Accounts Receivable Basic Concepts

Version 2.1 January 2014

FAMIS Services
The Texas A&M University System

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Session I Customers

Session I - Customers

Purpose

To describe how to create customers in Accounts Receivable.

Objectives

Enable you to:

- Define terminology
- Search the customer file
- Describe the customer number schema
- Define customer alias capability
- Define the control flags for use with the customers

Those who purchase goods or services from the institution.

Purpose

To identify those who owe payment for goods or services received from the institution.

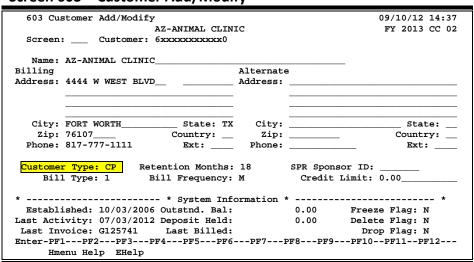
Customer Attributes:

Customer Name Customer Address Customer Phone Customer Type

Customer Types:

CP Corporation
 IN Individual
 NP Non Profit Organization
 PT Other TAMUS Parts
 RF Research Foundation
 SP Sponsored Research

Screen 603 - Customer Add/Modify



Customer Number

Definition

13-digit identifier for a customer.

Purpose

To uniquely identify a customer.

EXAMPLES:

13 numbers TAES <u>0621133400000</u>

2 alpha characters D.L. Smith <u>UN56700106100</u>

11 numbers

Format

Customers

Customer number formats generally appear as:

Option 1

UN + Universal Identification Number (UIN) of customer

Example: **UN**101001234

Option 2

68 + a unique number (No SSN)

Example: <u>68</u>44432222212

Federal

Federal Identification Number of customer (if less than 13 digits, may begin or end with user-defined sequence of numbers).

Example: 1234567891023

Other Agencies

Part/Agency Number (2 digits) + Subsidiary Ledger Account Number (6 digits) + Support Account Number (5 digits)

Example: **02**5555511111

SPR Customer

SPR Sponsor ID is 0000187

FRS Accounts Receivable customer ID is SP00001870000

Search of AR for customer by name rather than by customer number.

Purpose

- Access customer number when all you have is customer name
- Check to see if the customer already exists in the system

Basic Information

Customer Search Process

Any screen with a *Customer* field can be used to search for a specific customer. Since <u>Screen 602</u> is a search screen, you would enter the customer's name in the *Customer* field to view the desired information.

After advancing to a screen, an asterisk (*) can be entered in the *Customer* field to access the customer file list in alphabetical order. Any portion of the customer name can be included in the *Customer* field; FAMIS will use the available data to match what is on the customer file list.

After searching through the displayed list, if the specified customer is located, tab to the space next to the customer's name, type an "X," and press <ENTER>. This will place the customer information on the screen currently in use, and when you advance to other screens this information will pass to these screens.

Screen 602 - Customer Name Search

602 Customer Name Search				09/10/12	14:39
				FY 2013	CC 02
Screen: Customer: ANIMAL_					
Name	Customer I	rop	Alias	City	State
_ ANIMAL & BIRD HEALTH CARE CENT	68xxxxxxxxx00	N	N CHERRY	HILL	NJ
_ ANIMAL AID	68xxxxxxxxx00	N	N TALLAHA	ASSEE	FL
_ ANIMAL AID CLINIC SOUTH	68xxxxxxxxx00	N	N ELKHAR	r	IN
_ ANIMAL ALLEY VETERINARY HOSPIT	68xxxxxxxxx00	N	N SAGINAV	₹	MI
_ ANIMAL ALTERNATIVES	68xxxxxxxxx00	N	N TAMPA		FL
_ ANIMAL AND BIRD HOSPITAL OF CL	68xxxxxxxxx00	N	N CLEARWA	ATER	FL
_ ANIMAL AND BIRD HOSPITAL OF DE	68xxxxxxxxx00	N	N DEL MAI	₹	CA
_ ANIMAL AND BIRD MEDICAL CENTER	68xxxxxxxx80	N	N PALM H	ARBOR	FL
_ ANIMAL AND EXOTIC MEDICAL CENT	68xxxxxxxxx00	N	N LUTZ		FL
_ ANIMAL ARK ANIMAL HOSPITAL	68xxxxxxxxx00	N	N FRANKL	IN	TN
_ ANIMAL ARK PET HOSPITAL INC.	68xxxxxxxxx00	N	N ERIE		PA
_ ANIMAL ARK PET HOSPITAL, INC.	68xxxxxxxxx00	N	Y ERIE		PA
_ ANIMAL ARK VETERINARY CLINIC	68xxxxxxxxx00	N	N BALDSW	INSVILLE	NY
_ ANIMAL CANCER IMAGING CENTER	68xxxxxxxxx00	N	N CANTON		MI
_ ANIMAL CARE @ TWIN LAKES CENTE	68xxxxxxxxx00	N	N JACKSON	WILLE	FL
** More Customers **					
Enter-PF1PF2PF3PF4PF5PF6PF7PF8PF9PF10PF11PF12					
Hmenu Help EHelp					

More than one customer name associated with a customer number.

Purpose

To allow more than one customer name associated with a customer number.

Basic Information

Example:

J.A. Navaso Navaso, J. A.

Screen 607 - Customer Name Alias Maintenance

607 Customer Name Alias Maintenance	09/10/12 14:41
	FY 2013 CC 02
Screen: Customer: 68xxxxxxxxx00 TAMU DEVELOPM	MENT FOUNDATION
Dro	p
Customer Alias: A&M FOUNDATION	
Enter-PF1PF2PF3PF4PF5PF6PF7PF8I	PF9PF10PF11PF12
Hmenu Help EHelp	

Customer Flags

Definition

Data elements used to set controls.

Purpose

To define limits on customer activity.

Basic Information

<u>Types</u>

Freeze Activity Delete Drop

Valid Values

N (No) Flag turned off Y (Yes) Flag turned on

Screen 643 – Customer Flag Set / Reset

```
643 Customer Flag Set/Reset LAGRANGE VETERINARY HOSPITAL 09/10/12 14:45
FY 2013 CC 02
Screen: ___ Customer: 6804113400000 Invoice: ____ Account: _____

Customer Flags

N - FREEZE this Customer
N - DELETE this Customer
N - DROP this Customer (must be deleted first)

Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
Hmenu Help EHelp Warns
```

Customer Freeze Activity Flag

Used to restrict invoice activity for a customer.

Function:

System does not accept any requests for new invoice activity for customer.

Setting:

Manually set in real time.

Customer Delete Flag

Used to indicate that no further invoice activity can be processed for a customer.

Function:

Restricts new invoices and maintenance transactions against a customer.

Special Processing:

- Customer cannot have any outstanding invoices
- All invoices must be paid and reconciled or voided

Customer Drop Flag

Used to identify customer to be purged.

Function:

Physically removes customer from file at month end.

Setting:

Delete flag must be set to "Y."

Customer Flags (cont'd)

Quiz - Customers

1.	. Match the following terms with their definitions:				
	Customer	A. Data elements used to set controls			
	Customer Flags	B. Another name for the same customer			
	Customer File	C. Anyone to whom you make or record a payment			
	Customer Number	D. Search of AR for customer by name rather than by customer number			
	Name Search	E. Thirteen-character identifier for a customer			
	Customer Alias	F. Stores descriptive and dollar data for a customer			
2.	What screen is used to freeze a custo	mer?			
3.	Name one advantage of customer alia	as?			

4. Reference Screen M61 to answer the following questions: Menu M61 - Accounts Receivable Menu M61 Accounts Receivable Menu 03/21/11 10:20 FY 2011 CC AM Screen: ___ Customer: __ __ Invoice: __ *----* *----* 602 Customer Name Search 603 Customer Add/Modify 603 Customer Add/Modify 604 Customer Comments 605 Customer System Information 607 Customer Alias Maintenance 608 Customer Number Modify 609 Customer System Information 609 Customer Number Modify 609 Customer System Information 609 Customer System Information 600 Customer System Information 600 Customer System Information 600 Customer System Information 600 Customer System Information 601 Invoice Create 602 Customer System Information 603 Customer System Information 603 Customer System Information 603 Customer System Information 604 Customer System Information 605 Customer System Information 607 Customer System Information 608 Customer System Information 608 Customer System Information 609 Customer System Information 609 Customer System Information 609 Customer System Information 600 Cust 621 Transfer Invoice to New Customer 627 Transactions by Batch 640 Credit Invoice 630 Batch Open 641 Credit Invoice Line Item 643 Customer Flag Maintenance M62 A/R System Controls Enter-PF1---PF3---PF3---PF5---PF6---PF9---PF9---PF10--PF11--PF12--Hmenu Help EHelp A. What screen would you use to view the results of a name search in which there was more than one match? B. What screen is used to create customers? C. Which screen would you reference to find out a customer's alias? 5. True or False: If a customer flag is set to "N" the flag is turned off. There can be different customer number formats.

Session II Invoices

Session II – Invoices

Purpose

To describe how to create invoices in AR.

Objectives

Enable you to:

- Define terminology
- Create/modify/delete invoices
- Inquire on the status of an invoice

The record of the bill that is sent to the customer itemizing the goods or services received.

Purpose

Helps track the goods or services sold and amount of required payment.

Basic Information

Invoices in FAMIS are records of an accounting event only. FAMIS does not print an invoice; however, Past Due Notices can be prepared and printed to send to customers.

Invoice Types

DP Departmental IN Insurance

SP Sponsored Research

Invoice Number

Each invoice has a unique seven character/digits identifier. The first character, usually a letter, is called the Invoice Prefix, followed by six digits.

Invoice Prefixes

Each prefix is used to group like invoices together and give sight recognition to the type of invoices. The "R" and "Z" prefixes have special meaning and usage in the system.

Examples of the invoice prefixes, set on Screen 681, are:

Value	Meaning		
0	All general invoices		
С	CSC		
Р	Physical Plant		
T Centrex/Telecom			
S	S Stores		
B Transportation/etc.			
L Large Animal			
Q From IDT/AB form			
SPR Billing Related			
R	Reg SPR Invoices		
Z	SPR Invoices that DO NOT Create a Receivable		

Invoice Create

Creating an invoice begins on <u>Screen 610</u>, where the header information is entered.

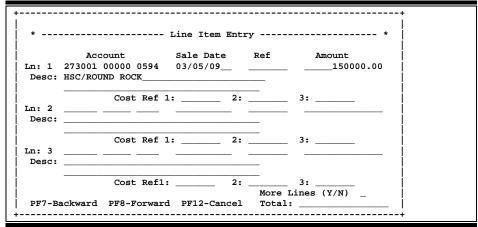
Screen 610 - Invoice Create

610 Invoice Create	04/07/09 08:22
	FY 2009 CC 01
Screen: Customer:	Invoice:
* Invoice Information *	* Override Bill to Information *
Billing Dept: FAPC_	Name:
Invoice Type: DP	Address:
Due Date: 04/04/2009	
Bill Period Begin: 03/05/2009	
Bill Period End:	City: State:
Customer PO:	Zip: Country:
Customer Acct:	Phone: Ext:
Customer Proj:	
Work Order:	
SPR Project:	
Sponsors Bill Seq:	
Suppress Past Due:	
suppress Past Due: _	
	0.00 Batch: JAC001 Date: 04/07/2009
Enter-PF1PF2PF3PF4PF5PF6	5PF7PF8PF9PF10PF11PF12
Hmenu Help EHelp	617 Warns

After successfully entering the invoice header information, the Line Item Entry pop-up window will appear as shown below. Invoice items from both State and Local accounts may be entered for the same customer.

At least one line item must be entered before an invoice number can be assigned.

Screen 610 - Line Item Entry Pop-Up Window



Invoice Header Modify

Definition

Invoice header information can be changed after the invoice has been created. This is a special screen available to modify the information on the original invoice header.

Purpose

To provide a mechanism to modify or change the original invoice header.

Basic Information

Attributes:

Billing Department Invoice Type Due Date Customer PO Number

Once an invoice is created using <u>Screen 610</u> (Invoice Create), you may modify or correct the header information using <u>Screen 620</u> (Invoice Header Modify).

Screen 620 – Invoice Header Modify

```
620 Invoice Header Modify
                                                               04/07/09 09:29
                                                                FY 2009 CC 02
 Screen: ___ Invoice: Q008729
              Customer: 0nnnnnnnnnn
                                       02 BIOLOGY ART ARTSON
* ----- Invoice Information ----- *
                                       * -- Override Bill to Information -- *
     Billing Dept: BIOL_
                                         Name:
     Invoice Type: DP
                                      Address:
         Due Date: 09/04/2008
Bill Period Begin: _____
                                         City: _
                                                                   State: __
  Bill Period End: _
      Customer PO: ___
                                                                 Country: ___
                                          Zip:
    Customer Acct: __
                                        Phone:
    Customer Proj: _
       Work Order: _
      SPR Project: _
Sponsors Bill Seq:
   Past Dues Sent: 1_
Suppress Past Due: \_
Transactions:
                  0 Amount:
                                     0.00 Batch:
                                                           Date:
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
     Hmenu Help EHelp
```

Additional line items can be entered after the invoice has been created. This is a special screen available to create additional lines to the original invoice.

Purpose

To provide a mechanism to add new lines to the original invoice.

Basic Information

A new invoice line item number is assigned when the new line item is accepted.

Screen 611 - Line Item Create

```
611 Line Item Create 04/07/09 08:32
FY 2009 CC AM

Screen: ___ Customer: 2nnnnnnnnnn Invoice: F101872

Account: 273001 00000 0595
Ref: 1234__
Sale Date: 04/05/2009__
Amount: 150.00___
Description: HSC/ROUND ROCK TWO___

Cost Ref 1: ___ 2: ___ 3: ___

Transactions: Amount: Batch: JAC001 Date: 04/07/2009
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
Hmenu Help EHelp Warns
```

Line Item Adjustment

Definition

A modification to an invoice line item amount, not a payment or credit.

Purpose

To modify the dollar amount recorded on the line item.

Basic Information

This screen is used to adjust an amount, not to record a payment.

Adjustments Available:

D (Debit) Increase Line Item Amount
C (Credit) Reduce Line Item Amount

You can use <u>Screen 612</u> to increase or decrease a previously entered invoice line item amount. The amount necessary to increase/decrease is entered in the **Amount** field and the appropriate D/C value must be chosen.

Screen 612 - Line Item Adjust

```
612 Line Item Adjust
                                                               04/07/09 08:33
                                                                FY 2009 CC AM
 Screen: ___ Invoice: F101872 Line: 01
          Date: 05/04/2009
                                         Transaction Type: C (Charge)
           Ref:
        Amount: 1500.00_
   Description: ADJUST AMOUNT ERROR_
          D/C: D D - Increase Line Amount
                    C - Reduce Line Amount
                          Current Line Item Status
      Customer:
   Acct Number:
   Description:
    Cost Ref 1:
                                  3:
   Posted Date:
                                                          0.00
                                        Amount:
                                   Paid Amount:
                                                          0.00
     Sale Date:
Transactions:
                  0 Amount:
                                     0.00 Batch: JAC001 Date: 04/07/2009
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12--
     Hmenu Help EHelp
```

Payments made to the institution, based on an invoice sent for goods or services received.

Purpose

To record the payment for goods or services received.

Basic Information

- C Pay Line Item
- D Reverse Payment on Line Item

Screen 615 - Post Line Item Payment

```
615 Post Line Item Payments
                                                             04/07/09 08:34
                                                              FY 2009 CC AM
 Screen: ___ Invoice: F101872 Line: 02
         Date: 05/04/09
                                          Transaction Type: P (Payment)
 Ref/Check Nbr: 2344_
    Check Date: 05/01/09
       Amount: 2000.00_
   Description: HSC _
          D/C: C C - Pay line item
D - Reverse Payment on line item
   ----- Current Line Item Status ------
  Customer: HSC/ROUND ROCK
  Acct Nbr:
      Desc: HSC
   Net Due:
                    0.00
                   Paid Amt:
                                    0.00 Retained: 0.00 Disallow:
 Posted Dt:
                                                                    0.00
   Sale Dt:
                                                                    0.00
                                     0.00 Batch: JAC001 Date: 04/07/2009
Transactions:
                0 Amount:
Enter-PF1---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12--
     Hmenu Help EHelp
                                                                    Warns
```

OR

Screen 616 - Search Invoices and Post Payments

```
05/14/09 17:12
  616 Search Invoices and Post Payments
                        HTR/ROUND ROCK
                                                                  FY 2009 CC AA
            _ Customer: 2nnnnnnnnnn0 Invoice: A100002 Invoice Search: _
 Screen: __
           Net Invoice Amount Due: 10009.99
  Enter 'Y' to pay Net Amount Due: Y Check No: 1234_
                                                      Check Date: 05/04/2009
                                                 Net Amt Pay line
                                                                     Amount
Line
           Account
                           Description
                                                   Due
                                                           Amount
                                                                      Paid
  1 347003 00000 0488 BAG
2 347003 00000 0437 GOLF CLUBS
                                                  10000.00
                                                      9.99
                         ** End of Line Items **
                33 Amount: 905529.61 Batch: ARP001 Date: 05/14/2009
Transaction:
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
     Hmenu Help EHelp
                                         Back Fwd
                                                                        Warns
```

Invoice Payment (cont'd)		

Session III Credit Invoices

Session III - Credit Invoices

Purpose

To describe how to create credit invoices in Accounts Receivable.

Objectives

Enable you to:

- Define terminology
- Identify screens used for Credit Invoices

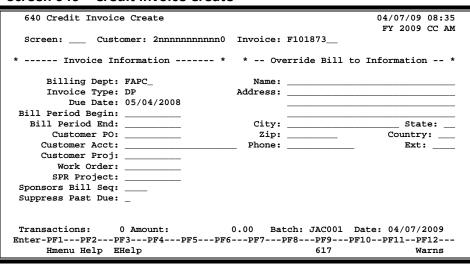
Credit issued to a customer on an invoice.

Purpose

To record credit given to a customer on goods or services received.

Functionality is the same for Credit Invoices as for Invoices except that the accounting is a credit instead of a debit. After successfully entering the Credit Invoice Header information, the Line Item Entry pop-up window appears.

Screen 640 - Credit Invoice Create



Screen 641 – Credit Line Item Create

```
641 Credit Line Item Create
                                                               04/07/09 08:35
                                                               FY 2009 CC AM
 Screen: ___ Customer: HTR/ROUND ROCK__ Invoice: F101573_
                      **** Credits ****
      Account: 273000 00000 0295
          Ref:
     Sale Date: 05/04/2009
        Amount: 450.00_
   Description: RETURN_
    Cost Ref 1: _____ 2: ____ 3: _
                                          Batch: JAC001 Date: 04/07/2009
Transactions:
                  Amount:
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
     Hmenu Help EHelp
```

Session IV Accounts Receivable Special Topics

Session IV – AR Special Topics

Purpose

To extend understanding of the Accounts Receivable related functions.

Objectives

Enable you to:

- Explain Past Due Notices
- Review Processing AR Data
- Understand the AR System Controls

Past Due Letter

Definition

Letter printed to be sent to the customer indicating that the payment owed to the institution is overdue.

Purpose

To remind the customer that payment is due to the institution.

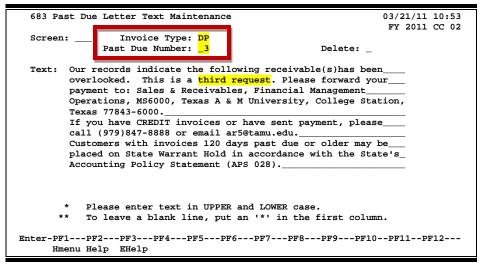
Basic Information

Past Due Notices are generated with the end of month processing and pulled based on invoice date.

You can create different notices based on **Invoice Type**. In the following example, there is a specific notice created for all the invoices under the type of DP (Department). You may also create "escalating" notices for each Invoice Type beginning with **Past Due Number**=01 and then **Past Due Number**=02, etc.

Each time a Past Due Notice is sent, the Past Due Notice number is displayed on <u>Screen 620</u> for the particular invoice.

Screen 683 - Past Due Letter Text Maintenance



Processing Dollar Data

Sequence	Process
1	Organize source documents
2	Open a session
3	Post transactions
4	Reconcile the session
5	Close the session
6	Review results of processing

Session / Batch

Definition

A control mechanism to track real-time posting of a group of financial transactions.

Purpose

To provide an online audit trail for reconciliation purposes.

Basic Information

Screen 630 - AR Batch Initialize

```
630 AR Batch Initialize 04/07/09 09:12

Screen: ____

Session Reference: ARC001 Session Date: 04/07/09__
Session Status: 0 Acct Feed: Y

Bank: 0001_
Description: AR Invoice Payments___
User ID Override: N

Batch Balancing Information

Transactions Amount

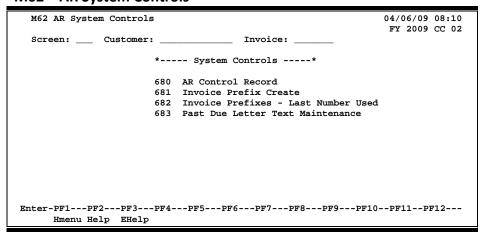
Expected Totals: _____ Receipts: 0.00
Processed Totals: 0 0.00 Disburse: 0.00
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
Hmenu Help EHelp
```

To review AR Batches use Screen 624 and Screen 627.

Accounts Receivable System Controls

Menu M62 lists all the screens that are available for the AR System Controls Screen.

M62 - AR System Controls

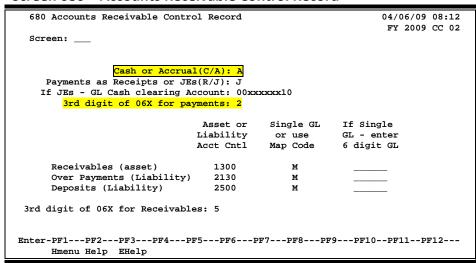


<u>Screen 680</u> controls the processing in Accounts Receivable. The values entered on this screen determine the accounting methods used to post and reconcile the receivables.

This screen is maintained and updated by <u>FAMIS Services</u>.

The information is campus specific.

Screen 680 – Accounts Receivable Control Record



- Since FAMIS uses the accrual accounting method, the only option for the Cash or Accrual field is "A."
- Receipt or Journal Entry option determines the general ledgers credited and debited for the receivables.
- A transaction code of "062" will indicate **payment**, and transaction code of "065" will indicate a **receivable**.

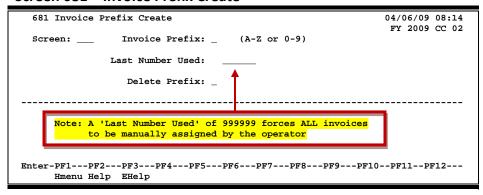
Invoice Prefix

Screen 681 is used by **FAMIS Services** to set up a new invoice prefix for each TAMUS member.

This screen is maintained and updated by <u>FAMIS Services</u>.

The information is campus specific.

Screen 681 - Invoice Prefix Create



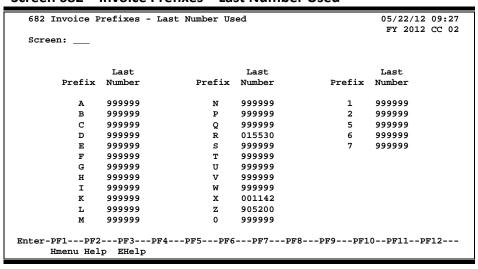
Invoice Prefixes – Last Invoice Number Used Table

<u>Screen 682</u> allows the user to view the prefixes and numbers of the most recent invoice numbers used in the system. This screen is useful before creating invoices on <u>Screen 610</u>.

Some prefixes are reserved for special invoices. For example:

- I Insurance
- R Sponsored Research

Screen 682 - Invoice Prefixes - Last Number Used



Special Topics (cont'd)	
K:\FA\DOC\WRKNPRCS\TRNG-MAN\ARADMcurrNF.docx Revised: 1/23/2014 10:04 AM	