



Claims User Guide

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Introduction

Order Entry>File>Claims or Order Entry>F5 key

Overview

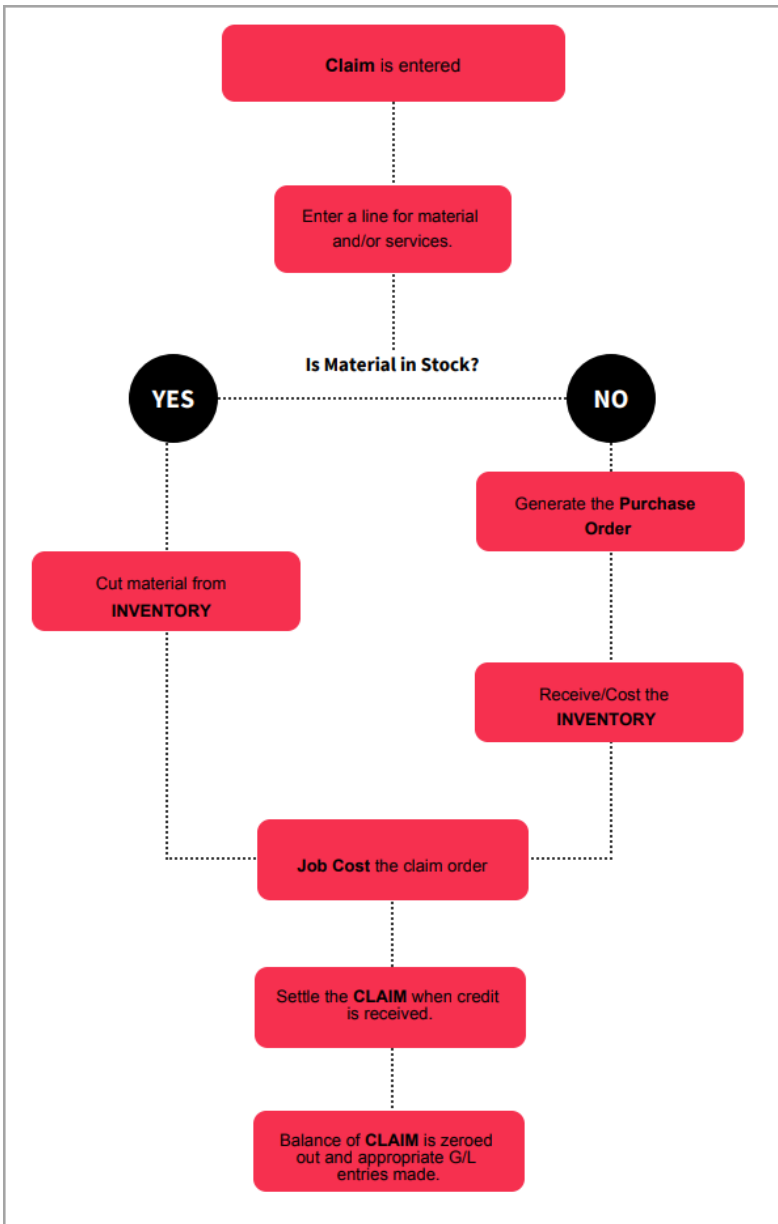
RFMS has provided a comprehensive tracking tool that allows the dealer to maintain control of both the client's replacement process and the credit process from the vendor or installer. The Claims module is built on the concept of taking care of the dealer's client. Once an issue has been identified, a claim can be established, and the tracking of costs and efforts started.

The Claims module is included in the RFMS Core Business Management System and can be activated by setting up three general ledger accounts. Participants in this class will learn the necessary steps for tracking and processing claims and related material returns using the Claims Module.

The Claims module in RFMS works essentially like the Order Entry module. The difference is that specific fields, and general ledger postings have been modified to accommodate supplier/mill credits tracking when there is a problem with a job.

A claim is automatically marked tax-exempt and has negative lines.

The Basic Flow



Keywords for Working with Claims

Claim Against - The person or company issuing the credit

Claim For - The name on the original customer order that experienced the problem.

Settled - The claim has been paid.

Processed - The claim has been job costed.

Setup



To use the claims module, the **General Ledger** must be installed.

Account Codes

Accounting>General Ledger>Standard Account Codes

Four Standard Account Codes need to be added to provide a clear audit trail of claims activity in the General Ledger.

Account Name	Code	Action
Accounts Receivable	130	[...]
Inventory	140	[...]
Money Market (Savings)	120	[...]
Checking	110	[...]
Mill Claims Due	203	[...]
Accounts Payable	201	[...]
Sales Tax Payable	245	[...]
Federal Withholding	215	[...]
Local Withholding	231	[...]
Misc. Payroll W/H	235	[...]
Customer Deposits	260	[...]
Sales	401	[...]
Discounts To Customer	405	[...]
Sales Tax Expense	407	[...]
Cost of Materials	450	[...]
Freight	451	[...]
Earned Discounts	453	[...]
Insurance	538	[...]
Payroll Taxes	557	[...]
Interest Income	600	[...]
Finance Charges	605	[...]
Claims In Process	640	[...]
Cost Of Claims	641	[...]
Inv. In Uncosted	IIU	[...]
Acc. Inv. For Costing	AIC	[...]
WIP Material	101	[...]
WIP % Billing Material	WMP	[...]
Cost Of Mat. % Billing	CMP	[...]
WIP Labor	WIL	[...]
Cost Of Labor % Billing	WLP	[...]
Acc. Labor	ACL	[...]
Acc. % Billing Labor	APL	[...]
A/R Unbooked	ARU	[...]
Cost Of Labor	CGL	[...]
Receipts Not Deposited	RND	[...]
Labor Suspense	LBS	[...]
Inter-Store Transfers	IST	[...]

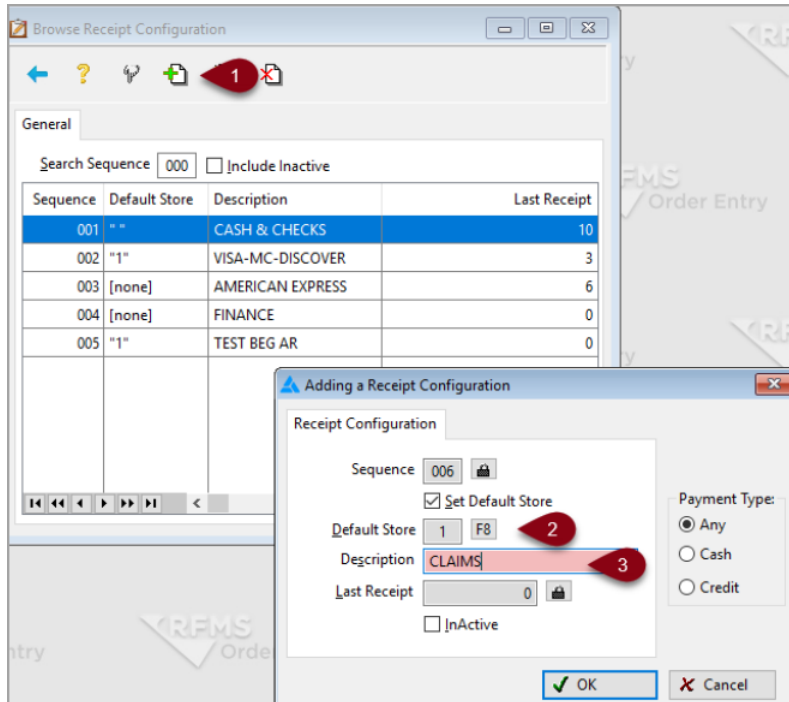
RFMS will use these three codes to post credits and debits automatically. These standard codes are:

- Mill Claims Dues - Current Asset: DEBIT when processed (job costed) and CREDIT when settled (paid)
- Claims in Process - Sales Income or Misc. Income: Credit when processed (job costed)
- Cost of Claims - Cost of Sales or Misc. Expense: Debit when processed (job costed)

Receipt File (Optional)

Order Entry>Utilities>Setup>Receipt Configuration

Create a receipt file and label it “For Accounting Use Only” or “Claims.”



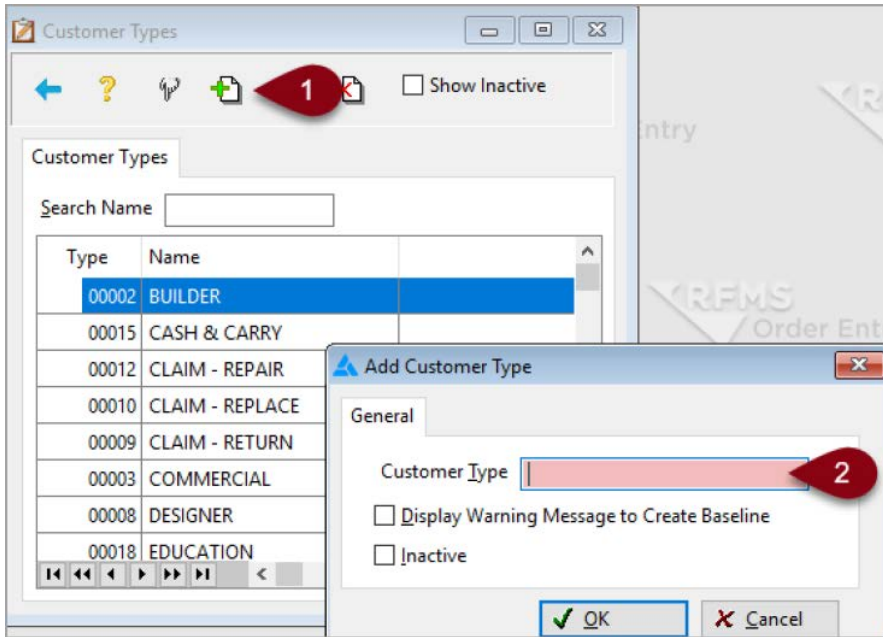
Customer Types (Optional)

Order Entry>Utilities>Setup>Customer Type

Create customer types to help with tracking by using reports.

Some suggestions are

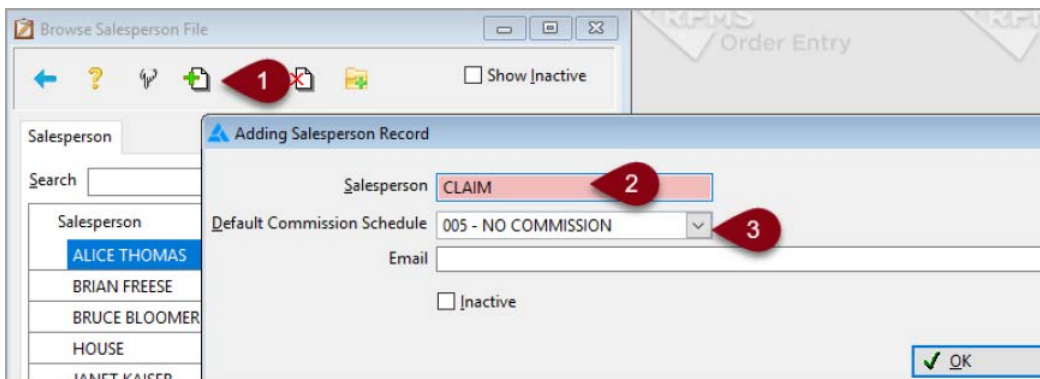
- Claims-Returned
- Claims-Replacement
- Claims-Repair



Salespersons (Optional)


Order Entry>Utilities>Setup>Salespersons

Creating a Claim salesperson helps with tracking of just Claims.



If you use a regular salesperson on a claim, then that salesperson's commission will be affected.

Adding a Claim

1. Click the **Insert** button  to add a new claim.
2. The **Customer Orders** browse screen appears. Type in the search criteria to search for the original order, the burden order, or the newly created order in the billing group.

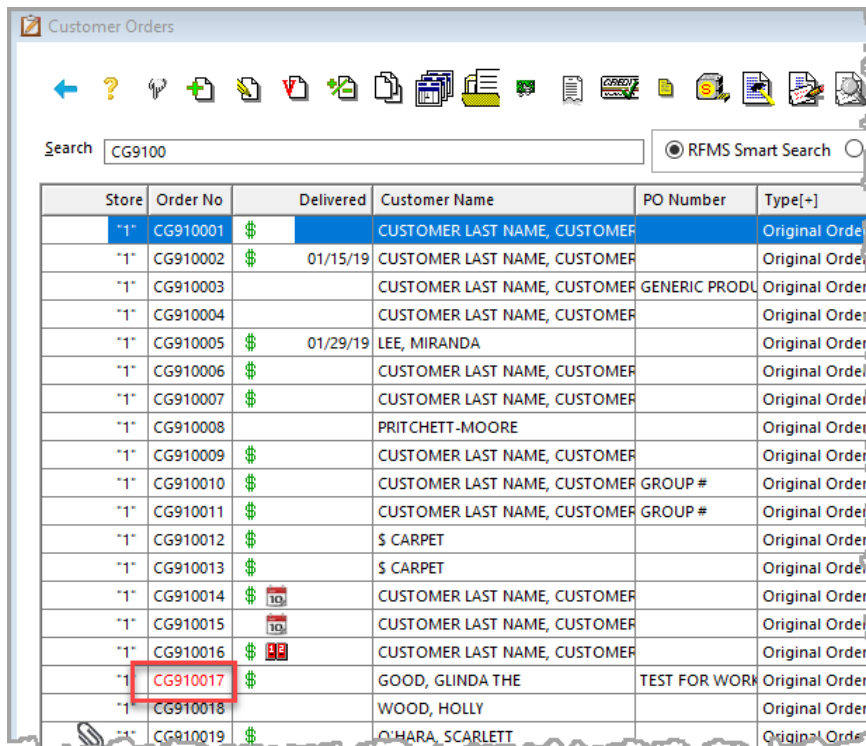


A claim **MUST** be attached to an existing order.

3. Find that order and double-click or click the **select** button  .



This order number will now be listed in red on the **Customer Order** browse screen.

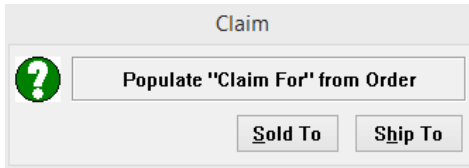


Customer Orders

Search: CG9100 RFMS Smart Search

Store	Order No	Delivered	Customer Name	PO Number	Type[+]
1	CG910001		CUSTOMER LAST NAME, CUSTOMER		Original Order
1	CG910002	01/15/19	CUSTOMER LAST NAME, CUSTOMER		Original Order
1	CG910003		CUSTOMER LAST NAME, CUSTOMER	GENERIC PRODU	Original Order
1	CG910004		CUSTOMER LAST NAME, CUSTOMER		Original Order
1	CG910005	01/29/19	LEE, MIRANDA		Original Order
1	CG910006		CUSTOMER LAST NAME, CUSTOMER		Original Order
1	CG910007		CUSTOMER LAST NAME, CUSTOMER		Original Order
1	CG910008		PRITCHETT-MOORE		Original Order
1	CG910009		CUSTOMER LAST NAME, CUSTOMER		Original Order
1	CG910010		CUSTOMER LAST NAME, CUSTOMER	GROUP #	Original Order
1	CG910011		CUSTOMER LAST NAME, CUSTOMER	GROUP #	Original Order
1	CG910012		\$ CARPET		Original Order
1	CG910013		\$ CARPET		Original Order
1	CG910014		CUSTOMER LAST NAME, CUSTOMER		Original Order
1	CG910015		CUSTOMER LAST NAME, CUSTOMER		Original Order
1	CG910016		CUSTOMER LAST NAME, CUSTOMER		Original Order
1	CG910017		GOOD, GLINDA THE	TEST FOR WORK	Original Order
1	CG910018		WOOD, HOLLY		Original Order
1	CG910019		O'HARA, SCARLETT		Original Order

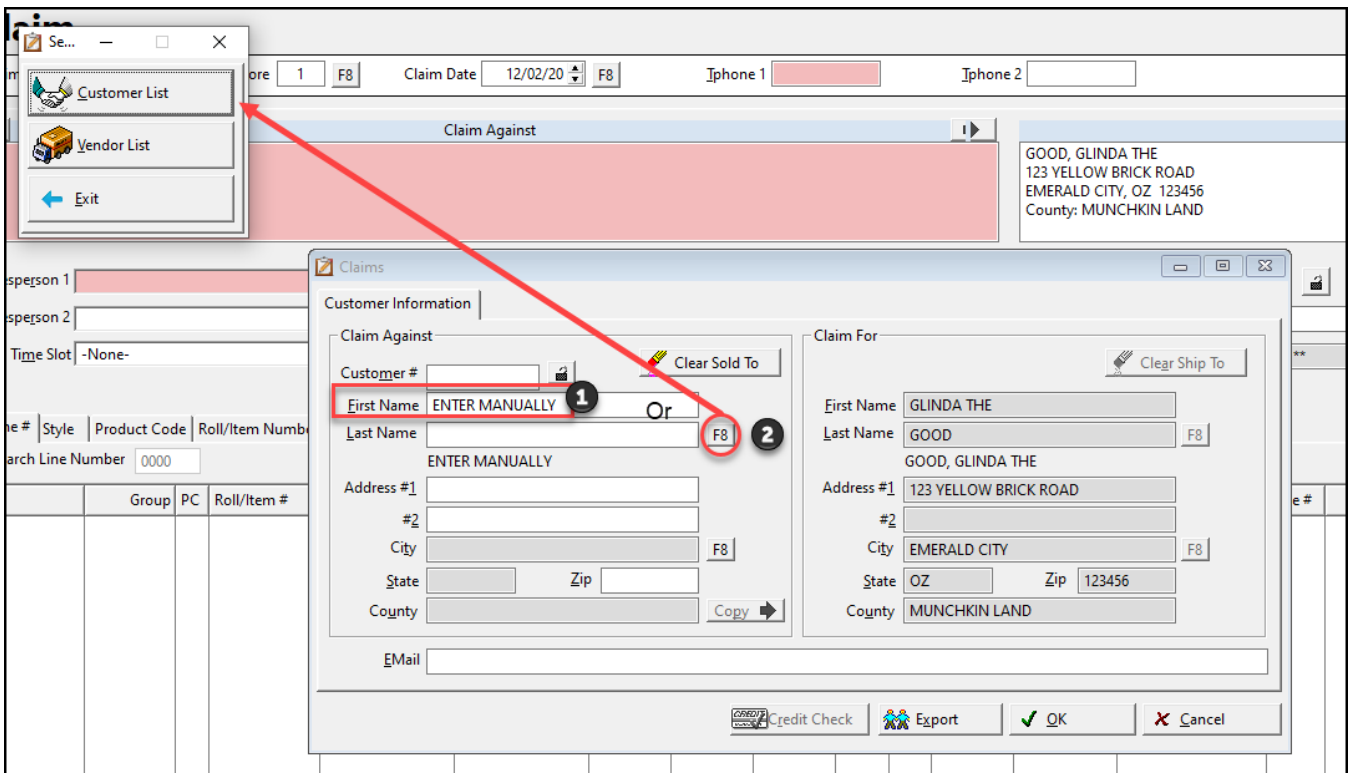
4. The next step depends on how the option *Default Customer "Claim For" Value - System Option* is set. This option allows setting the default for the **Claim for** Information. If the default is Ask, then a box will open, allowing the choice of which address to choose for the claim being entered.



If the default is **Sold-To**, then the **Claim For** field will be populated with the **Sold-To** information.

If the default is **Ship-To**, then the **Claim For** field will be populated with the **Ship-To** information.

5. Manually enter the Claim Against information or select it by clicking F8.



6. Click the **Insert** button to add a line. Begin entering the line information. Either assign inventory to the claim (Reserved) or generate a purchase order.



Notes:

A claim line differs from a typical customer order in that the PRICE on a claim would typically reflect “Cost.”

The program will, by default, bring over the SELLING PRICE from either the Inventory or Products record. Therefore, it is important to remember to click the PRICE button to enter cost amounts.

The screenshot shows a software dialog box titled "Adding Claim Line - Claim CL010002". The dialog is divided into several sections:

- Main Input Fields:** Line Number (0002), Product Code (01 CARPET), Roll Number (empty), Style (18TH HOLE - INV - 12'), Color (MANHATTAN SKY), UD SER # (empty), Unit (SY), Width (12.00), Length (15.00), Quantity (20.00), Price (2.50), Total (50.00), Status (None), and Group (1 F8 CARPET MATERIALS AND INSTALLATION).
- Order Line Assignment:** A vertical stack of buttons: Roll Inventory - [Ctrl-R], Item Inventory - [Ctrl-I], Roll Products - [Ctrl-P], Item Products - [Ctrl-D], Services - [Ctrl-S], and Unreferenced - [Ctrl-U].
- Overhead:** A field set to 0.00%.
- Special PO Info:** A button with a truck icon.
- Bottom Bar:** Buttons for Notes, Available, Reference Line, OK, and Cancel.

RFMS Order Entry for DOCUMENTATION-MENUS & REPORTS

Claim for Order

Claim # CL010002 Store 1 Claim Date 12/02/20 iPhone 1 209-233-0392 iPhone 2

Claim Against: DOC U.MENT

Claim For: GOOD, GLINDA THE
123 YELLOW BRICK ROAD
EMERALD CITY, OZ 123456
County: MUNCKWIN LAND

Salesperson 1: DOC TEST (100.00%)
Salesperson 2: (0.00%)
Time Slot: -None-

Tax Status: Exempt **The Tax Status will default to exempt.**
PO / Sidemark: Status: No Status Specified

Claim Order: CG910017
Customer Type: DOCUMENTATION
Occupied: No

Line #	Style	Product Code	Roll/Item Number	Color/Description	Status	Group	Requested Install Store
06	OS123			HELL AND A STORY PUMPKIN			
101				13TH HOLE - RWY. MANHATTAN SKY			
07				RESTOCKING FEE PC			

Material: 800.00
Services: -150.00
Misc Charges: 0.00
Sples Tax: 72.73
Misc Tax: 0.00
Claim Total: \$650.00
Balance Due: \$650.00
Grand Total: \$650.00

Adjust Total: -100.00

Buttons: Providers, Schedule Pro, Attachments, Receipts, Payment, Notes, Save, Cancel

Annotations:

- A vendor's restocking fee would be added as a negative line item; set up a service line to utilize for restocking fees.
- Capture all expenses associated with the claim by adding lines, this includes all services to complete repair, replacement, administrative fees, disposal fees, etc.
- If there are service costs on the claim and a Provider record needs to be added to pay the installer, click the Providers button. Add the provider charge the same

Reference Line

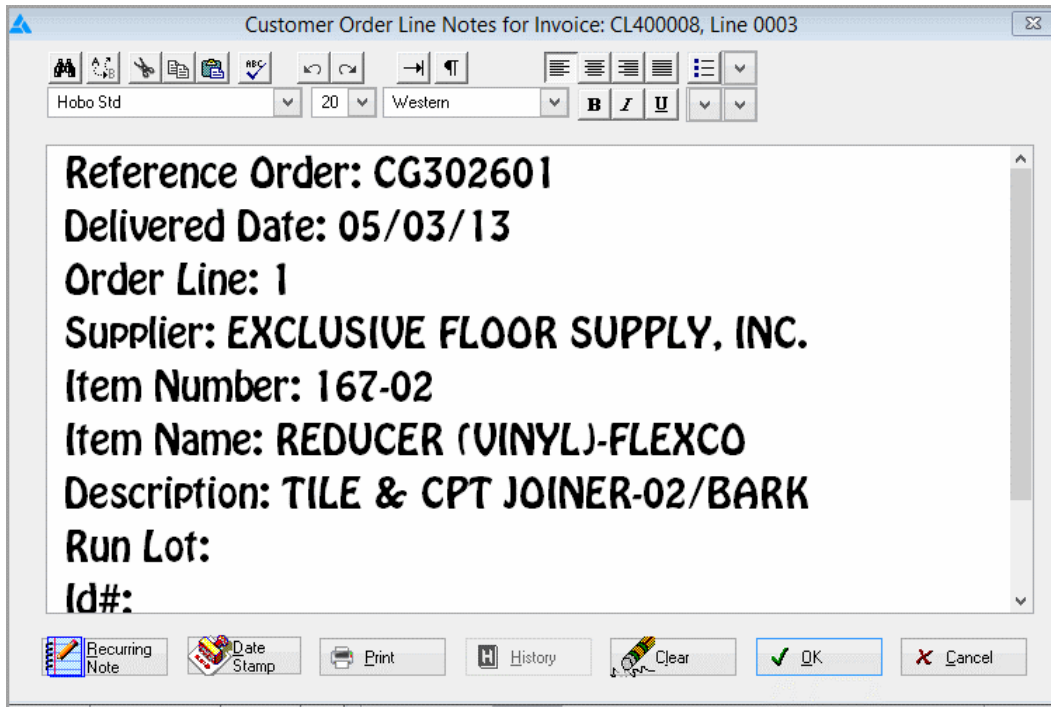
When adding a line to a Claim, if Reference Line is clicked, then a note is added to the line tying the line to the Original Order.

Adding Claim Line - Claim CL400008

Line Number: 0003
Product Code: 01 CARPET
Total: 0.00
Status: Cut
Group: F8

Order Line Assignment: Inventory - [Ctrl-I]

Buttons: Notes, Available, Reference Line, OK, Cancel



Use Internal Notes & Attachments to document EVERYTHING – Calls, instructions, photos of damaged products, emails, texts from sales representatives, signed picking tickets, etc.

Do not forget to put the Vendor's Claim Number in the PO Field.


Processing the Mill Claim Credit

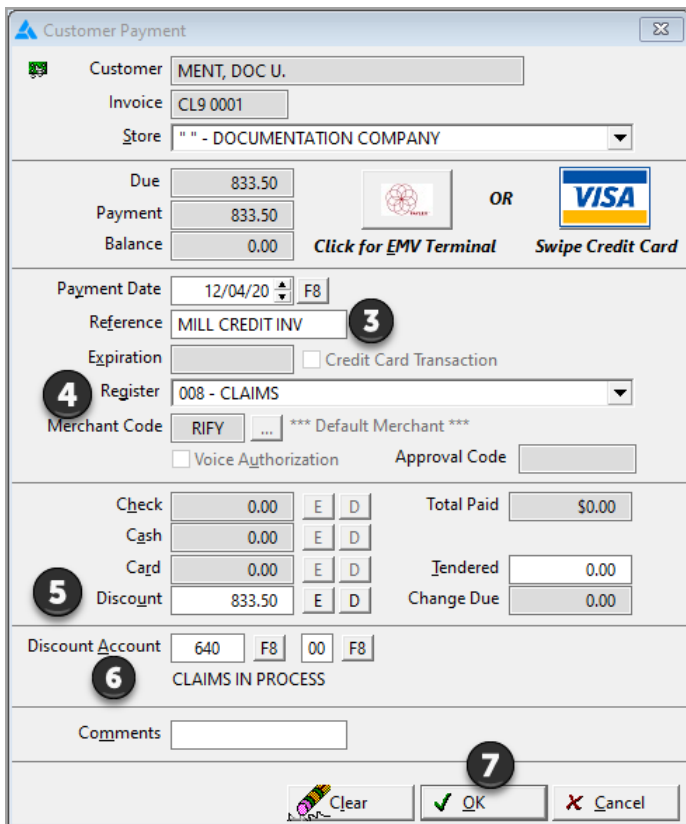
Overview

When the mill credit invoice is received, the invoice needs to be posted to the corresponding Claim record taking care of the balance on the Claim.

Steps to Processing

1. Highlight the claim record that is associated with the Mill/Supplier credit.

2. Click the Post Mill Credit button 
3. The Customer Payment screen appears. Enter the mill credit invoice number in the Reference field.
4. Select the receipt register used for Claims.
5. Click the E (Entire) button next to the Discount field to pull in the total amount of the claim. If the amount is not correct, enter the actual amount on the invoice.
6. The discount general ledger account code entered as a standard account for Claims in Process will be the default account.
7. Click OK to save the posting. This posting affects the balance due on the Claims record.



The screenshot shows the 'Customer Payment' window with the following fields and callouts:

- 3**: Reference field containing 'MILL CREDIT INV'.
- 4**: Register dropdown menu set to '008 - CLAIMS'.
- 5**: Discount field containing '833.50' with the 'E' button highlighted.
- 6**: Discount Account field containing '640' and '00'.
- 7**: OK button at the bottom right.

Other visible fields include: Customer (MENT, DOC U.), Invoice (CL9 0001), Store (" - DOCUMENTATION COMPANY), Due (833.50), Payment (833.50), Balance (0.00), Payment Date (12/04/20), Merchant Code (RIFY), and various payment method buttons (Check, Cash, Card, Discount).

- The Payment Posted screen opens. Click the Print Receipt button to print. To continue without printing, click the Exit button.

Payment Posted

Receipt Number: 2

Receipt Printer: hp LaserJet 1320 series UPD PCL 5

Copies: 1

Preview Print Reference

Email PDF

Receipt Exit

- The Add/Edit Payable screen opens containing the payment amount, which is filled in as negatives taking care of the second part of the mill credit process. If needed, change the supplier name. Enter the Invoice Number in the correct field. Click OK.

Add/Edit Payable

Supplier: MENT, DOC U. F8

Trans Date: 12/04/20

Invoice #: CLAIM INV NUMBER

Invoice Date: 12/04/20 F8

Days Until Due: 0

Due Date: 12/04/20 F8

Discountable: 0.00

Non Discountable: -833.50

Invoice Total: -833.50

Disc Rate: 0.0000%

Enter Invoice Number

Status:

Date Paid:

Check #:

Checking Acct.:

Disc. Amount: 0.00

Check Amount: -833.50

SC	Account Code	Sub	Amount	Comment
" "	641	00	-833.50	

A/P Detail

Insert

Change

Delete

F7 Copy

Notes

Remit

OK Cancel

Posting to the General Ledger

Claims-General Ledger Postings			
Process the Claim (job cost)			
Mill Claims Due		Claims in Process	
Debit			Credit
Inventory		Cost of Claims	
		Debit	
Settle the Claim (Payment)			
Mill Claims Due		Claims in Process	
		Debit	
Settle the Claim (AR Deduction)			
Mill Claims Due		Payroll	
		Debit	
A/P Credit Received from Supplier			
A/P		Cost of Claims	
		Credit	

Payment in lieu of Credit

In the event a vendor submits a check for a claim:

1. Settle the claim as normal.
2. When the claim is complete, and the accounts payable has been posted, void the payable created in the settlement process.
3. Post the check through Banking, making a deposit For Income Other Than Sales.
4. Distribute the receipt to the Cost of Claims account.

5. If the payment is going to be passed along to the consumer, create the accounts payable and code it to the Cost of Claims account, and process the payment.

Special Situations in Claims

Returns

If a restocking fee is being accessed, a service line should be generated.

Create a service line 'Restocking Fee' to be used as a discount line to reduce the amount of claim due.

Example: 15% Restocking Fee for material cost \$100 Qty =100.00 Unit Price= -.15 Line Total= -15.00

Important Tools: Attach pictures, scan proof of delivery for returns, and any copy of claim information received to the claim for easy reference.

Internal Notes should be used to document activity and correspondence with the client (in this case, the client is the mill or vendor) as with all orders, follow up for accounts receivable, etc.

Utilize RFMS Email to notify Accounts Payable to hold any open order if appropriate and Purchasing to watch out for the replacement order.

Credit Denied

If a credit memo is not going to be issued by the mill, the accounts payable portion of the settlement process can be abandoned (if you are in a version where you cannot abandon, send to A/P, and void the A/P).

This will result in the Cost of Claims account not receiving a 'wash' credit, and accordingly, the claim will have the financial effect of an expense.

Partial Credit

If a credit memo is not going to be issued for the total by the mill, the first step will be to post the credit memo as presented (leaving a balance on the Claim) through the accounts payable portion.

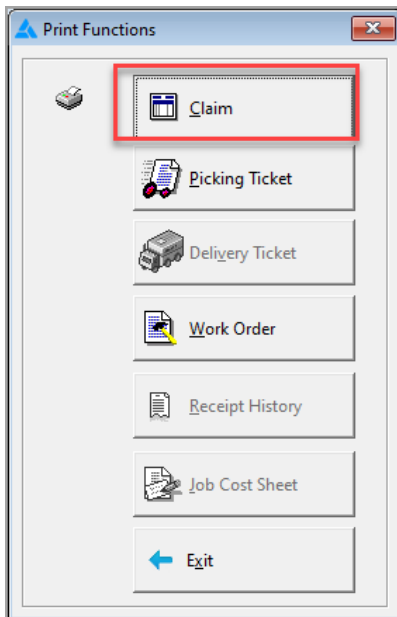
Return to the Claim and post a second settlement for the remaining balance and abandon the accounts payable portion (if you are in a version where you cannot abandon, send to, and void the A/P).

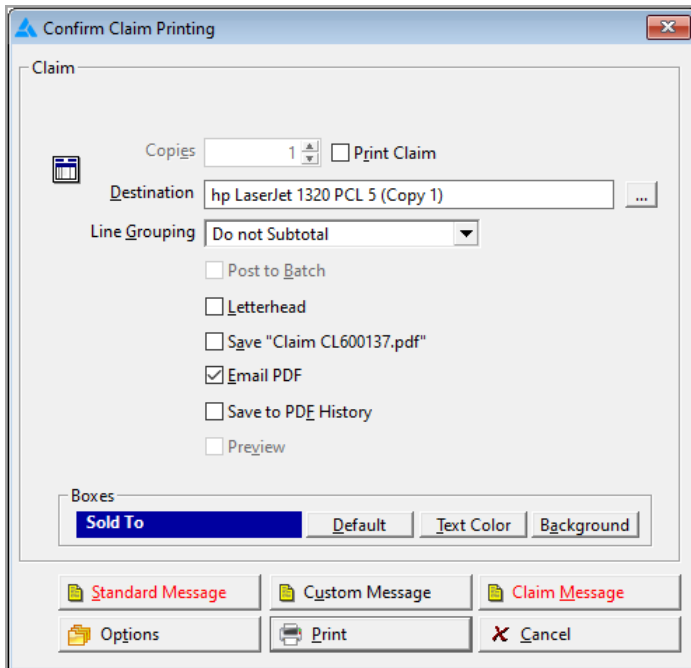
This will result in the Cost of Claims account not receiving a 'wash' credit for the portion the mill denied, and accordingly, this portion of the claim will have the financial effect of an expense.

Printing a Claim

Click the Print Claims Documents button .

Click on the Claim button.





Copies

Enter the number of copies for this Claim.

Print Claim

If this box is not checked, the only option will be to save and/or email the claim.

Destination

The Windows default printer will appear. Click the ellipsis button to change printers, if needed.

Line Grouping

If this record has any line grouping, this option will be active. See [Line Grouping](#) for details.

Post to Batch

See [Batch Printing](#)

Letterhead

This option is designed for those who have pre-printed letterhead paper. When checked, the Company Information will not be printed on this Claim.

Save “Recordnumber.pdf”

Checking this box will save a copy of the document being printed to the RFMS directory. This file is not part of the database and can be deleted.

Email PDF

Checking this box will automatically open the email system and send a pdf copy of the printed document. If there is an email address in the Claim Against information of the customer order, it will be automatically entered into the send to address.

Preview

Click here to view a copy of the Claim before sending it to the printer.

Boxes

The text color and background color of the Sold-To field can be changed on the Claim printout.

Default

Select this button if the color of text and background has been previously changed to revert to the default. The default colors are: Background – Blue, Text – White

Text Color

Click this button to change the text color for this Claim printout. The color change will remain until manually changed or until the Default button is clicked.

Background

Click this button to change the background color for this Claim printout. The color change will remain until manually changed or until the Default button is clicked.

Standard Message

Enter a message that will print on all customers' Claims. It will remain until changed or deleted. A change may be made from any customer order.

Custom Message

Click the Custom button to enter a custom message to be printed only on this Claim.

Claim Message

This message will appear at the bottom of the Claim printout.

Options

Click the Options button to select various printing functions. See [Invoice Printing Options](#) for more details.

Print

Click the Print button to continue with this print job.

Cancel

Click the Cancel button to abort this print job.

Claim Against		Claim For				
DOMINO'S PIZZA PELL CITY, AL 11111		DOC U. MENT 123 PAPER STREET ALICEVILLE, AL 35442				
Claim Date	Tphone 1	PO Number	Claim Number			
07/25/16	2057654321		CL600137			
Inventory	Style/Item	Color/Description	Quantity	Units	Price	Extension
TEST	*PRIVATE STYLE	NEW COLOR	20.00	SY	13.76	275.23
	*PRIVATE STYLE	NEW COLOR	20.00	SY	13.76	275.23
Claim Custom Message						
Claim Standard Message						
<p>— 12/04/20 —</p> <p>Sales Representative(s): DOC TEST</p> <p>Claim Message</p>				<p>1:00PM —</p> <p>Material: 550.46</p> <p>Service: 0.00</p> <p>Misc. Charges: 0.00</p> <p>Sales Tax: 0.00</p> <p>Misc. Tax: 0.00</p> <p>CLAIM TOTAL: \$550.46</p> <p>Less Payment(s): 0.00</p> <p>BALANCE DUE: \$550.46</p>		

Printing a Picking Ticket

See [Picking Ticket](#).

Printing a Work Order

See [Printing a Work Order](#).

Mill Shortage

1. Once a shortage is noted, create a shortage order, and then generate a claim to connect to it.
2. Assign quantity differences from the actual order and what was received from the PO to the created claim.
3. Process claim as any other claim.

All roll orders should be measured after the first cut is made. This will ensure that RFMS Inventory module matches the available physical inventory. Once this is done, the RFMS Generated Roll Tag should be corrected, and a claim for the difference created. This prevents selling materials that are not physically available.

Claims Report

See [Claims Report](#).

Claims Aging Report

See [Claims Aging Report](#).

Best Business Practice Document

The following PDF explains the best practice for claims. This document represents the combined experience of both the RFMS Training Group and the RFMS Help Desk.

While many clients have different local concerns for how Claims are processed, we have found that the following recommendations are the best practices.

Claims may arise for several reasons. In this document, we will primarily focus on claims for materials.

See [Claims - Best Business Practices](#).