted)	CIPLUCPX
C1-OE-TDCMPL	Check If To Do Entry Is Complete	Overdue Event Type - Monitor Waiting Events	Java (Converted)	CIPLUOTX

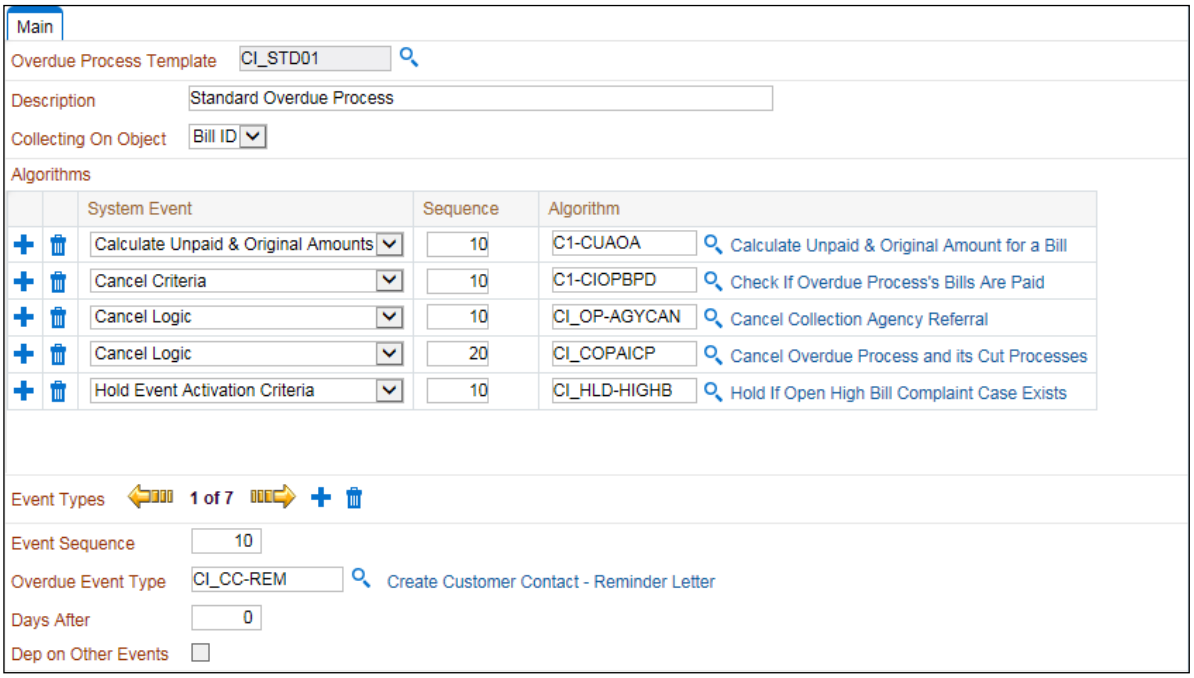
Practice 14b-4: Review an Overdue Process Template

Overview

In this exercise, you'll look at the Overdue Process Template that was used to create Overland Inc's overdue processes.

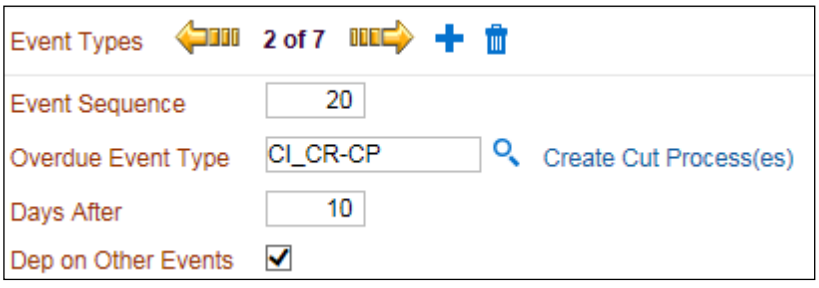
Tasks

1. Display an Overdue Process Template.
   - Navigate to **Admin > Credit & Collection > Overdue Process Template > Search**.
   - Display the template *CI_STD01*.

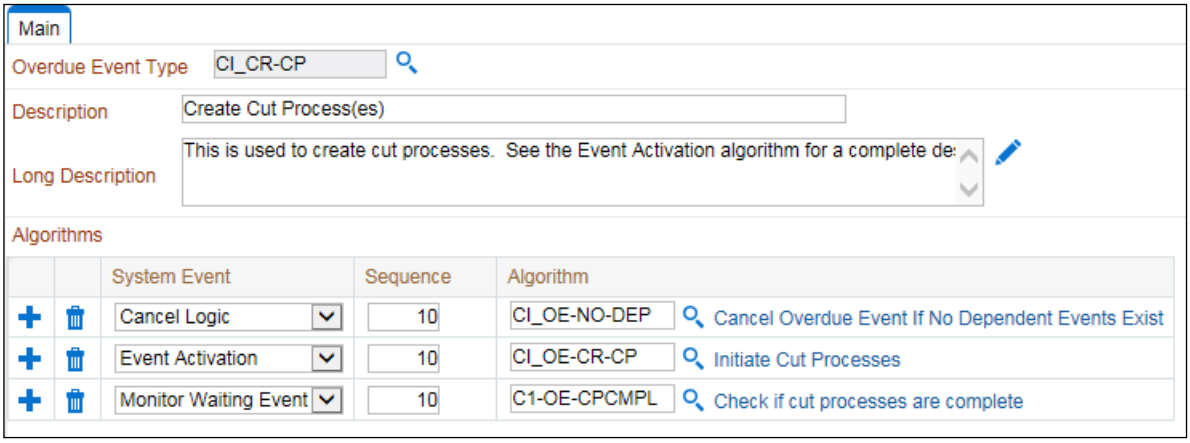


   - Notice this page has a great deal of configurable information - everything from the algorithms that control what happens during numerous **System Events** to the **Event Types** that control what happens during the course of an event's overdue processes.

2. Display an **Overdue Event Type**.
   - At the bottom of the page, click the gold arrow so that you reposition the **Event Types** to show the second event type - *CI_CR-CP*.



3. Click the hyperlink to navigate to the overdue event type that creates a cut process (we'll discuss cut processes next).



- Notice that the event type references many of the **System Events** described above.

Review Questions

1. The overdue monitor is a background process that periodically monitors your accounts to determine if they violate your overdue rules. If an account violates your overdue rules, the system automatically creates an overdue process. True/False

   True.

2. Multiple overdue processes may be created for an account at any instant in time. True/False

   True. By default, the system creates a separate overdue process for each bill that violates your overdue criteria. Because multiple bills can be in arrears, you can have multiple overdue processes at any point in time.

3. Multiple bills may be linked to a single overdue process. True/False

   True. The system allows a user to manually add multiple bills to a single overdue process (but the base-package overdue rule will not do this by default).

4. A user can create an overdue process at their discretion. True/False

   True

5. An overdue process contains one or more overdue events. True/False

   True

6. An overdue process without overdue events is useless. True/False

   True. Because activating the overdue events causes things to happen (e.g., letters, To Do's, and cases).

7. An overdue event is activated on its trigger date. True/False

   True

8. An overdue event can only be activated by a batch process. True/False

   True. The Overdue Process - Main page has a button called Trigger Events. When this button is clicked, overdue event whose activation date is on / before the current date will be activated.

9. You can set up an overdue event type that causes an account's credit rating to decrease (i.e., get worse). True/False

   True

10. A user may not cancel an overdue process. True/False

    False. A user may cancel an overdue process at their discretion; even if the account still violates overdue rules.

11. You can set up an overdue event type to create a cut process to sever a service agreement. True/False

True.

12. The last overdue event typically starts a cut process. True/False

    False. We anticipate that an overdue event somewhere in the middle of the overdue process will create the cut processes to stop the service agreements. After the cut processes are complete, the remaining overdue events under the overdue process will be executed.

13. Only those service agreements that haven't been paid will be cut. True/False

    True and False. The overdue event activation algorithm on the overdue event that cuts service controls which service agreements have cut processes created. Therefore, the number / type of service agreements cut is under the control of your implementation. Some implementations might opt to cut a single service agreement rather than all in the hopes that the pain of having one of the SA's cut off will inspire the customer to pay everything.

14. The type of cut process is defined on the respective overdue event's activation algorithm. True/False

    True. The type of cut process is defined on the overdue event's activation algorithm (in a soft parameter).

15. If any person linked to the service agreement being cut has life support or sensitive load equipment, a different type of cut process may be started. True/False

    True. On the overdue event activation algorithm, you can indicate a different cut process should be initiated if the customer has life support equipment.

16. Multiple service agreements may be linked to a single cut process. True/False

    False. A separate cut process is created for each service agreement.

17. A user can create a cut process at their discretion. True/False

    False. Cut processes can only be created by the activation of an overdue event.

18. A cut process contains one or more cut events. True/False

    True.

19. A cut process without cut events is useless. True/False

    True. Because the events cause letters, field activities, and To Do entries to be generated.

20. A cut event is activated on its trigger date. True/False

    True. After an event is activated, its status becomes complete or waiting.

21. A cut event's trigger date is known from the moment its cut process is created. True/False

    False. Many cut events only have their trigger date set after a preceding event is completed. This is because fieldwork may have to be done for some cut events and it's hard to predict when the work will actually be done. Given this, we can't know a cut event's trigger date until its preceding events are complete. Note, an analogous requirement that

prevents trigger dates from being known up front is if you require a To Do to be manually completed (i.e., approved) by a user before a cut process's events can be activated.

22. A cut event can only be activated by a batch process. True/False

    False. A button exists on Cut Process - Main (called Trigger Events) that will activate any cut event with a trigger date on / before the current date.

23. The activation of a cut event could create field activities to cut service. True/False

    True.

    The field activity type on the field activity used to cut service is defined on the cut event's template. True/False

    False. The field activity type is defined on the cut service point type's field activity profile. This means that different types of service points under a single service agreement could be cut using a different field activity (and this is good).

24. The cancellation of a bill segment could cause a cut process to be canceled. True/False

    True. Credit adjustments and payment segments could also cause a cut process to cancel.

25. A user may not cancel a cut process. True/False

    False. A user may cancel a cut process at their discretion.

26. The last cut event typically expires the service agreement. True/False

    True. When the last service agreement linked to an account is stopped, the system changes the account's bill cycle to bill that evening (i.e., the account will be final billed when the last SA is stopped). The changing of the account's bill cycle takes place when the last SA's state is changed from pending stop to stopped.

27. If a service agreement is stopped and it's linked to an active cut process, the severance process will be cancelled. True/False

    False.

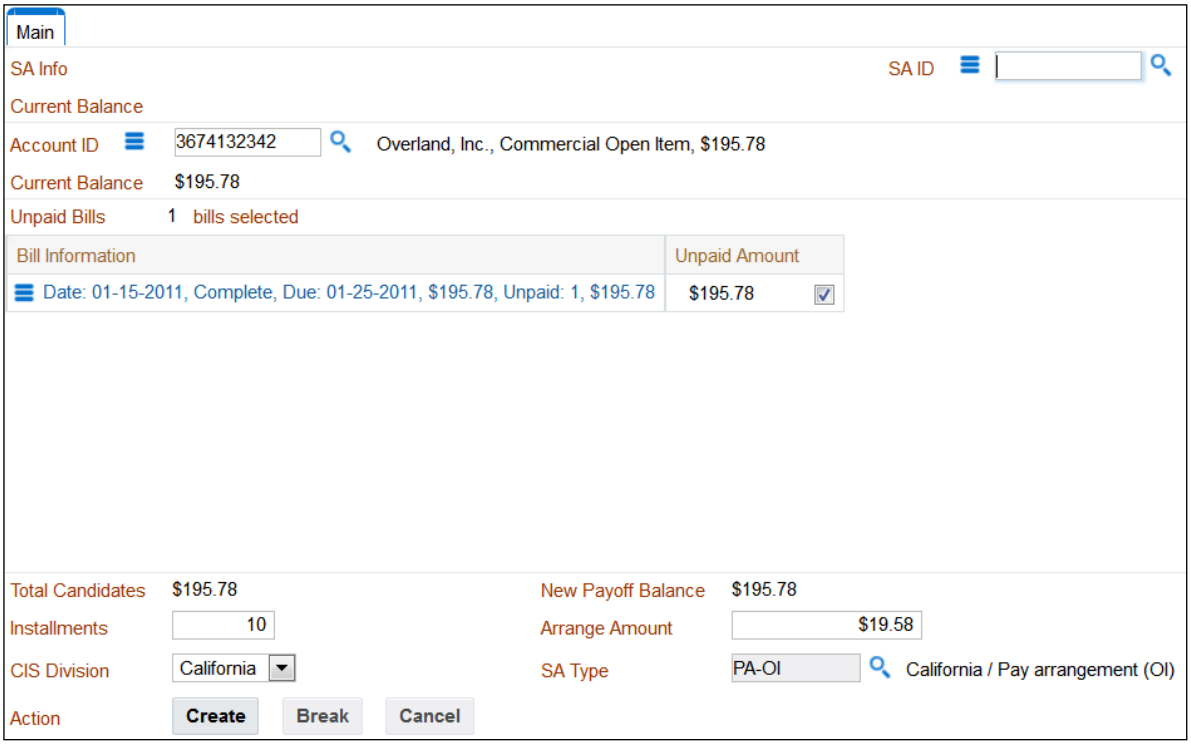
Practice 14b-5: Watch Your Instructor Set Up (and then Cancel) a Payment Arrangement for Bills

Overview

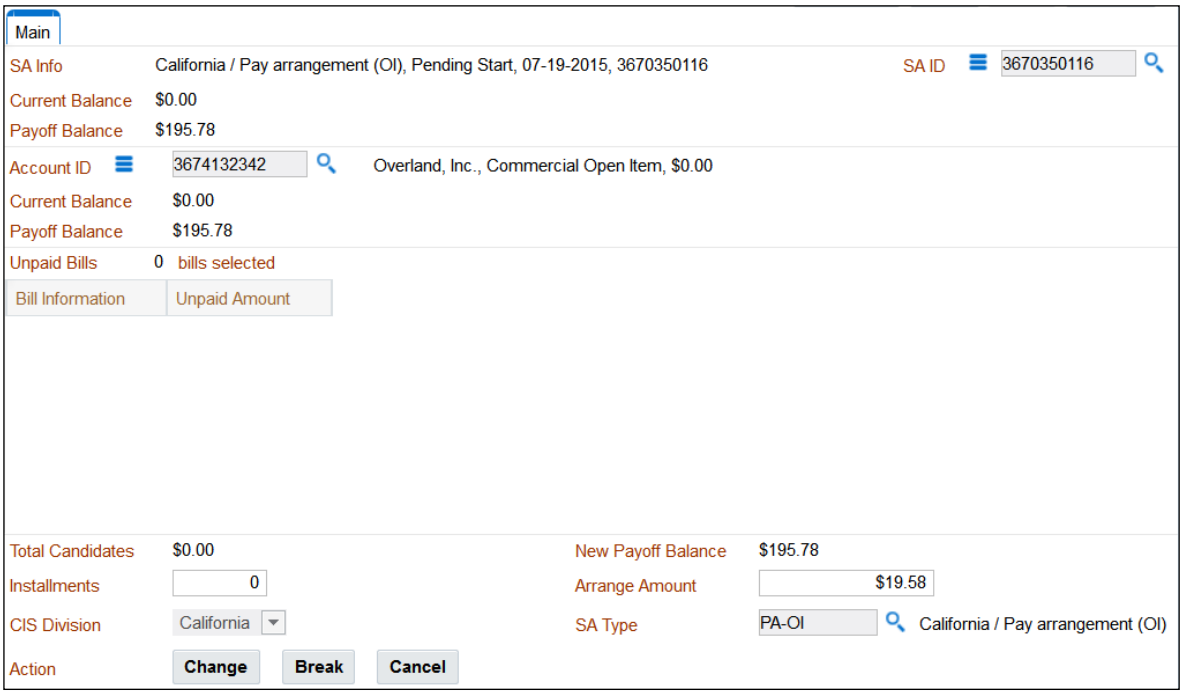
During this walk through, you'll watch your instructor set up a payment arrangement for Overland.

Tasks

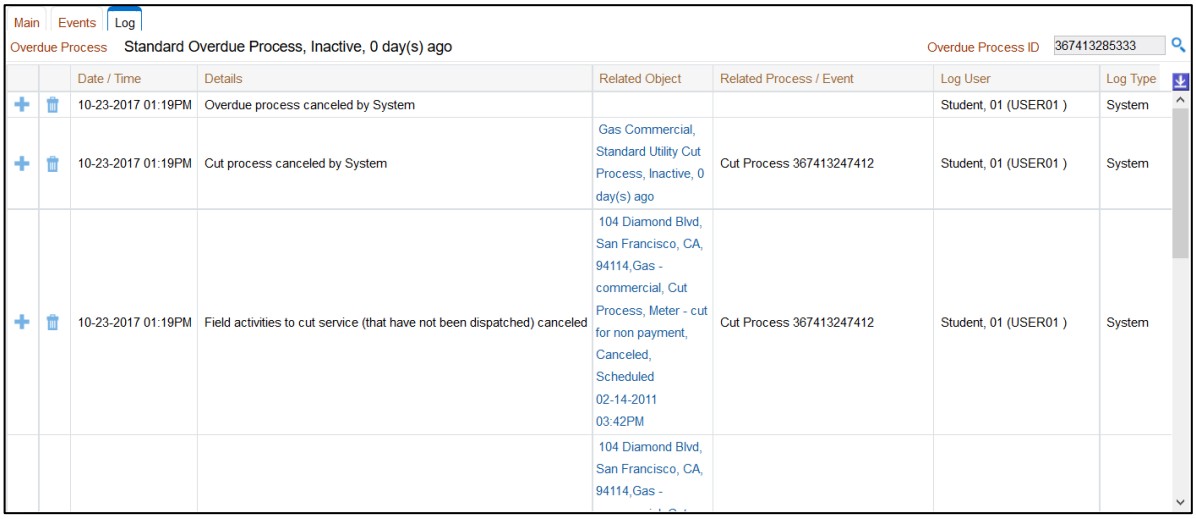
1. Create the Payment Arrangement for Bills.
   - Select *Overland's* account on **Control Central**.
   - Notice how the **Alerts** zone highlights the active overdue process.
   - Using the **Account Context Menu**, select **Go To Payment Arrangement for Bills > Add**.
   - Choose *10* Installments.
   - Select Division: *California*, SA Type: *PA-OI*.
   - Click **Create**.



2. After the payment arrangement is created:
   - Notice the buttons that exist to simplify Breaking and Cancellation of a payment arrangement (these are enabled after the payment arrangement exists)
   - Notice that the overdue process alerts is removed (because the process was cancelled as its bills overdue debt has been transferred to the payment arrangement)



3. Transfer to Overland's overdue process (use the **Account Context Menu**) and have a look at its **log**.



4. **Cancel** the Payment Arrangement for Bills.
   - Return to the payment arrangement page and press the **Cancel** button to cancel the payment arrangement. Notice that the overdue debt is reinstated.
   - Navigate to the payment arrangement service agreement and click **Cancel SA**.

Review Questions

1. A new service agreement is created when you create a payment arrangement. True/False

True

2. It's important to transfer debt from the delinquent objects to the payment arrangement SA in order to stop the overdue monitor from complaining about overdue debt on the original delinquent objects. True/False

True

3. If the delinquent objects from which debt was transferred were on an overdue process, the overdue process will be cancelled. True/False

True. Assuming that the overdue process's cancellation criteria have been satisfied as a result of the transfer.

4. If the delinquent objects from which debt was transferred were on a cut process, the cut process will be cancelled. True/False

True. Assuming the amount transferred is sufficient to cancel the parent overdue process.

5. A special page exists to automate the creation of a PA SA for delinquent bills. This page creates the SA and transfers unpaid FT's from delinquent bills. True/False

True.

6. Bill segments will be created for the PA SA when the system bills the customer for the PA amount. True/False

True.

7. The SA Type on a PA SA will reference a receivable account. True/False

True. This is because you use a PA SA to hold the outstanding receivable during the payment arrangement period. This money must be held in a receivable account.

8. If the customer doesn't pay their future bills while the payment arrangement is active, an overdue process will start. True/False

True.

9. The cut process used to cut a payment arrangement will probably contain a single event that causes the PA SA to be broken. True/False

True.

10. A user can break a PA SA manually using the Payment Arrangement transaction. True/False

True.

11. When a PA SA is broken, all debt is reinstated under the original bills (and service agreements). And any payments against the payment arrangement will be distributed amongst the original bills. True/False

True.

12. When a PA SA is broken, an overdue process trigger is created so that the account's entire debt will be reviewed the next time the overdue monitor executes. True/False

True.

13. It is possible to have the overdue monitor create a stricter overdue process for customers with a broken payment arrangement. True/False

True.

14. A user can CANCEL a PA SA at will. True/False

True. A button exists on the Payment Arrangement page to facilitate cancellation. A button also exists to allow a user to manually “break” a payment arrangement.

Practice 14b-6: Manual Write Off

Overview

During this walk through, you'll watch your instructor write-off a bill for Overland.

Tasks

1. Select *Overland's* account on **Control Central**.
2. Go to their **bill**.
3. Click **Write Off**.