

Accounting Method – Configured based on how agency recognizes income and pays producers/brokers.

- **Cash** – Agency recognizes income when it is received.
- **Accrual** – Agency recognizes income when policy is billed/transacted.
- **Partially Paid** – Agency pays producers/brokers when partial commission is received. This would include installments (either Direct or Agency Bill) or client down payments.
- **Fully Paid** – Agency pays producers/brokers when full policy commission is received or when client pay premium or down payment in full.

Accounts Receivable – Any money owed to the agency by a client or Finance Company for Agency Bill policies.

Agency Bill – Policy premiums are paid to the agency by the client. The Agency retains their commission and forwards net premium and any applicable fees to the company/broker.

Applying Credits to Debits – Applying client payments and CFIN transactions to outstanding balances on client accounts.

Balance Sheet vs Income Statement

- **Balance Sheet** – A report that shows all Asset, Liability, and Equity GL balances. Assets equal Liabilities + Equity. These GL balances perpetually roll year-to-year.
- **Income Statement** – A report that shows all Income and Expense GL balances. At year end, net income moves to Retained Earnings on the Balance Sheet and all GL balances revert to \$0 for the beginning of the new fiscal year.

CFIN vs Actions > Finance

- **CFIN** – Finance company pays the company/broker.
- **Actions > Finance Transaction** – Finance company pays the agency who then pays the company/broker.

Chart of Accounts – General Ledger (GL) accounts specifically coded for recording Assets, Liability, Equity, Income & Expense.

- **Regular** – GL account codes that do not require sub-accounts (i.e., Accounts Receivable, Bank Accounts, Sweep, Equity accounts)
- **Title Accounts** – Primary GL accounts that typically include Sub-Accounts (i.e., Income accounts, Payable accounts, Expense accounts)
- **Sub-Accounts** – Breakout categories for your Title Accounts by entity (Carriers, Brokers, Expenses, etc.)

Direct Bill – Policy premiums are paid directly by the client to the company/broker. Company/Broker will forward commissions to the agency.

Direct Bill Commission Download – A way to receive commissions through IVANS which puts them into Download Suspense for processing to [Direct Bill Reconciliations](#).

Direct Bill Download Suspense – Where downloaded commissions are waiting to be processed and recognized as actual transactions and income received to the agency.

General Ledger

- **Receipts** – Where deposits are recorded. This can be client payments, Direct Bill commission, miscellaneous income items, return premium, or money received from a Finance Company.
- **Disbursements** – Where agency payments are recorded, either electronically or by check. This could be Premium Payables, Vendor Payables, payroll, sweep payments, etc.
- **Journal Entry (JE)** – Created when you need to move balances from one GL account to another.
 - System Generated Month-End Journal Entries (MJE) – Configuration-driven Journal Entries that run automatically at month-end based off the completion of a specific workflow (Direct Bill Commission Receivable and Cash on Account Receipts tied to a Reconciliation, Invoiced Agency Bill items, Producer/Broker Commission Expense and Payable accounts).
 - Manually Entered – Journal Entries agency creates to correct GL account balances, or as a second option to record transfers between bank accounts, payroll, credit card payments, etc.
- **Reconciliations** –
 - **Direct Bill** – Where to record commissions agency receives for direct bill policies through Download, Import, or manual entry.
 - **Premium Payable** – Where to pull in the transactions made on the client screen to pay net premium to company/broker. Creates a Disbursement when Finalized and Actions > Pay Statement.
 - **Pr/Br Payables** – To reconcile commissions due to a producer/broker.
 - **Bank** – To verify all activity entered in Epic matches activity in your bank account.
- **Direct Bill Import** – A way to record Direct Bill commission received through an Excel mapping file that contains criteria from the commission statement.

Issuing Company (ICO) – The company that underwrites the policy being written. Think of it as the ‘paper the policy is written on.’ The NAICs are configured to the Issuing Company, which ensures Download operates properly.

Payables – Any items the agency needs to pay.

- **Vendor** – Items owed to entities not related to policies. This can be agency expenses like electricity, rent, advertising, license renewals, loans, credit card, office expenses, etc.
- **Premium Payables** – Carrier invoices for clients with agency bill policies.

Premium Payable Entity (PPE) – This can be a company or broker and is the one who pays commission to the agency and who the agency pays for Agency Bill items. A PPE company can be the same as an ICO, but it is important to check the policy to ensure if there is a difference.

Status of Accounts (aka General Ledger) Report – A report that shows all GL account activity as debits and credits with beginning and ending balance for each GL account. In standard accounting, this report is well known as a General Ledger report.

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