

Accounts Receivable Overview

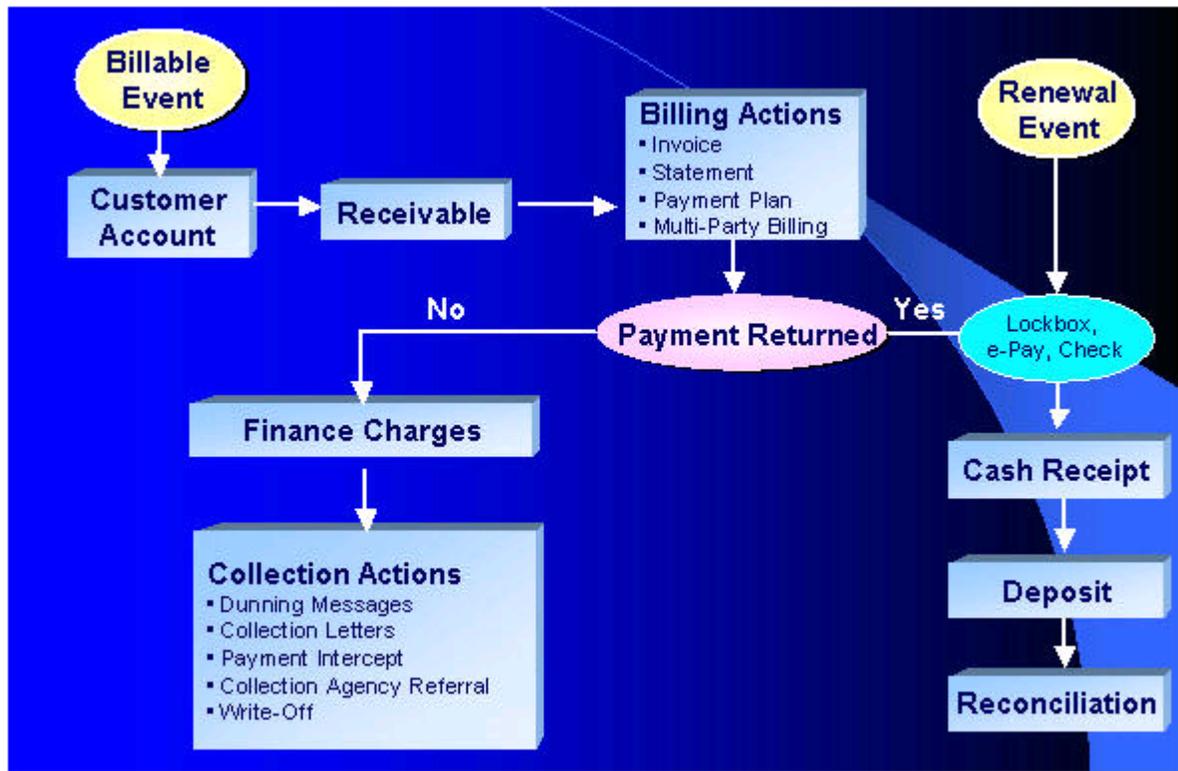
Revenue Management

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.

MMARS Commonwealth of Massachusetts

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Billing Profile

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Department	Unit	Billing Profile	Name	Billing Type
✓ OSC	ALL	0001	OFFICE OF THE COMPTROLLER	Invoice

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General Information

Department: Day Not in Month:

Unit: Weekend Holiday:

Billing Profile: Statement Frequency:

Name: Statement Month:

Billing Type: Statement Day:

Invoice Instruction: Expanded Statement:

Collection Agreement: Statement Instruction:

Decrease Accounting Template: Last Statement End Date:

Central Remit: Next Statement End Date:

Output Distribution: Next Statement Print Date:

Final Statement:

Organization/Contact Information

Options and Controls

SPEC Accounts

Payment Plan Options

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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 overridden 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 screenshot displays the MMARS web application interface for the Billing Instruction table. The top navigation bar includes the MMARS logo and the text 'Commonwealth of Massachusetts'. Below the navigation bar, there are several menu items: Home, Personalize, Help, Accessibility, and Logout. The main content area is titled 'Billing Instruction' and features a table with the following data:

Department	Unit	Billing Instruction	Name
✓ OSD	ALL	RAUC1	OSDAUC1
OSD	ALL	RCRP1	OSDCRP1
OSD	ALL	ROVM1	OSDOVM1
OSD	ALL	RSSP1	OSDSSP1

Below the table, there are input fields for the following fields:

- *Department: OSD
- *Unit: ALL
- *Billing Instruction: RAUC1
- Name: OSDAUC1
- Instruction Text: HEARING ADDRESS: IF THIS IS A PAST DUE NOTICE (AND NOT AN INITIAL INVOICE) YOU MAY MAIL A WRITTEN REQUEST FOR A

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.

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Collection Control

Menu Quick Search

Department	Unit	Collection Cycle	Name
✓ OSC	ALL	EDI1	OSCALLEDI1 Collection Cycle

First Prev Next Last

Save Undo Delete Insert Copy Paste Search

Department:

Unit:

Collection Cycle:

Name:

Days Past Due	Dunning Message	Dunning Message Name	Collection Letter	Collection Letter Name
✓ 1	0001	Default Dunn 1		
31	0002	Default Dunn 2		
61	0003	Default Dunn 3		
91	0004	Default Dunn 4		
120			0001	DEFAULT

Delete Insert Copy Paste First Prev Next Last

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).

The screenshot shows the MMARS interface for the Commonwealth of Massachusetts. The top navigation bar includes links for Home, Personalize, Help, Accessibility, and Logout. Below this, a secondary navigation bar lists various financial modules: Chart of Accts, Budget, Vendor/Customer, Procurement, Accts Payable, Accts Receivable, Cost Acctg, Fixed Assets, and Payroll. A left-hand menu contains categories like Financials Production, Message Center, Search, History, Favorites, Administration, LCM Production, and Security Admin.

The main content area displays the 'Dunning Message' table with the following data:

Department	Unit	Dunning Message	Name
✓ ALL	ALL	0001	Default Dunn 1
ALL	ALL	0002	Default Dunn 2
ALL	ALL	0003	Default Dunn 3
ALL	ALL	0004	Default Dunn 4
BCA	ALL	BCA1	BCABCA1

Below the table is a form for creating or editing a dunning message. It includes fields for Department (ALL), Unit (ALL), Dunning Message (0001), and Name (Default Dunn 1). A text area for 'Dunning Message Text' contains the following message:

YOUR ACCT IS PAST DUE. PLEASE DISREGARD IF PYMT WAS MADE. WITHIN 15 BUSINESS DAYS FROM THE DATE OF THIS NOTICE YOU MUST EITHER REMIT THIS AMOUNT, CALL THE LISTED CONTACT PERSON TO DISPUTE THIS DEBT, OR SUBMIT A WRITTEN REQUEST FOR MGL C.30A HEARING (UNLESS EXEMPTED BY LAW)

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).

The screenshot shows the MMARS interface for the Commonwealth of Massachusetts, similar to the previous one. The main content area displays the 'Collection Letter' table with the following data:

Department	Unit	Collection Letter	Name
✓ ALL	ALL	0001	DEFAULT

Below the table is a form for creating or editing a collection letter. It includes fields for Department (ALL), Unit (ALL), Collection Letter (0001), and Name (DEFAULT). A text area for 'Letter Text' contains the following message:

PLEASE BE ADVISED THAT YOUR ACCOUNT HAS BEEN DEEMED DELINQUENT FOR FAILURE TO PAY AND HAS BEEN REFERRED FOR ASSESSMENT OF AUTHORIZED LATE CHARGES, INTERCEPT OF OTHER STATE PAYMENTS AND REFERRAL TO A COLLECTION AGENCY. MULTIPLE NOTICES OF YOUR RIGHT TO

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 screenshot displays the MMARS Vendor/Customer management interface. At the top, there is a navigation bar with links for Home, Personalize, Help, Accessibility, and Logout. Below this is a secondary navigation bar with links for Chart of Accts, Budget, Vendor/Customer, Procurement, Accts Payable, Accts Receivable, Cost Accts, Fixed Assets, and Payroll. The main content area is titled 'Vendor/Customer' and includes a 'Menu Quick Search' link. A table lists Vendor/Customer records with columns for Vendor/Customer, Legal Name, Vendor Active Status, and Customer Active Status. The first record is highlighted in yellow and shows Vendor/Customer: VC7000000167, Legal Name: BASS RIVER INC, Vendor Active Status: Inactive, and Customer Active Status: Active. Below the table is a 'General Info' section with various fields for Vendor/Customer details, including status, approval, and contact information.

Vendor/Customer	Legal Name	Vendor Active Status	Customer Active Status
✓ VC7000000167	BASS RIVER INC	Inactive	Active

General Info

Vendor/Customer: VC7000000167 Restrict Use by Department:

Legal Name: BASS RIVER INC Miscellaneous Account:

Alias/DBA: Internal Account:

Vendor Active Status: Inactive Third Party Only:

Vendor Approval Status: Incomplete Third Party Vendor:

Customer Active Status: Active Third Party Customer:

Customer Approval Status: Complete Inventory Customer:

Active From: 06/26/2004 Active To:

Location Name: Department: Unit:

First Name: Middle Name: Last Name: Company Name: BASS RIVER INC

Headquarters: Organization: Disbursement Options:

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 required 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.

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Customer Account Options

Menu Quick Search

Customer	Name	Billing Profile	Department	Unit	Billing Type	Address ID
✓ VC7000077437	WILLIAM E. CHANNING SCHOOL	SSP1	OSD	ALL	Invoice	AD001

First Prev Next Last

Save Undo Delete Insert Copy Paste Search

General Information

Customer: VC7000077437 Suppress Billing:

WILLIAM E. CHANNING SCHOOL Suppress Past Due Billing:

Address ID: AD001 Bill Parent: false

Billing Profile: SSP1 Collection Cycle: []

Department: OSD Electronic File Type: []

Unit: ALL File Prefix: []

OPERATIONAL SERVICES DIVISION

Billing Type: Invoice

Final Statement: []

Billing Location: Customer Only

Third Party Options

Change Management

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Modify Existing Record Add New Customer Account

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.

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Customer Account Information

Menu Quick Search

Customer	Name	Billing Profile	Department	Unit	Outstanding Balance
✓ VC700077437	WILLIAM E. CHANNING SCHOOL	SSP1	OSD	ALL	\$170.00

First Prev Next Last

Search

▼Current Balance

Customer:	VC700077437	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.

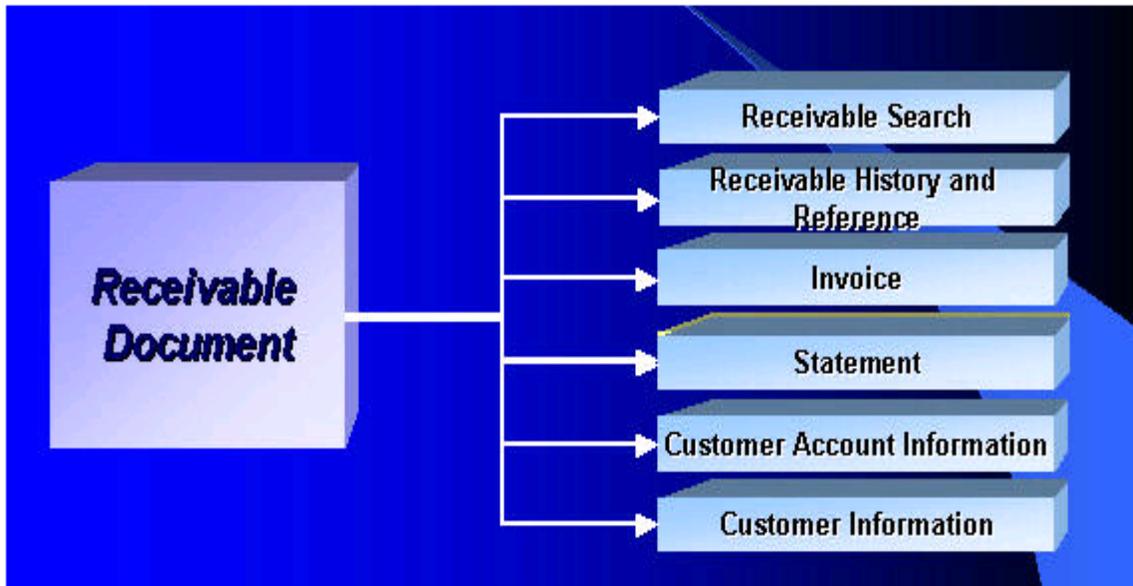
Single Third Party functionality enables the Commonwealth to bill an entity (individual or organization) that did not incur the earned revenue/accounts receivable event but has been determined to be responsible for payment. The alternate billing customer identification and address codes are entered on 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 Universal Access IDs, (UAIDs), of who processed the documents
- Retains all final versions with UAIDs until archived

For more detailed information complete the [Accounts Receivable eLearning modules](#).