

Instructions How To Complete the “Manual” Preneed to At-Need Reconciliation Worksheet for Contracts Without Non-Guaranteed Cash Advance Items

IMPORTANT: The amounts in the worksheet may not be rounded. For example, \$125.35 may not be entered as \$125. Documentation supporting the amounts entered on the worksheet must be retained for review purposes.

PAGE 1: Section I. Guaranteed Services and Merchandise – You must enter the contract information as it appears on the PFC and the at-need contract in Columns A and B. The items and respective prices must be reflected on the worksheet *exactly* as they appear on the contracts. (As a reminder, all items sold on a PFC prior to September 1, 2009, are “frozen” in price). Next, complete Columns C through F using the data in Columns A and B as follows:

- **Column C (Inflation Discount)** – By line item, only when there is an amount in both Column A and B, and the amount in Column B is *greater* than Column A; then, subtract the preneed price in Column A from the at-need price in Column B and enter the amount here.
- **Column D (Items not sold on PFC)** – By line item, enter any at-need price from Column B that does not have a preneed price in Column A.
- **Column E (Credits for items not used from the PFC)** – By line item, enter any preneed price from Column A that does not have an at-need price in Column B.
- **Column F (Price Adjustment)** – This is the amount when the at-need price is *less* than the original preneed price. By line item, only when there is an amount in both Column A and B, and the amount in Column A is *greater* than Column B; then, subtract the preneed price in Column A from the at-need price in Column B and enter the amount here.

PAGE 2: Section II. Preneed to At-Need Contract Reconciliation – This Section reconciles the activity from the PFC to the at-need contract. Calculate the following and enter all as positive numbers on the worksheet:

- **Item # 1:** - Enter the total of the PFC and the at-need contract from Section I, Columns A and B.
- **Item # 2:** - If applicable, enter any discounts on the PFC in both the Preneed and At-Need Columns.
- **Item # 3:** - Enter the total from Section I, Column C (*Inflation Discount*).
- **Item # 4:** - If applicable, enter the total of any other discounts listed on the at-need contract.
- **Item # 5:** - Enter the total from Section I, Column F (*Price Adjustment*).
- **Item # 6*:** - If applicable, enter the extra charge collected for any merchandise and services that is upgraded from the PFC to the at-need contract.
- **Item # 7*:** - If applicable, enter the credit given for any merchandise and services that is downgraded from the PFC to the at-need contract.
- **Item # 8 (Subtotals)** - Beginning with Item # 1, add or subtract the amounts through Item # 7 to arrive at this amount. (+ means to add and – to subtract).
- **Item # 9:** - If applicable, enter the remaining balance due on the PFC.
- **Item # 10:** - This amount is calculated by subtracting Item # 9 from Item # 8 subtotal amount.
- **Item # 11:** - This amount is calculated by subtracting the amount from Item # 10 from Item # 8 (*at-need subtotal*). This amount reflects either the *final* amount due from the family to the funeral provider or the *final* amount due to the family from the funeral provider.

* The value attributable to any contracted funeral merchandise or service that is surrendered or exchanged in a modification must be calculated on a comparable time-price basis. See Section 154.1551 of the Finance Code.