Financial Management Office

Accounts Receivable Management

Updated on 6/1/2017
Topics to be Covered

• What is Accounts Receivable
• Managing Accounts Receivable
  ▫ non-student and non-contracts and grants accounts
• Reviewing Accounts Receivable Records and Reports
Accounts Receivable

Money owed to University of Hawaii by its debtors

“Listen, I can’t pretend to understand what you’re going through. Not until your bill is caught up.”
Managing Accounts Receivable by Fiscal Administrators and Departments
AP 8.651 – Accounts Receivable

• The accounts receivable recording, follow-up, tax setoff, write-off and subsidiary ledger review procedures apply to all departments with invoice billings, dishonored check memorandums and salary overpayments.
• Invoice billings should be carefully managed to avoid duplicate invoicing or misapplication of cash payments.

AP 8.651 focuses on the accounts receivable outside of student related and contracts and grants receivables
AP 8.651 – Accounts Receivable

- Fiscal Officer **Key** Responsibilities -
  - Prepare and record the invoices in KFS – AR module
  - Collect and record payments from customers
  - Follow up on unpaid accounts
  - Identify and submit State tax setoff and write-off requests to General Accounting
  - Review and reconcile AR reports from KFS – AR module to department AR subsidiary ledger or KFS general ledger.
AP 8.651 – Accounts Receivable

• Follow-up for delinquent accounts by departments
  ▫ Collection efforts must be made when an invoice is outstanding for more than 30 days
    • A log of all telephone conversations and correspondence shall be kept as documentation of the collection efforts. All correspondence shall have the notation "ADDRESS SERVICE REQUESTED"
    • Send a reminder by mail or telephone
    • After 15 days, send a firmer reminder by mail, establishing a deadline for payment within 15 days.
    • If no response is received within 15 days, send a final warning by mail, stating that if immediate payment is not received, the account will be reported to the General Counsel and subject to a tax refund setoff, assignment to a collection agency, and/or litigation.
  • If no response is received, forward the account to a collection agency
    • Contact Student Loan Collection Office at uhloans@hawaii.edu for collection agency information
Review Accounts Receivable Records and Reports
Accounts Receivable Records

- Accounts Receivable (AR) balances from UH invoices issued for goods and services provided, dishonored checks and salary overpayments are available:
  - KFS-AR module
    - Includes any unpaid invoices created after 7/1/2012
Accounts Receivables in KFS-AR Module

Accounts Receivable (KFS-AR) module is used for billing and managing:

- Contracts & Grants (CG) receivables
- Receivables for:
  - goods and services provided by UH to external parties
  - dishonored checks
  - salary overpayments

AR Reports Available:

- KFS Online
  - Customer Aging Report
  - Customer Invoices
- Page Center Reports delivered to Fiscal Administrator Mailboxes - Various Aging Reports
KFS-AR Key Data Fields for Online Reports

• Document type: CGIN and INV invoices
• Customer type: Contracts & Grants (CG) and non-CG
• Billing Chart & Billing Organization
• Processing Chart & Processing Organization
Receivable Invoices in the KFS-AR module

- **CGIN invoices** and ‘CG’ customers are used exclusively by the Office of Research Services.

- **INV invoices** and ‘non-CG’ customers are used for goods and services, dishonored checks or salary overpayments
  - Typically categorized as non-student receivables, INV invoices primarily use Object Code 8361 to record receivable balances.
  - INV invoices are not used for inter-departmental and inter-campus invoices/billings.

For more information refer to the *AR Biller & Processor* and *AR Biller & Processor Processing Dishonored Check Invoices* training guides at the FMO website: [http://www.fmo.hawaii.edu/financial_systems/index.html#tab10](http://www.fmo.hawaii.edu/financial_systems/index.html#tab10)
Chart & Organization on INV invoices

Definition

- Billing Chart & Organization – the organization in KFS-AR established to allow the member to perform the billing function. A billing organization reports to one processing organization.

- Processing Chart & Organization – the centralized unit responsible for processing payments for invoices generated by billing organizations in KFS-AR.
How do I View Balances in KFS-AR Module

**Note:** Please note that fiscal administrators and staff with authorized access to KFS-AR can view UH invoices and balances for goods & services, dishonored checks, and salary overpayments.
How do I View Balances in KFS-AR Module

Go to KFS Customer Aging Report in Main / Reports / Accounts Receivable
• Click the Customer Aging Report link
Customer Aging Report in Main / Reports / Accounts Receivable

- On the Report Options line, click the radio button to change the default selection to KFS-AR Billing Organization or Account
Customer Aging Report in Main / Reports / Accounts Receivable

- For KFS-AR Processing Organization selections, complete fields
  - Processing/Billing Chart Code & Processing/Billing Organization Code with your AR Processing organization codes, then click the search button

- For KFS-AR Billing Organization selections, complete fields
  - Processing/Billing Chart Code & Processing/Billing Organization Code with your AR Billing organization codes, then click the search button

- For Account selection complete fields
  - Account Chart Code & Account Number, then click the search button
Customer Aging Report in Main / Reports / Accounts Receivable

- Sample Customer Aging Report for Billing Chart-Billing Organization HO-DCTR
Customer Aging Report in Main / Reports / Accounts Receivable

- Click on the underlined Customer Number or # of days column amount to view information for a listed customer. Example – Customer #3327 Open Items
Customer Invoices in Main / Custom Document Searches / Accounts Receivable
Customer Invoices in Main / Custom Document Searches / Accounts Receivable

<table>
<thead>
<tr>
<th>Type:</th>
<th>JV</th>
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<tbody>
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<td>Document Specific Data, Workflow Data</td>
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<tr>
<td>Name this search (optional):</td>
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</tr>
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(search, clear, cancel)
Customer Invoices in Main / Custom Document Searches / Accounts Receivable

- KFS prefills Type as INV in the Document Lookup screen
  - Complete any of the displayed fields and click search to view a list of invoice documents matching the search data field(s).
  - Commonly used INV search fields include:
    - KFS-AR invoice#, customer# or name
    - KFS-AR Processing Chart & Organization
    - KFS-AR Billing Chart & Organization
    - Organization Reference Document Number:
      - DMnnnnnn - the UH Treasury Office assigned dishonored check number, or
      - SAnnnnnn - the UH Payroll Office assigned Salary Overpayment Worksheet number
Customer Invoices in Main / Custom Document Searches / Accounts Receivable
Customer Invoices in Main / Custom Document Searches / Accounts Receivable

- Click on the Invoice# to view the invoice eDoc. The **Open Amount field** in the upper right corner displays the current outstanding balance.
KFS-AR Page Center Reports in Fiscal Administrator (FA) Mailboxes

- The reports provide aging and details for the outstanding INV invoices in the current fiscal year (monthly) and INV invoices closed in prior fiscal years (annually)
    - Summary by Customer#, Invoice#, Account, AR Object Code, Object Code
  - ART065F1 - Accounts Receivable Aging Report By FO Code and Fund Group
    - Transaction level details for invoices summarized & aged in Report ARB065A
  - ARB066A2 - Accounts Receivable Aging Report By FO Code & Billing
Available Resources – Training guides and online Tutorials

http://www.fmo.hawaii.edu/financial_systems/index.html#tab10

Accounts Receivable

Training Manuals and References
Accounts Receivable Biller & Processor - Training Manual
Account Receivable - Processing Dishonored Check Invoices - Training Manual

On-Line Tutorials
Copy a Customer Invoice and Record a Discount
Creating a Customer
Create a Customer Invoice
Create a Customer Invoice Item Code
Creating an AR Organization
Creating an Organization Accounting Default
Edit an AR Organization
Process an AR Payment
Run AR Aging Report
Search for AR Transactions e-Docs

Tips of the week
Why is My Cash Control Enroute (09/17/12)
How Do I Generate GLPE on the Cash Control Document? (09/17/12)
How do I record a Dishonored Check? (05/01/2015)
Questions:

Contact

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Financial Management Office

Thank you for attending this presentation.