SmartInvestments Validation
User Guide

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Investment Validation

Validation is run in order to keep data accurate and up-to-date. Validation recalculates the calculated columns of investments related to cost, basis, and values, adds transactions and liabilities of investments, updates prices for investment positions and refreshes the Contact Benefits tab for the Contact and Household.

Investment validation can be run from different areas for different application functions, flexibility and convenience. The roll up options run from the account master level have significant affects on the validation.

Investment validation operates in a tree structure. If the validation function is run from the account level, it will start the validation from the account and move down to the position and transaction levels for updates. If it is run from the position level, validation will update only the position and transaction information. Nothing will be updated at the account level.

Account Master Level

Select the applicable records for validation from the Account Master Summary list and then select the **Validate Tagged Accounts** button to begin Account Master level validation.

The options in the Account Detail tab set the stage for the entire Investment area in terms of what fields to roll up, recalculate or initialize. These options dictate whether the transactions or a liability will be summarized into the position total value and account master total value. Note that the contact total investments and household total investments are independent of these options. However, the field accessibility for manual data entry is contingent upon the option selection.

Account Detail Tab Options

Qualified Account: This option is used to signify that the account is tax-deferred and supersedes the position level Tax Deferred option regardless of if the Tax Deferred box is selected or not at the position level. Please note that selecting the qualified account on the Account Detail tab does not automatically select the position tax deferred box for the existing positions, but by default, all new positions will display with the checkmark on the Tax Deferred box at the position level. Since the tax is deferred, the Cumulative Tax column on the Transaction tab will display a blank column, and the Tax Cost field on the Position Detail will be blank as well.

Roll Up Liabilities: This option is used to indicate the implications of the Loan Balance field on the Account Detail tab and is independent of the option on the Position Detail tab.

The roll up liability business rules:

1. If the Roll Up Liabilities option is not selected, then the Loan Balance field on the Account Detail tab is not protected and is accessible for manual data entry. Validation has no impact on the Loan Balance field on the Account Detail tab, even if there is a loan attached to the account on the Account Liability or Position Liability tabs.

2. If the Roll Up Liabilities option is selected, then the Loan Balance field on the Account Detail tab is protected and read-only. Validation will roll up the loan balance from the Position Detail Loan Balance field and any liability attached to the account on the Liability tab. It does not matter whether the Position Detail Loan Balance was manually entered or rolled up from the Position Liability tab. As long as there is a value on the Position Detail Loan Balance field, that value will be rolled up to the Loan Balance on the Account Detail tab.

3. The Liability tab at the account level displays the liabilities for the entire account, which include liabilities linked to the account and positions.

Roll Up Option: These options apply to all positions within the account; thus, the selected option defaults to the Position Detail tab as a read-only field.

When validation is run from the account level, it will check the account options to determine what needs to be done. On the Account Detail tab, for every position, as long as the position value is available on the Position Detail tab, that value will be rolled up to the Account Detail Account Value field. Only the Do Not Roll Up option will not have anything rolled up to the Account Value. Only when the option is set to Do Not Roll Up will the Account Value become accessible for manual data entry. Validation will recalculate or initialize the Net Value by taking the difference between the Account Value and the Loan Balance.

Position Level

Position Validation can be run from the Position Summary tab or from the Position Detail tab.

From the Position Summary, select the appropriate records and then select the **Validate Tagged Positions** button to begin the validation process. From the Position Detail tab, click the **Validate Position** button to begin the process.

Validation for Variable Annuities differs from other positions in that it has an additional subaccount level. For all roll up options, except the Do Not Roll Up option, each new subaccount has an Initial Purchase section that displays on the Subaccount Detail tab, and the values are summarized into the Subaccount Position Detail tab. This information can be rolled up into the VA Detail, Account Master Detail, Contact Benefits and the Household Investment values.

Roll Up Options

Roll Up Options is an Account Level Setting that provides the user with flexibility in enabling data validation for specific fields and changes accessibility to the position fields accordingly.

- **Do Not Roll Up:** This option disables data validation for the account. Running data validation (with the data validation button) on the account or any of the positions in the account will not result in any of the fields being recalculated. As they will not be recalculated through data validation, the following fields will become open fields that can be manually modified when the Roll Up Option for an account is set to Do Not Roll Up:

  1. Account Detail Account Value
  2. Position Detail Purchase Date
  3. Position Detail Initial Cost
  4. Position Detail Tax Cost
  5. Position Detail Purchase Cost
  6. Position Detail Shares
  7. Position Detail Share Date
  8. Position Detail Price
  9. Position Detail Price Date
  10. Position Detail Current Value

  The Transaction tab of any position within an account where the Roll Up Option has been set to Do Not Roll Up will not display values in the Cumulative Shares, Cumulative Cost or Cumulative Tax columns.

- **Roll Up Cash and Tax Cost:** This option sets data validation to recalculate the tax cost and purchase cost of a position from the transaction data while not recalculating the share balance of the position from the transaction data. The price and price date is validated from the security price history data and is used with the position shares to recalculate the position value and the account value. As they will not be recalculated through data validation, the following fields will become open fields that can be manually modified when the Roll Up Option for an account is set to **Tax and Cash Only**:

  1. Position Detail Purchase Date
  2. Position Detail Initial Cost
  3. Position Detail Shares
  4. Position Detail Share Date

  The Transaction tab of any position within an account where the Roll Up Option has been set to Tax and Cash Only will not display values in the Cumulative Shares column.

- **Roll Up Cash Cost Only:** This option sets data validation to recalculate the purchase cost of a position from the transaction data while not recalculating the tax cost or the share balance of the position from the transaction data. The price and price date is validated from the security price history data and is used with the position shares to recalculate the position value and the account value. As they will not be recalculated through data validation, the following fields will become open fields that can be manually modified when the Roll Up Option for an account is set to **Cash Cost Only**:
    1. Position Detail Purchase Date
    2. Position Detail Initial Cost
    3. Position Detail Tax Cost
    4. Position Detail Shares
    5. Position Detail Share Date

    The Transaction tab of any position within an account where the Roll Up Option has been set to Tax Cost Only will not display values in the Cumulative Shares and Cumulative Tax columns.

- **Roll Up Everything:** This option enables data validation to recalculate the following fields:
    1. Position Detail Purchase Date
    2. Position Detail Initial Cost
    3. Position Detail Tax Cost
    4. Position Detail Purchase Cost
    5. Position Detail Shares
    6. Position Detail Shares Date
    7. Position Detail Price
    8. Position Detail Price Date
    9. Position Detail Current Value
    10. Position Detail Net Value

    Note: Because these fields are being calculated, they will also become read-only.

- **Roll Up Current Values:** This option sets data validation to recalculate the position value and account value data from the position shares and position price data. The following fields will become open fields that can be manually modified as they will not be recalculated through data validation when the Roll Up Option for an account is set to **Current Values Only**:
    1. Position Detail Purchase Date
    2. Position Detail Initial Cost
    3. Position Detail Tax Cost
    4. Position Detail Purchase Cost
    5. Position Detail Shares
    6. Position Detail Share Date

    The Transaction tab of any position within an account where the Roll Up Option has been set to Current Values Only will not display values in the Cumulative Shares, Cumulative Cost or Cumulative Tax columns.

- **Roll Up Shares Only:** This option sets data validation to recalculate the share balance and share date of a position from the transaction data while not recalculating the tax cost or the purchase cost of the position from the transaction data. The price and price date is validated from the security price history data and is used with the position shares to recalculate the position value and the account value. As they will not be recalculated through data validation, the following fields will become open fields that can be manually modified when the Roll Up Option for an account is set to **Shares Only**:

    1. Position Detail Purchase Date
    2. Position Detail Initial Cost
    3. Position Detail Tax Cost
    4. Position Detail Purchase Cost

    The Transaction tab of any position within an account where the Roll Up Option has been set to Shares Only will not display values in the Cumulative Tax and Cumulative Cost columns.

- **Roll Up Tax Cost Only:** This option sets data validation to recalculate the tax cost of a position from the transaction data while not recalculating the purchase cost or the share balance of the position from the transaction data. The price and price date is validated from the security price history data and is used with the position shares to recalculate the position value and the account value. As they will not be recalculated through data validation, the following fields will become open fields that can be manually modified when the Roll Up Option for an account is set to **Tax Cost Only**:

    1. Position Detail Purchase Date
    2. Position Detail Initial Cost
    3. Position Detail Purchase Cost
    4. Position Detail Shares
    5. Position Detail Share Date

    The Transaction tab of any position within an account where the Roll Up Option has been set to Tax Cost Only will not display values in the Cumulative Shares and Cumulative Cost columns.

- **Roll Up Liabilities:** Roll Up Liabilities is used to indicate the implications of the Loan Balance field on the Position Detail tab. This option is independent of the one on the Account Detail tab. Thus, if this option is selected on the Account Detail tab, the user can clear the selection on the Position Detail tab. How validation rolls up liabilities:

    1. If the Roll Up Liabilities box is not selected, then the Loan Balance field on the Position Detail tab is not protected and is accessible for manual data entry. Validation has no impact on the Loan Balance field on the Position Detail tab, even if there is a loan entered on the Liability tab.
    2. If the Roll Up Liabilities box is selected, then the Loan Balance field on the Position Detail tab is protected and read-only. Validation will roll up the loan balance from the position level Liability tab into the Position Detail Loan Balance field.
    3. The Liability tab at the position level displays only the liabilities linked to a specific position.

If the Tax Deferred box is checked, the Cumulative Tax column in the Transaction tab will be initialized; therefore, the Tax Cost field on the Position Detail tab will be blank.

In any case, the Current Value and the Net Value are always calculated fields. Current Value is calculated by taking Share x Price x Price Factor, and Net Value takes the difference between the Current Value and Loan Balance.

Personal Holdings Validation

Personal Holdings are special types of investments such as Bank Accounts, Notes Receivable, Personal Property and Real Estate. They do not have a security master. Their Account Detail and Position Detail tabs are combined together and they do not display a Transaction tab because they do not have transactions.

There is a Roll Up Liabilities option on the Position Detail tab. If it is checked and there is a liability entered in the Liability tab attached to the position, then this liability is rolled up to the Loan Balance field. If the Roll Up Liabilities option is not checked, then the Loan Balance field becomes accessible for manual data entry.

Note: Bank Accounts have a Qualified/Tax Deferred option, but it is for informational purposes only.

Contact Validation

Three ways to validate contact records:

1. Contact Detail (for a specific contact)
2. Contact Summary (for selected contact records)
3. Side Menu – Data Validation (for entire office)

Investment validation will call Account Master and Liabilities Validation to validate all account masters for a contact. Each Account Master validation will in turn call Position and Liabilities validation for every position in that Account Master.

Contact Benefit Tab Validation

Investment validation will recalculate the Cost and Current Value columns on the Contact Benefit tab for each investment holding type (e.g., mutual funds, stocks, and bonds, regardless of the roll up options on the account master level). The cost and current value of each holding type is then summed up as Total Assets.

Other debts include any debt other than Real Estate, and it can be debt from the contact, account or position level. The business rules are as follows:

1. From the contact level, all unsecured liabilities are rolled up to the Contact Benefit – Other Debt area.
2. From the account level, roll up the Loan Balance from the Account Detail tab. It does not matter whether the Account Detail Loan Balance was manually entered or rolled up from the Account Liability tab. As long as there is a value in the Account Detail Loan Balance field, that value will be rolled up to the Contact Benefit - Other Debt area.
3. From the position level, roll up the Loan Balance from the Position Detail tab of all personal holdings (Bank Accounts, Notes Receivable and Personal Property).

Contact Benefit Tab

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In the lower left corner of the tab is a Validated As Of date. It displays when the data was last validated or updated. This information becomes useful when a user is unsure of whether the data has been refreshed or whether the account needs to be validated.

If there are multiple contacts associated with an Account Master record, SmartOffice will only post the investment information on the Contact Benefit tab of the Primary Contact.

Household Validation

Household validation can be opened from the Household Detail or Household Summary tab. From the Household Detail tab, click **Validate Current Household** to begin the validation. From the Household Summary tab, tag one or more household records and then select **Validate Tagged Households** from the **More Features** drop-down list.

Household Validation Business Logic

Household Validation is the same as contact validation except that the total is for the entire household. When Household validation is run, SmartOffice will run validation for each member of the household and summarize the total for investments.

Note that above the Remarks area is a Validated As Of date. This displays when this data was last validated or updated.