

ALPHERA Financial Services.

Disbursements.

What is a Disbursement?

This is when items that can be financed (such as the vehicle) are separated from items that cannot be financed (such as insurance) in the finance documents.

Why Disburse?

Disbursement allows customers to use part of their deposit to pay for additional items which cannot be funded on the agreement.

How it works?

Items that can be disbursed will not show on the vehicle finance agreement but can be shown on the main vehicle invoice. FAMOS allows for items/ services to be disbursed (maximum values apply – see below) as long as the customer deposit is equal to or greater than this amount. The disbursed items will be paid for out of the customer's deposit.

The disbursement form accounts for the difference between the total cash price on the vehicle invoice and the cash price in FAMOS/ finance agreement. You must make sure that the items being disbursed are entered into the correct category

Once disbursed, an [additional form](#), entitled "Payment for Additional Services", will be produced in the document pack, following the Direct Debit Mandate. This form must be signed by the customer alongside the main finance agreement.

This document provides a step by step guide on how to quote a customer and produce the correct finance documents.

The table below summarises the items which can be funded and those that must be disbursed:

Can be funded via the main vehicle agreement	Can be disbursed, but not funded via the main vehicle agreement	Cannot be funded or disbursed												
<ul style="list-style-type: none"> The Vehicle Road Fund Licence First Registration Fee Delivery Fuel/Lubricants Standard Factory/ Retailer fitted options on the vehicle e.g. sports pack New Vehicle Manufacturer Supplied Warranty (not extended warranties) Paint Protection 	<ul style="list-style-type: none"> Insurance Products e.g. Gap Retailer Warranties (both insured and uninsured) Guarantees Retailer Service Packs (including Care Plans) Lifestyle Products (e.g. child seats, luggage) 	<ul style="list-style-type: none"> Any form of Admin Fee 												
	<table border="1"> <thead> <tr> <th>Category</th> <th>Disbursement Limit</th> </tr> </thead> <tbody> <tr> <td>Vehicle Replacement/ Finance Gap Insurance</td> <td>£2,500</td> </tr> <tr> <td>Insured Warranty</td> <td>£2,500</td> </tr> <tr> <td>Other Insurance</td> <td>£2,500</td> </tr> <tr> <td>Additional Non-Vatable Items</td> <td>£1,200</td> </tr> <tr> <td>Additional Vatable Items</td> <td>£2,500</td> </tr> </tbody> </table>	Category	Disbursement Limit	Vehicle Replacement/ Finance Gap Insurance	£2,500	Insured Warranty	£2,500	Other Insurance	£2,500	Additional Non-Vatable Items	£1,200	Additional Vatable Items	£2,500	
Category	Disbursement Limit													
Vehicle Replacement/ Finance Gap Insurance	£2,500													
Insured Warranty	£2,500													
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Additional Vatable Items	£2,500													

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Step 1: The total cash price must not include disburseable items. Fundable items which can be included are shown in the [table](#).

Invoice example:

Vehicle Specification Details:	Value	Discount	Nett Value	VAT	Total V
Vehicle price	21979.00	0.00	21979.00	0.00	21979.00 r
Ultra Leather Care Kit	83.33	0.00	83.33	16.67	100.00 C
Glasscoat	479.17	0.00	479.17	95.83	575.00 C
Smart Repair	486.00	0.00	486.00	0.00	486.00 O
Total Loss Gap	498.00	0.00	498.00	0.00	498.00 O
Key Insurance	95.00	0.00	95.00	0.00	95.00 O
Tyre/Alloy Insurance	645.00	0.00	645.00	0.00	645.00 O
Sub-total :	24265.50	0.00	24265.50	112.50	24378.00

Statement/Summary:	
Invoice Total	: 24378.00
Total Deposit Paid	: 500.00
Finance settlement	: 0.00
Total trade-In	: 7750.00
Total Amount Due	: 16128.00

VAT Summary:		Sub-total :	24265.50
V Description	Rate%	Value	
C Vehicle Input/Output	20.0	112.50	VAT : 112.50
O System generated Outside the Sc	0.00	0.00	Total : 24378.00
r Used Veh Margin Car	20.0	0.00	Quantity : 1
			Grand Total : 24378.00

Trade-in vehicle details	PX Stock No.	Reg No's	Mileages	Nett Allow	VAT	Total
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Items not permissible for funding must be excluded from the "total cash price". These items must be disbursed.

Vehicle Model			
Make	BMW	SA3 Quote number	
Model Range	I3 HATCHBACK	IVS Order number	
Description	I01 I3 IB1 94Ah LCI	Built to stock	<input checked="" type="checkbox"/>
Vehicle State	Used	Vehicle Type	Car

Vehicle Pricing			
<input type="checkbox"/> VAT Qualifying			
Vehicle Price	Inclusive	VAT	Exclusive
€	21,979.00	€ 0.00	€ 21,979.00
<input type="checkbox"/> Options	<input checked="" type="checkbox"/>		
Road Fund Licence	€ 0.00	€ 0.00	€ 0.00
Non-VATable OTR Items/Services	€ 0.00	€ 0.00	€ 0.00
VATable OTR Items/Services	€ 675.00	€ 0.00	€ 675.00
Total Cash Price	€ 22,654.00	€ 0.00	€ 22,654.00

Vehicle Details			
First Registration Date	29/ 06/ 2018	Age	45 Months
Registration Number	LO18VMP	Vehicle Start Mileage	21,625
Chassis Number	WBY7Z22060VD10719	Transmission	Automatic
HPI Check	<input type="checkbox"/>	Imported	<input type="checkbox"/>

You must separate Non-VATable and VATable items as per your invoice

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Step 2: The 'Customer Deposit' and/or 'Part Exchange allowance' must be sufficient to cover items being disbursed in FAMOS.

Invoice example:

Vehicle Specification Details:	Value	Discount	Nett Value	VAT	Total V
Vehicle price	21979.00	0.00	21979.00	0.00	21979.00 r
Ultra Leather Care Kit	83.33	0.00	83.33	16.67	100.00 C
Glasscoat	479.17	0.00	479.17	95.83	575.00 C
Smart Repair	486.00	0.00	486.00	0.00	486.00 O
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Key Insurance	95.00	0.00	95.00	0.00	95.00 O
Tyre/Alloy Insurance	645.00	0.00	645.00	0.00	645.00 O
Sub-total :	24265.50	0.00	24265.50	112.50	24378.00

The items to be disbursed amount to £1,724 on the invoice.

Statement/Summary:	
Invoice Total	: 24378.00
Total Deposit Paid	: 500.00
Finance settlement	: 0.00
Total trade-in	: 7750.00
Total Amount Due	: 16128.00

VAT Summary:		Sub-total :	
V Description	Rate% Value	24265.50	24265.50
C Vehicle Input/Output	20.0 112.50	VAT :	112.50
O System generated Outside the Sc	0.00 0.00	Total :	24378.00
r Used Veh Margin Car	20.0 0.00	Quantity :	1
		Grand Total :	24378.00

Trade-in vehicle details	PX Stock No.	Reg No's	Mileages	Nett Allow	VAT	Total
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In this example, the customer deposit, plus the part exchange, totals **£8,250**, therefore providing enough funds to cover the items being disbursed (**£1,724**).

BMW FRM Select (30-49 Months) (8.9% APR) | BMW1A0823B000C0461

Vehicle	101 i3 IB1 94Ah LCI	Annual Mileage	8,000
Cash Price	£ 22,654.00	Term (Months)	48
Customer Deposit	£ 500.00	Initial Payments	0
Deposit Percentage	2.21%		
Part Exchange Allowance	£ 7,750.00		
Finance Settlement	£ 0.00	Regular Payment	£ 256.81
Balance to Finance	£ 16,128.00	Frequency	Monthly
		Final Payment	£ 8,301.95
		Maximum Final Payment	£ 8,301.95

Step 3: With the correct deposit and/or part exchange entered, click **A**

Please note: In cases where the deposit/ part exchange are not sufficient to cover the disbursed items please refer to our [Accessory Loan guide](#) on the ALPHERA Partner Hub.

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Step 4: Add the disbursed items from the invoice into the corresponding fields in FAMOS (refer to colour-coding in both images which indicates which items correspond between the invoice and FAMOS).

Invoice example:

Vehicle Specification Details:	Value	Discount	Nett Value	VAT	Total V
Vehicle price	21979.00	0.00	21979.00	0.00	21979.00 r
Ultra Leather Care Kit	83.33	0.00	83.33	16.67	100.00 C
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Sub-total :	24265.50	0.00	24265.50	112.50	24378.00

Statement/Summary:

Invoice Total	:	24378.00
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C Vehicle Input/Output	20.0	112.50	VAT :	112.50
O System generated Outside the Sc	0.00	0.00	Total :	24378.00
r Used Veh Margin Car	20.0	0.00	Quantity :	1
			Grand Total :	24378.00

Trade-in vehicle details	PX Stock No.	Reg No's	Mileages	Nett Allow	VAT	Total

} Disbursed items

The invoice "grand total" includes the disbursed items.

Non-Vehicle Items	
Finance details	
Product	BMW FRM Select (30-49 Months) (8.9% APR)
Total Deposit Available	£ 8,250.00
Term (Months)	48
Frequency	Monthly
Non-Vehicle Items	
Non-VATable Items	
Vehicle Replacement/Finance Gap Insurance	£ 498.00
Insured Warranty	£ 0.00
Other Insurance	£ 740.00
Additional Non-VATable Items	£ 486.00
VATable Items	
Additional VATable Items	£ 0.00
Total Non-Vehicle Items	£ 1,724.00

Insurance products have been added together and entered as a total in the "other insurance" field in FAMOS.

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Step 6: Recalculate the regular payment to save the quote

Invoice example:


Sub-total :	24265.50	0.00	24265.50	112.50	24378.00
Statement/Summary:					
Invoice Total :	24378.00				
Total Deposit Paid :	500.00				
Finance settlement :	0.00				
Total trade-In :	7750.00				
Total Amount Due :	16128.00				
VAT Summary:					
V Description	Rate%	Value	Sub-total :	24265.50	
C Vehicle Input/Output	20.0	112.50	VAT :	112.50	
O System generated Outside the Sc	0.00	0.00	Total :	24378.00	
r Used Veh Margin Car	20.0	0.00	Quantity :	1	
			Grand Total :	24378.00	
Trade-in vehicle details PX Stock No. Reg No's Mileages Nett Allow VAT Total					

Non-Vehicle Items	
Finance details	
Product	BMW FRM Select (30-49 Months) (8.9% APR)
Total Deposit Available	£ 8,250.00
Term (Months)	48
Frequency	Monthly
Non-Vehicle Items	
Non-VATable Items	
Vehicle Replacement/Finance Gap Insurance	£ 498.00
Insured Warranty	£ 0.00
Other Insurance	£ 740.00
Additional Non-VATable Items	£ 486.00
VATable Items	
Additional VATable Items	£ 0.00
Total Non-Vehicle Items	£ 1,724.00

- The total price on the vehicle invoice will not match the total cash price in FAMOS
- The difference will be the total disbursed amount.

$$\begin{aligned} &£24,378.00 \\ - &£ 1,724.00 \\ &£22,654.00 \end{aligned}$$
- The VAT amount could also differ.

BMW FRM Select (30-49 Months) (8.9% APR)		BMW1A0823B0000C0461E0000GNF089	
Vehicle	101 i3 IB1 94Ah LCI	Annual Mileage	8,000
Cash Price	£ 22,654.00	Term (Months)	48
Customer Deposit	£ 500.00	Initial Payments	0
Deposit Percentage	2.21 %	Regular Payment	£ 256.81
Part Exchange Allowance	£ 7,750.00	Frequency	Monthly
Finance Settlement	£ 0.00	Final Payment	£ 8,301.95
Balance to Finance	£ 16,128.00	Maximum Final Payment	£ 8,301.95
!			
Save Cancel Print			

Click the recalculate button  on the regular payment field to save the quote with your amendments.

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Step 7: The customer document pack will now include the disbursement document.

An additional form (example below), entitled "Payment for Additional Services" will be produced in the document pack and can be found after the Direct Debit Mandate.


The form includes the following information:

- Available funds (Deposit and/or Part Exchange)
- Itemised and totals of disbursement amounts.
- Remaining cash price for the vehicle and remaining deposit and/or part exchange, showing the balance of cash price payable.

Payment for Additional Services

Important - Please read carefully

This form records the optional additional services you have chosen to purchase with your vehicle and confirms that the cost of your additional services, including Insurance Premium Tax (IPT) where appropriate, has been paid from your cash payment and/or net part-exchange allowance.
This is not a Statement of Price.



Customer

Name: Proposal No:

Funds Available:	A) Gross Part- Exchange Allowance	B) Less Settlement of existing finance	C) Plus Cash Payment from Customer	Total Funds Available (D) (= A - B + C)
Optional Additional Services:	£7,750.00	£0.00	£500.00	£8,250.00
1) Optional Insurance Services including IPT where applicable	Total Cash Price		2) Optional Additional Services excluding Insurance	
Vehicle Replacement/Finance Gap Insurance	£498.00			£0.00
Insured Warranty	£0.00			£0.00
Other Insurance	£740.00			£0.00
Additional Non-VATable Items	£486.00	Additional VATable Items		£0.00
	Total (E):	£1,724.00	Total (F):	£0.00

Summary:	Total Cash Price (G) = (E) + (F)	Less Payment from Funds available (H)	Balance of Cash Price Payable (I) = (G) - (H)
3) Additional Services:	£1,724.00	£1,724.00	£0.00
4) Vehicle (Incl. VAT) (excludes Additional Services):	£22,654.00	£6,526.00	£16,128.00
5) Total:	£24,378.00	£8,250.00	

Customer Confirmation

I confirm that I have chosen to purchase the optional Additional Services for the total Cash Price shown above, and to pay for them out of Cash/ net Part-Exchange allowance, as detailed above.

Signature of Customer: _____

Date: _____

Retailer Confirmation

I confirm we have sold the Additional Services to the customer and all premiums and fees for the Additional Services have been fully paid from the cash/net part-exchange allowance shown above

Retailer Stamp or Signature of Retailer or Representative: _____

Date: _____

Name (Print): _____

The form must be signed by the customer (alongside the main finance agreement), as well as the Retailer.