

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 <u>additional form</u>, 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:

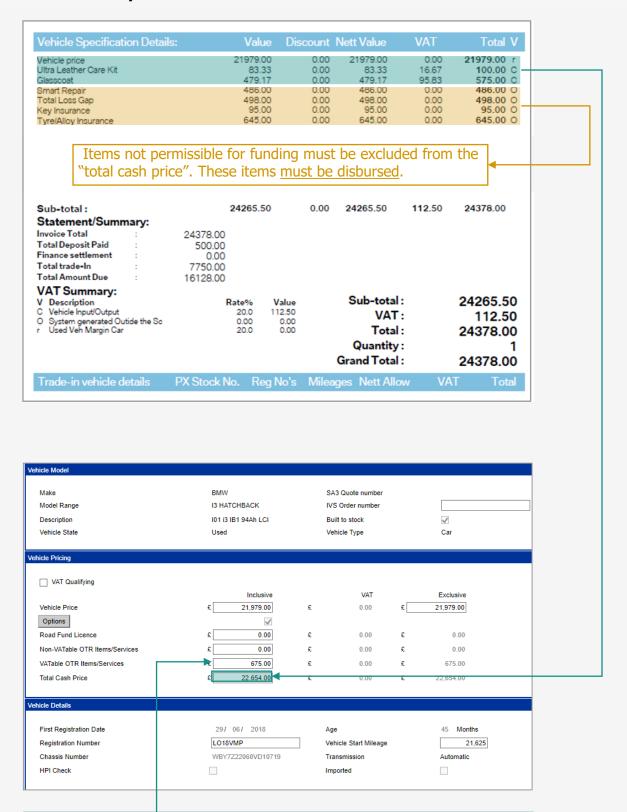
Can be funded via the main vehicle agreement	Can be disbursed, but not funded via the main vehicle agreement		Cannot be funded or disbursed	
 The Vehicle Road Fund Licence First Registration Fee Delivery Fuel/Lubricants Standard Factory/ Retailer fitted options on the vehicle e.g. sports pack New Vehicle 	 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) 		Any form of Admin Fee	
Manufacturer Supplied Warranty (not extended	Category	Disbursement Limit		
warranties)	Vehicle Replacement/ Finance Gap Insurance	£2,500		
Paint Protection	Insured Warranty	£2,500		
	Other Insurance	£2,500		
	Additional Non-Vatable Items	£1,200		
	Additional Vatable Items	£2,500		



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Step 1: The total cash price must not include disbursable items. Fundable items which can be included are shown in the table.

Invoice example:



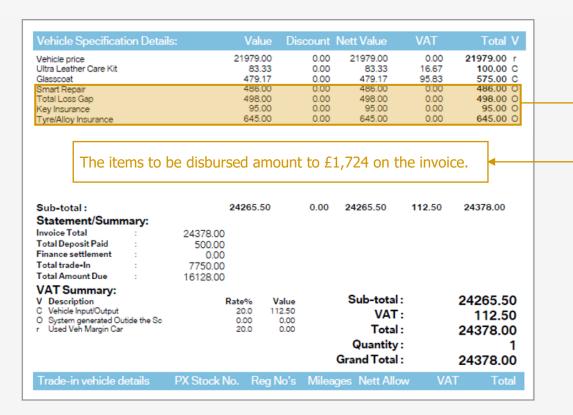
You must separate Non-VATable and VATable items as per your invoice



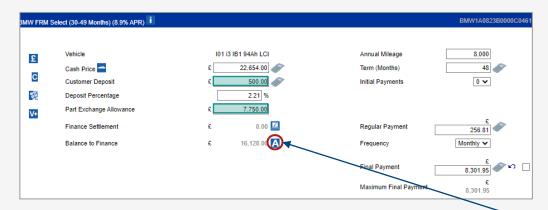
Disbursements.

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

Invoice example:



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.



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

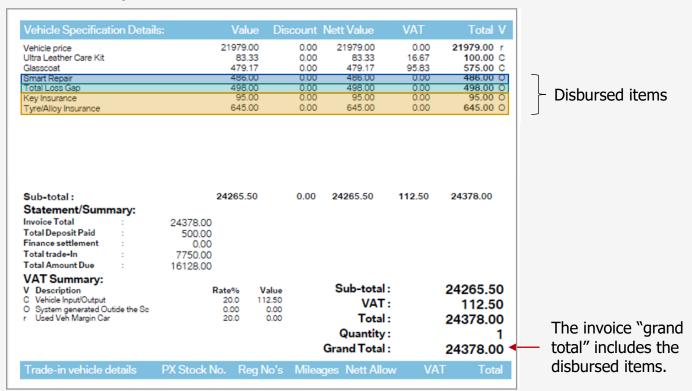
Please note: In cases where the deposit/ part exchange are not sufficient to cover the disbursed items please refer to our <u>Accessory Loan guide</u> on the ALPHERA Partner Hub.



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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:



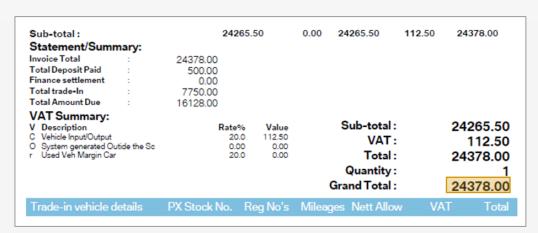




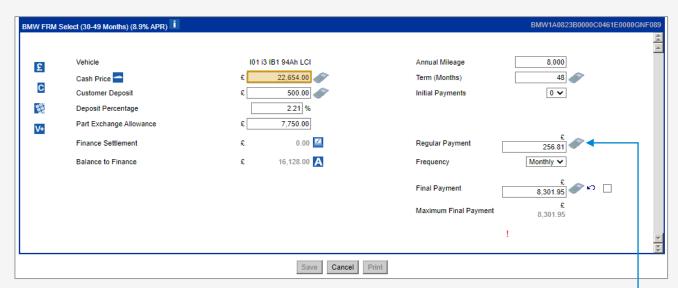
Disbursements.

Step 6: Recalculate the regular payment to save the quote

Invoice example:



- Non-Vehicle Items Finance details BMW FRM Select (30-49 Months) (8.9% APR) Product Total Deposit Available £ 8,250.00 Term (Months) 48 Frequency Monthly Non-Vehicle Items Non-VATable Items Vehicle Replacement/Finance Gap Insurance 498.00 0.00 Insured Warranty 740.00 486.00 Additional Non-VATable Items 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.
 - £24,378.00 £ 1,724.00 £22,654.00
- The VAT amount could also differ.



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



Disbursements.

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.

mportant - Please read carefully				
his form records the optional additional services you ha our additional services, including Insurance Premium Ta et part-exchange allowance his is not a Statement of Price.	ve chosen to purchas ax (IPT) where approp	e with your vehicle and cor riate, has been paid from yo	firms that the cost of our cash payment and/or	
Customer				
Name: Mrs Debbie Disbursement			Proposal No:	15302811
Funds Available:	A) Gross Part- Excha Allowance	nge B) Less Settlement of existing finance	C) Plus Cash Payment from Customer	Total Funds Availab (D) (= A - B + C)
Online Additional Consisses	£7,750.00	00.03	£500.00	£8,250.00
Optional Additional Services: 1) Optional Insurance Services	Total Cash Price	2) Optional Additional	Services	Total Cash Pric
including IPT where applicable	7500 5001171100	excluding Insurance		- Star Guari File
Vehicle Replacement/Finance Gap Insurance	£498.00			00.02
Insured Warranty	00.03			00.03
Other Insurance	£740.00			0.03
Additional Non-VATable Items	£486.00	Additional VATable Ite	ems	0.03
Total (E): £1,724.00		Total	(F): £0.00
_	21,724.00	Total Cash Price	Less Payment from	
Summary:		(G) = (E) + (F)	Funds available	Payable (G) - (H)
3) Additional Services:		£1,724.00	£1,724.00	0.02
Vehicle (Incl. VAT) (excludes Additional Services):		£22,654.00	(K) = (D) - (H) £6,526.00	(J)-(K) £16,128.00
, , ,		Total (Incl. VAT & IPT) (M) = (G) + (J)	Total Payment made (N) = (H) + (K)	210,1200
5) Total:		£24,378.00	£8,250.00	
Sustomer Confirmation		Signature of Customer:		
onfirm that I have chosen to purchase the optional Add the total Cash Price shown above, and to pay for ther				
et Part-Exchange allowance, as detailed above.		Date:		
tetailer Confirmation		Retailer Stamp or Signatu	re of Retailer or Represe	ntative:
confirm we have sold the Additional Services to the cus emiums and fees for the Additional Services have been				
e cash/net part-exchange allowance shown above		Date:		

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