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1 Modification Proposal P214

1.1 Summary of Requirements

Modification Proposal P214 proposes that monetary and time thresholds be introduced, below which Advice Notes and Confirmation Notices are not produced:

- A monetary threshold, net of payable and receivable amounts, is maintained for each BSC Party Id, against which the sum of unbilled Trading Charges, Default Charges and Dispute Charges monitored
- A fixed rolling 3-month period, starting April 1st, is maintained across all BSC Parties
- The threshold may be overridden if required.

Once the monetary or time threshold is breached, a backlog of withheld Advice Notes and Confirmation Notices will be ready for billing.

Note however that only Default Charge Backing Sheets are constrained by the thresholds. Trading Charge and Dispute Charge Backing Sheets are despatched as the respective charges occur.

It is proposed that combined PDF Advice Notes and combined PDF Confirmation Notices for Trading Charges, Default Charges and Dispute Charges are produced as follows. *Each combined report includes the backlog of withheld charges since the previous threshold breach.*

- A combined **PDF** Advice Note for Trading Charges, Default Charges and Dispute Charges, including all individual payable and receivable Advice Notes since the previous threshold breach
- A combined **PDF** Confirmation Notice for Trading Charges, Default Charges and Dispute Charges, including all individual payable and receivable Advice Notes since the previous threshold breach

For Trading Charge Backing Sheets, PDF and ASCII pipe delimited formats are proposed as follows. Since Trading Charge Backing Sheets are produced as charges occur, *each report details a single Payment Date.*

- A PDF Backing Sheet for Trading Charges
- An ASCII pipe delimited Backing Sheet for Trading Charges

For Dispute Charge Backing Sheets, PDF-only formats are proposed as follows. As Dispute Charge Backing Sheets are produced as charges occur, *each report details a single Dispute/Payment Date.*

- A PDF Backing Sheet for Dispute Charges

For Default Charge Backing Sheets, PDF-only formats are proposed as follows. *Each report includes the backlog of withheld Default Charges since the previous threshold breach.*

- A PDF Backing Sheet for Default Charges

The FAA system should then be enhanced to send PDF Advice Notes and Confirmation Notices, daily ASCII pipe delimited Trading Charge Backing Sheets, individual PDF Dispute Charge Backing Sheets and PDF (collated) Default Charge Backing Sheets, on **individual** emails.

- All attachments should be named by convention, to identify their content
- The email subject should identify the file attached
- All attachments shall be unencrypted

The system should continue to support printed Advice Notes, Confirmation Notices and Backing Sheets.

BSC Parties should reserve the ability to choose the delivery method. Registration of the chosen delivery method should be maintained in the FAA system.

1.2 LogicaCMG's Proposed Solution

1.2.1 Combined Advice Notes, Confirmation Notices and Separate Backing Sheets

To minimise the impact on the FAA system, whilst providing combined Advice Notes, combined Confirmation Notices and Combined Backing Sheets, it is proposed that the existing "separate" reports be unaffected, but a new report made available from a new screen. The functions by which Advice Notes, Confirmation Notices and Backing Sheets are calculated, and printed in their separate format, will not be affected, thus allowing the flexibility to produce separate reports if required. Additionally, all database tables and constraints would remain, such that the concept of an Advice Note object remains unchanged in the system design:

- Trading Charge Advice Note records will continue to be created from the "Create Advice Notes" screen (FPAYM020) and printed in their separate form, along with Backing Sheets, from the "Advice Notes Reports" screen (FPAYM030);
- Trading Charge Confirmation Notice records will continue to be created from the "Prepare Confirmation Notes" screen (FPAYM050) and printed in their separate form from the "Kick Off Screen for Confirmation Notices" screen (FPAYM070);

- Default Charge records will continue to be managed in the "Utilise Funding Share" (FDEFT045) and "Repay/Write-Off Loan" (FDEFT040) screens, and Default Advice Notes printed in their separate form, along with Backing Sheets (or "Advice Note Letter"), from the "Default Advice Note Reports" screen (FDEFT080);
- Default Charge Confirmation Notice records will continue to be created from the "Prepare Default Confirmation Notes" screen (FDEFT050), and printed in their separate form from the "Default Confirmation Notices Report" screen (FDEFT070);

- Disputes will continue to be managed in the "Dispute Entry" screen (FDISP010), and printed in their separate form from the "Print Dispute Advice Notes" screen (FDISP025);
- Dispute Confirmation Notice records will continue to be created from the "Prepare Dispute Confirmation Notes" screen (FDISP040), and printed in their separate form from the "Print Dispute Confirmation Notices" screen (FDISP035);

The new "combined" PDF report would incorporate the content of the Trading Charges Advice Note (note type 'P'), Default Advice Notes (note types 'X', 'Y' and 'Z'), and Dispute Advice Notes (note type 'D') that may be present in the ADVICE_NOTES table for the Payment Dates to be billed since the last threshold breach (see Section 1.2.2 Thresholds). The new report layout will show a similar structure to that of the separate Advice Notes, with items such as from/to names and addresses, headers and footers only shown once, a unique combined Advice Note sequence number, an "Actual Payment Date" (see Section 1.2.2 Thresholds), and individual "line items" for each of the constituent Advice Notes, giving the individual Advice Note numbers. A final summation of the combined Advice Notes values will also be given. Note that the report template will be implemented for a single BSC Party for the identified Payment Dates, rather than a range of BSC Parties for a selected Payment Date as is currently. In the database, the combined Advice Note will be represented in a new table, "COMBINED_ADVICE_NOTES". The COMBINED_ADVICE_NOTES table will detail the unique combined Advice Notes sequence number, the BSC Party Id, and the Actual Payment Date.

The report will also be implemented for Confirmation Notices. Line items will indicate the constituent Confirmation Notice numbers and Advice Note numbers.

Trading Charge and Dispute Charge Backing Sheets will be produced for a single Payment Date. Default Charge Backing Sheets will include all Payment Dates (payable and receivable) since the last threshold breach (see Section 1.2.2 Thresholds). PDF and ASCII pipe delimited versions of the combined Backing Sheet will be implemented.

The following table presents an indication of Backing Sheet file sizes, although may not represent true values in every case once the solution is implemented. Default Charge Backing Sheets are potentially the largest. Assuming 5 Defaults on each of the 60 Payment Dates in a quarter, this could add 60 pages. Disputes are not frequent, and 10 pages may cover the requirement.

Charge Type	Backing Sheet (PDF)	Backing Sheet (ASCII)
Default	1.5MB	61KB
Trading	50KB	2KB
Dispute	50KB	N/A

Note that all new reports will be named by convention, identifying the report type, BSC Party Id and Payment Date(s). For example, Combined Advice Notes can be named as follows:

CAN_PGEN_31DEC2007.pdf

Naming conventions can be agreed during the design exercise.

To trigger the new combined Advice Notes and separate Backing Sheets, a new "Combined Advice Notes Reports" screen is required. The screen will be accessed from a new menu item in the BSC Party Billing menu (BSC Party Billing > Advice Notes > Print Combined Advice Notes). This will contain a single "Actual Payment Date" field (see Section 1.2.2 Thresholds), and a series of checkboxes to control the main printing:

- File copies (a paper version for archiving);
- Backing Sheets.

Once the report production and transmission is triggered, a new procedure will determine the mode of delivery for each BSC Party. An additional column will be added to the POOL_MEMBERS table: DELIVERY_METHOD, which may be set to either POST or EMAIL. This new standing data item will initially be populated with a SQL script, but will be managed operationally using the "Maintain BSC Party" screen (FMSTD070).

- BSC Parties opting for POST will have combined PDF Advice Notes and combined PDF Confirmation Notices generated and printed (if the tolerance is breached - see Section 1.2.2 Thresholds), collated PDF Default Charge Backing Sheet reports generated and printed (if the tolerance is breached - see Section 1.2.2 Thresholds), and separate PDF Trading Charge and Dispute Charge Backing Sheet reports generated and printed (regardless of tolerance breach).
- BSC Parties opting for EMAIL will have combined PDF Advice Notes, ASCII pipe delimited Trading Charge Backing Sheets, and PDF Default and Dispute Backing Sheets generated and sent for emailing (see Section 1.2.3 Email Distribution), following the same tolerance conditions.

The described screen will also be implemented for Confirmation Notices. This will not include a checkbox control for Backing Sheets.

It is also proposed that a "Reprint Combined Advice Notes Reports" screen is implemented. This screen will provide the ability to reprint combined Advice Notes for specific BSC Parties and historic Actual Payment Dates. BSC Parties opting for POST will have combined PDF Advice Notes and separate PDF Backing Sheet reports generated and printed. BSC Parties opting for EMAIL will have combined PDF Advice Notes and ASCII pipe delimited Trading Charge Backing Sheets, and PDF Default and Dispute Backing Sheets generated and sent for

emailing (see Section 1.2.3 Email Distribution). It is not proposed that this screen will instigate the monitoring of thresholds (see Section 1.2.2 Thresholds).

1.2.2 Thresholds

To manage a net Payable and Receivable threshold for each BSC Party Id, it is proposed that an additional column is added to the POOL_MEMBERS table: THRESHOLD. An OVERRIDE standing data item will also be required for each BSC Party, to override threshold limitations if report production is imperative (for example, of a BSC Party has ceased trading and is no longer able to breach the threshold). These new standing data items will initially be populated with a SQL script, but will be managed operationally using the "Maintain BSC Party" screen (FMSTD070).

Additionally, a COMBINED_ADVICE_NOTES number will be added to the ADVICE_NOTES table, to indicate the combined Advice Note to which the constituent Advice Note belongs. (All existing records, at the time of deployment, will be pre-populated with COMBINED_ADVICE_NOTES, and the Actual Payment Date set to the existing Payment Date).

For each trading BSC Party, as part of the printing process (triggered from the new "Combined Advice Notes Reports" screen), a new procedure shall detect tolerance breaches in one of three ways:

- Sum amounts **payable and receivable** *(regardless of whether they are Trading Charges, Default Charges or Dispute Charges)* in the ADVICE_NOTES table that do not have a COMBINED_ADVICE_NOTES number, to ascertain whether the **unsigned** (positive or negative) total breaches the threshold;
- If the current date equals the end of a tax quarter;
- If the processing BSC Party has the OVERRIDE flag set.

To ensure that combined Advice Notes are not withheld behind a tolerance breach whilst a BSC Party changes VAT code, a change of VAT code from the "Maintain BSC Party" screen (FMSTD070) will cause the OVERRIDE flag to be set. This will ensure that BSC Parties that change their VAT code are issued with a combined Advice Note commensurate to their superseded VAT code. It will be necessary to manually disable OVERRIDE flag for such BSC Parties once billing is complete.

If the tolerance is breached, a new COMBINED_ADVICE_NOTES record is created with a unique sequence number and records in the ADVICE_NOTES table that do not have a COMBINED_ADVICE_NOTES number are updated as such.

The above changes will also be implemented for Confirmation Notices, as produced by the Combined Confirmation Notes Report screen.

The introduction of the concept of an "Actual Payment Date" will also be reflected in a range of market-wide reports, including the Bank Advice Report, Expected Cash Report, VAT Summary Report, and Ledger Report. The change will ensure that each of these reports refers to the Actual Payment Date, rather than the original Payment Date.

To facilitate the management of the Borrowing Account, it will also be necessary to report billed and unbilled Advice Notes with respect to a Payment Date. A new CSV report will be created and saved to the FAA internal file share. This will be requested from the Run Advice Note Listing screen (FPAYM025), by means of a new checkbox.

1.2.3 Email Distribution

To manage the concept of an email object, and email attachments, two new tables will be introduced: EMAIL and EMAIL_ATTACHMENT. As part of the printing process (see section 1.2.1 Combined AN, CN and BS), each BSC Party is assessed for delivery option. If the BSC Party has opted for EMAIL, combined PDF Advice Note and Confirmation Notices, and ASCII pipe delimited Trading Charge Backing Sheets will be produced, and potentially collated PDF Default Charge Backing Sheets (all Payment Dates since the last threshold breach) and individual Dispute Charge Backing Sheets.

During the production of each report, a new stored procedure is called, to determine the registered email address (ADDRESSES.EMAIL_NO) for the BSC Party. With the address, a new record is inserted into the EMAIL table, along with the BSC Party Id, the Actual Payment Date, and a unique system-generated sequence number. A child record is also inserted into the EMAIL_ATTACHMENT table, identifying the parent EMAIL record, and the filename of the attachment. Finally, the EMAIL "STATUS" field is updated to "Ready to send".

Each individual report file (Combined Advice Notes, Combined Confirmation Notices and ASCII pipe delimited and PDF Backing Sheets) will be created and emailed by the Oracle Application Server.

1.2.4 Issues

Defaults will continue to be processed at the individual Advice Note and original Payment Date level.

1.2.5 Summary of changes

To summarise, the following new items, reports and procedures will be required:

Impact on EPFAL IDD Part 1

- New outbound interface "Combined Advice Notes"
- New outbound interface "Combined Confirmation Notices"

Impact on EPFAL IDD Part 2

- None

Impact on User Requirements Specification

- Modify requirement "Generate Advice Notes"
- New requirement "Issue Combined Advice Notes"
- New requirement "Issue Combined Confirmation Notices"
- Modify requirement "Maintain BSC Party Standing Data"

Impact on System Specification

- New module "Print Combined Advice Note"
- New module "Email Combined Advice Note"
- New module "Print Combined Confirmation Notice"
- Modify module "Default Advice Note Letter"
- Modify module "Maintain BSC Party"

Impact on Design Specification (Main document)

- Modify section 2.6.3 "Encrypt and Email Files"
- Modify section 2.6.2.3 "Send File (SEND_FILE)"

Impact on Design Specification (Appendix 1 – Module Specifications)

- Modify module "Print Ledger Reports" (FMANA010)
- Modify module "VAT Summary Reports" (FMANA110)
- Modify module "Maintain BSC Party" (FMSTD070)
- New module "Kick Off Screen for Combined Advice Note Reports"
- Modify module "Kick Off Screen for Expected Cash Reports" (FPAYM080)
- New module "Reprint Combined Advice or Confirmation Notices"
- Modify module "Kick Off Screen for CHAPS Payments Report" (FPAYM110)
- Modify module "BSC Party Billing Ledger Report" (RMANA011)
- Modify module "Defaults Ledger Report" (RMANA010)
- Modify module "Disputes Ledger Report" (RMANA011)
- Modify module "Billing VAT Summary Report (Hard Copy)" (RMANA111)
- Modify module "Billing VAT Summary Report (Soft Copy)" (RMANA111)
- Modify module "Defaults VAT Summary Report (Hard Copy)" (RMANA110)
- Modify module "Defaults VAT Summary Report (Soft Copy)" (RMANA120)
- Modify module "Disputes VAT Summary Report (Hard Copy)" (RMANA112)
- Modify module "Disputes VAT Summary Report (Soft Copy)" (RMANA122)
- Modify module "Advice Note Listing" (RPAYM025)
- New module "Print Combined Advice Notes"
- Modify module "Confirmation Note Listing" (RPAYM060)
- New module "Print Combined Confirmation Notices"
- Modify module "Expected Cash Report" (RPAYM080)

- Modify module “Bank Advice Report” (RPAYM090)
- Modify module “CHAPS Payment Report” (RPAYM110)
- New module “Default Advice Note Threshold Backing Sheet”

Impact on Design Specification (Appendix 2 – Table Definition)

- Modify section 2 “Table Summary”
- Modify table “ADVICE_NOTES”
- Modify table “POOL_MEMBERS”
- New table “EMAIL”
- New table “EMAIL_ATTACHMENT”
- New table “COMBINED_ADVICE_NOTES”

Impact on Design Specification (Appendix 3 – Compliance Matrix)

- Modify section 1 “Compliance Matrix”

Impact on Physical Data Model

- Modify ADVICE_NOTES table
- Modify POOL_MEMBERS table
- New table “EMAIL”
- New table “EMAIL_ATTACHMENT”
- New table “COMBINED_ADVICE_NOTE”

Impact on Operations Manual

- Modify daily billing operations

Impact on Work Instructions

- None

Impact on Application Server

- New PDF Combined Advice Note report
- New PDF Combined Confirmation Notice report
- Modify PDF Trading Charge Backing Sheet (RPAYM040)
- New PDF Default Charge Threshold Backing Sheet
- Modify PDF Dispute Charge Backing Sheet (RDISP090)
- New menu item, “Print Combined Advice Notes”
- New menu item, “Print Combined Confirmation Notices”
- New form, “Print Combined Advice Notes”
- New form, “Print Combined Confirmation Notices”
- New form, “Reprint Combined Advice Notes Reports”
- Modify form “Maintain BSC Party” (FMSTD070)

The following items will require updating, to cater for the Actual Payment Date:

- Modify form “Run Expected Cash Report” (FPAYM080)
- Modify report “Expected Cash Report” (RPAYM080)
- Modify form “Run Bank Advice Report” (FPAYM090)
- Modify report “Bank Advice Report” (RPAYM090)
- Modify report “Electronic Bank Interface” (CHAPS)
- Modify report “Electronic Bank Interface” (BACS)
- Modify report “Electronic Bank Interface” (DD)
- Modify form “CHAPS Payments” (FPAYM110)

- Modify report “CHAPS Payment Report” (RPAYM110)
- Modify form “VAT Summary Reports” (FMANA110)
- Modify report “Billing VAT Summary Report (Hard Copy) (RMANA111)
- Modify report “Billing VAT Summary Report (Soft Copy) (RMANA121)
- Modify report “Defaults VAT Summary Report (Hard Copy) (RMANA110)
- Modify report “Defaults VAT Summary Report (Soft Copy) (RMANA120)
- Modify report “Disputes VAT Summary Report (Hard Copy) (RMANA121)
- Modify report “Disputes VAT Summary Report (Soft Copy) (RMANA122)
- Modify form “Print Ledger Reports” (FMANA010)
- Modify report “BSC Party Billing Ledger Report” (RMANA011)
- Modify report “Defaults Ledger Report” (RMANA010)
- Modify report “Disputes Ledger Report” (RMANA011)
- Modify form “Run Advice Note Listing” (FPAYM025)
- Modify report “Advice Note Listing” (RPAYM025)
- Modify form “Run Confirmation Note Listing” (FPAYM060)
- Modify report “Confirmation Note Listing” (RPAYM060)

No change has been proposed for the following listings:

- Trading Charges Advice Note Listings
- Trading Charges Confirmation Notice Listings
- Default Advice Note Listings
- Default Confirmation Note Listings

Impact on Database

- New column on ADVICE_NOTES table, “ACTUAL_PAYMENT_DATE”
- New column on POOL_MEMBERS table, “THRESHOLD”
- New column on POOL_MEMBERS table, “DELIVERY_METHOD”
- New column on POOL_MEMBERS table, “OVERRIDE”
- New table, “COMBINED_ADVICE_NOTE”
- New table, “EMAIL”
- New table, “EMAIL_ATTACHMENT”
- New stored procedure to monitor threshold, set ACTUAL_PAYMENT_DATE, and update EMAIL records
- New stored procedure to determine email address and manage EMAIL tables