Accounts Receivable Overview

Revenue Management

It is the goal of The Office of the Comptroller to ensure that full accounting and reporting of Earned Revenue/Accounts Receivable due to the Commonwealth is accomplished through MMARS.   Earned Revenue/Accounts Receivable is defined as the full, measurable value of the services or goods provided by a department. The transaction must be completed and legally enforceable to the extent that payment is the only unresolved act.

The Accounts Receivable (AR) functional area in MMARS is a centralized revenue management tool capable of automating and managing the billing and collection functions of Commonwealth departments. Departments have the ability to establish customers and bill them for goods or services. They can receive payments and track delinquent accounts to be forwarded to Collections.

Prior to billing a customer, a variety of setup controls, both System and Department, must be established. Also a customer account and a billing profile for your customer must be created.

Accounts Receivable Billing Cycle
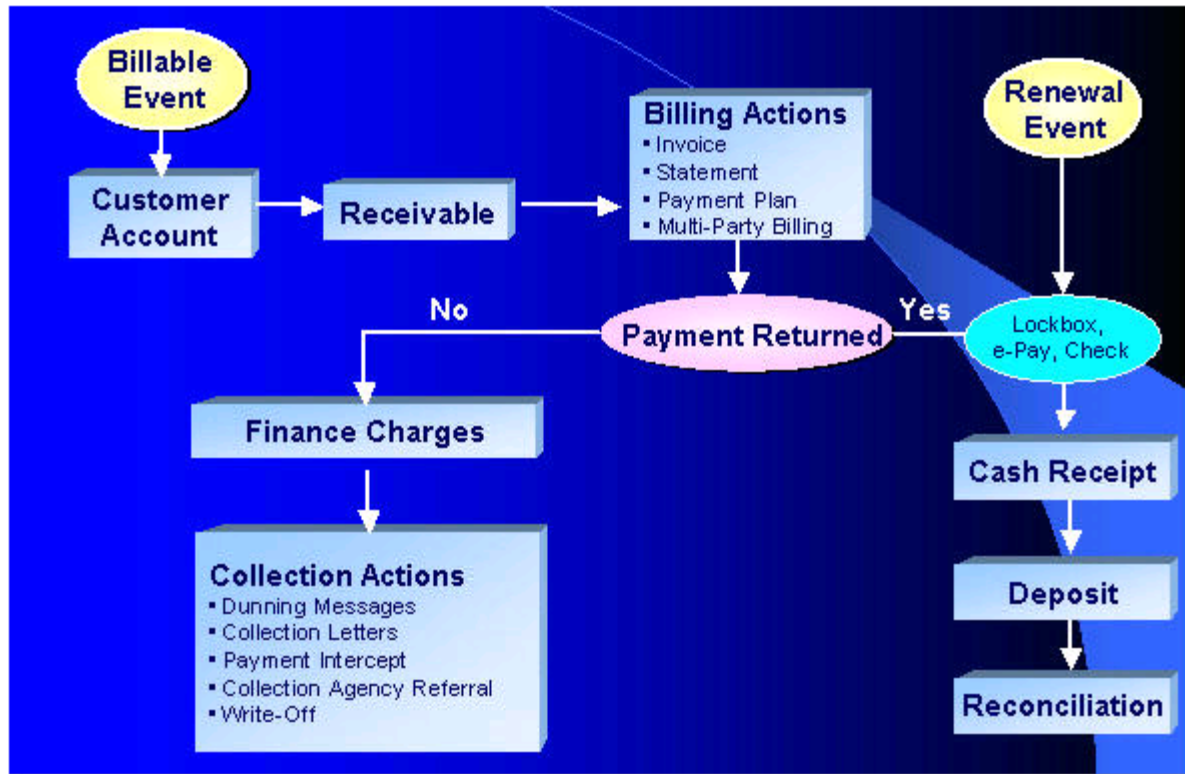
Billing Setup

System Wide Revenue Controls - SOPT & SPEC

There are two Comptroller controlled tables in MMARS that help establish behind the scenes coding for use on Billing and Accounts Receivable tables.

The first is the System Options Table (SOPT). This table provides a set of characteristics that guide budget and accounting activities. Each control or option that is set on SOPT is associated with a business rule that drives events/actions throughout the system. This table contains the collection of flags, rules and controls that guide processes that read these options and controls as guidelines. Records on SOPT are unique by Fiscal Year.

The second is the Special Accounts (SPEC) table. This table allows the definition of the default accounts and some special-purpose accounts by **Fiscal Year** that are used throughout MMARS. In general, the accounts set on the Special Accounts (SPEC) table are the default accounts that will be posted for the event types that are defined.

Here are a series of tables that are necessary to establish the Billing System Setup.

Billing Profile (BPRO)

The Billing Profile Table (BPRO) contains the required information necessary to establish a Billing Profile in MMARS. This is the table that defines the type of bill departments are issuing. It is a Comptroller controlled table.

Departments have their own view of this table, known as the Department Billing Profile Table "DBPRO". Some system-wide options established on the SOPT can be over-ridden on DBPRO.

Billing Instruction (BINST)

The Billing Instruction Table (BINST) contains the required information necessary to establish "Special Instructions" text printed on customer bills. Text on BINST is given a Billing Instruction Code. This table displays each individual code and the text associated with it.

The Billing Instruction code(s) for invoices will default on the Vendor line of the Receivable document based on the Billing profile.

Collection Control (COLLC)

The Collection Control (COLLC) table contains the required information necessary to establish a collection cycle in MMARS. This table contains an area to establish a specific number of days past due. Once this number has been reached, a Dunning Message or Collection Letter will print for the respective RE document.

The message on these notices will vary based on the Dunning Message or Collection Letter associated to the Collection Cycle. Departments may request specific collection cycles to meet their individual needs. The codes representing each department's cycles and the Dunning messages and Collection letters are displayed on this table.

This table is maintained by the Comptroller's Office.

Dunning Message (DNGM)

The Dunning Message (DNGM) table is where the specific dunning messages are established. There is a System-wide default Dunning message code, however, departments can have a variety of messages exist to remind vendor/customers that their accounts are past due. Departments may request specific wording that is unique to their department. This wording will have a unique code assigned to it. Departments may view this table to see what the wording is for the code used on the Collection Control table. The messages will be printed on all notices defined as past due by the Collection Control Table (COLLC).

This table is maintained by the Comptroller's Office.

Collection Letter (COLL)

The Collection Letter (COLL) table is where the specific collection letters are established. There is a System-wide default Collection Letter code and Collection Letter Text, however, departments can have a variety of messages exist to remind vendor/customers that their accounts are past due. Departments may request specific wording that is unique to their department. This wording will have a unique code assigned to it. Departments may view this table to see what the wording is for the code used on the Collection Control table. The messages will be printed on all notices defined as past due by the Collection Control Table (COLLC).

This table is maintained by the Comptroller's Office.

Vendor/Customer (VCUST)

Customers will be added online or through an interface using a VCC (Vendor Customer Creation) or VCM (Vendor Customer Modification) Document.

The VCC or VCM Document will update the:

- Vendor/Customer Table (VCUST)
- Customer Account Options Table (CACT)

Note: OSC policy will require a W-9 for Customer Registration. For more details refer to the Knowledge Center.

Customer Account Options (CACT)

The Customer Account Options Table (CACT), creates a relationship between a specific customer and a Billing Profile customer account. This step is <u>required</u> prior to billing the customer. Whenever applicable, this table will maintain third party information for the specific customer account. It also is capable of providing suppressed billing and billing location options for statement customers when applicable.

This is a department-controlled table.

Customer Account Information (CUSTA)

This department reference table supplies a summary view of the Customer Account financial information by Customer Code, Billing Profile and department. It displays the customer's current balance information for an account. Many fields contain a "Drill Down" functionality that allows the user to view the specific transactions that make up the figures.

Welcome, KRISTINE R DREA   Chart of Accts   Budget   Vendor/Customer   Procurement   Accts Payable   Accts Receivable   Cost Acctg   Fixed Assets   Payroll

Financials Production
▶ Message Center
▼ Search
   Page Search
   Document Catalog
▶ History
▶ Favorites
▶ Administration
   LCM Production
   Security Admin

Customer Account Information

Menu Quick Search

Customer	Name	Billing Profile	Department	Unit	Outstanding Balance
✓ VC7000077437	WILLIAM E. CHANNING SCHOOL	SSP1	OSD	ALL	$170.00

First Prev Next Last

Search

▼Current Balance

Customer :	VC7000077437	Earned Unliquidated Rec :	$170.00
Name :	WILLIAM E. CHANNING S	Earned Liquidated Rec :	$0.00
Billing Profile :	SSP1	Earned Collected :	$0.00
Department :	OSD	Unearned Unliquidated Rec :	$0.00
Unit :	ALL	Unearned Liquidated Rec :	$0.00
Unliquidated Amount :	$170.00	Unearned Collected :	$0.00
Liquidated Amount :	$0.00	Refund Unliquidated Rec :	$0.00
Collected Amount :	$0.00	Refund Liquidated Rec :	$0.00
Short-Payment Tol :	$0.00	Refund Collected :	$0.00
Over-Payment Tol :	$0.00	Deposit Unliquidated Rec :	$0.00
Outstanding Balance :	$170.00	Deposit Liquidated Rec :	$0.00
Written Off Amount :	$0.00	Deposit Collected :	$0.00
Unreserved Credit Balance :	$0.00	Third Party Code :	
Reserved Credit Balance :	$0.00	Third Party Unliquidated Rec :	$0.00
		Third Party Liquidated Rec :	$0.00

Billing Process

A **Receivable Document (RE)** is used to record the provision of a good or service and the resulting accounts receivable. Departments are required to report all Earned Revenue/Accounts Receivable activity either in detail or summary fashion in NewMMARS using a Receivable Document. Earned Revenue/Accounts Receivable is defined as the full, measurable value of the services or goods provided by a department.

There are two Receivable Types; Regular and Summary. Both are entered using the RE document.

A **Regular Receivable** Document is used by a department to record Earned Revenue/Accounts Receivable at a detail level. A Department must enter a Regular Receivable Document to recognize a debtor's obligation to pay when the goods are delivered or services performed. Regular Receivable Documents will automatically generate a billing notice (invoice or statement).

A **Summary Receivable** Document is used by a department to record Earned Revenue/Accounts Receivable at a summary level. A Department must enter and maintain one Summary Receivable Document that accurately represents the net value of the Earned Revenue/Accounts Receivable by revenue source code across fiscal years. Summary Receivable Documents will not generate any billing notices.

Invoices
Receivable Documents that are billed with Invoices are automatically scheduled to print once they have been accepted in MMARS. Once the predefined number of days past

due on the Collection Control Table (COLLC) has been reached, Dunning notices or Collection Letters will automatically print. A "Future Document Triggering" capability allows for recurring creation of RE documents and the respective billing.

Statements
A Statement is a summary of a customer's activity, by department, within a predefined period. Statement attributes are defined on the Billing Profile Table.

Payment Plan
Payment Plans are established by departments. They allow a Receivable document to be paid over a prearranged schedule. Intercept functionality is suppressed while a receivable document is associated with an active payment plan. Once a receivable document is associated with an active Payment Plan the standard billing process will be suspended. The aging of the receivable is also stopped. Payment Plans offer full text support and a fully automated payment scheduler. The scheduler may be set up by Amount, Duration or Manually.

The following are the output forms available for payment plans:
- Agreement
- Reminder
- Completion
- Cancellation

Third Party Billing
Multiple Third Party functionality enables the Commonwealth to bill multiple individuals or organizations for the same receivable event. The billing parties involved will negotiate the financial responsibility among themselves and remit, either collectively or individually, payment for the entire debt.

Single Third Party functionality enables the Commonwealth to bill an entity (individual or organization) that did not incur the earned revenue/accounts receivable event but has been determined to be responsible for payment. The alternate billing customer identification and address codes are entered on the Third Party Options section of the Customer Accounts Options Table (CACT).

The scanline information printed on the payment coupon reflects the party who is billed, which assists the Department in properly crediting and reconciling the account of the party who made the payment.

Renewal Notice Management
Renewal Notices can only be interfaced. MMARS acts as a pass-through only; no user data is stored. MMARS will print Renewal notices as files are received (in the nightly batch cycle). The Commonwealth Information Warehouse, (CIW), can be used by Departments to reconcile between payments and renewal information, via a Cash Receipt query.

Receivable Table Updates
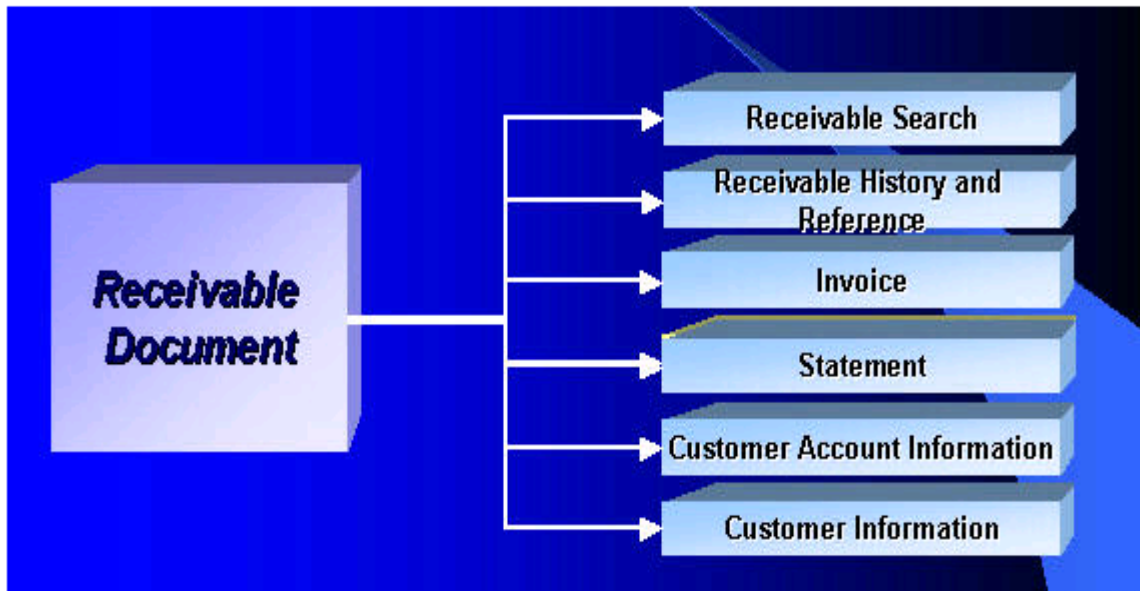
Payment Methods Supported

There are three ways in which payments will be processed in MMARS.
1. Lockbox Processing
2. E-Pay via the Internet (Electronic Payments)
3. Cash Payment Received at the Department

Cash Receipt - CR Document
The Cash Receipt Document allows you to enter accounting events that record all monies collected, including collections against outstanding receivables, customer accounts, and cash basis collections with no document or customer account reference. It supports cash collection for all customer types.

Intercept in MMARS
The Intercept functionality is fully integrated into MMARS. It allows external entities to interface delinquent debt via the Comptroller's Intercept web Application. It offsets payments to relieve both internal, (system RE documents) and external debts, (city/town, DOR debt). The Intercept functionality has the ability to both transmit to and receive data files from external payment systems. There is a wide level of system controls to minimize invalid offsets. It also has the ability to automatically apply multiple processing fees to delinquent debt records.

Debt Collection
A Collection Agency is a valid vendor established on the Collection Agency Agreement Table, (COLLA).

Write Off - WO Document
The department submits a manual request to Comptroller with supporting paperwork. Comptroller marks the RE as approved for Write-Off. The WO Document is automatically generated. This process also allows for total, partial and percent based manual write-offs. Departments that have more than 100 Receivables to be written off should submit a WO Interface file to the Comptroller's Office. This file can be loaded to

MMARS once the write off's have been approved. Refer to the Knowledge Center for Policy/Procedure.

Document Catalog
The Document Catalog is a repository for all documents entered into the system. You can search for existing documents or create new documents in the Document Catalog.

The Document Catalog performs the following functions:
- Displays all documents, acts as central repository for all documents processed by the Commonwealth in MMARS
- Tracks the various phases and statuses with <u>U</u>niversal <u>A</u>ccess <u>ID</u>s, (UAIDs), of who processed the documents
- Retains all final versions with UAIDs until archived

For more detailed information complete the Accounts Receivable [CTR Statewide Learning](#) courses.