

Accounts Receivable Procedure/Process

Purpose/Action:

Many departments send bills to customers internal and/or external to the University for goods/services (i.e. departmental charges to customers, Research Service Center charges, etc). At present, there is no automated SAP system in place to allow the General Accounting Office (GAO) to track what is owed to the university (accounts receivable) by these various customers with the exception of large University Service Centers.

In our efforts to create a university-wide list of these receivables, and in order to more accurately report these transaction values to the TSUS Systems office and the State of Texas, GAO-Financial Reporting & Analysis (GAO-FR&A) will be included in the billing, recording, and reporting of such transactions.

Steps for Success:

1. Create departmental invoice in format provided by GAO on Financial Reporting & Analysis (FR&A) website: <http://www.txstate.edu/gao/reporting/forms.html>. If we need to customize any invoice formats, please contact our department and we will make every effort to accommodate any changes necessary to make the business process more efficient and effective.
2. Prepare an invoice for customer for charges unrelated to the normal tuition/fees associated course attendance at the university. Send a copy of this invoice to GAO-FR&A via interoffice mail or via email: financialreporting@txstate.edu
 - a. **Internal customer invoices** will be prepared based on the provided invoice that will feed to an IDT upload spreadsheet, which will be sent to FR&A (financialreporting@txstate.edu.)
 - i. **Emails** must contain the prepared invoice, expletive documentation, and the IDT spreadsheet upload for processing (i.e. Research Service Center activity, etc.). IDT spreadsheet will be provided on the FR&A website.
 - ii. All other billing activities will follow the same format as above with the exception of overriding processes already in place for large university **Service Centers**.
 - b. **External customer invoices** will be prepared using the provided invoice, attaching additional expletive documentation, and sending to financialreporting@txstate.edu.
 - i. The department's prepared invoice will be mailed from GAO-FR&A. We can generate individual invoice numbers or the billing department can (note: it is easier to track if invoice numbers are individualized and not re-used).
 - ii. The receivable will be recorded and reported to the appropriate Account Managers on a monthly basis (by the 15th of each month). Each Account Manager will be responsible for monitoring their Accounts Receivable Report for any outstanding items not paid.
 - iii. These balances and payments will be recorded in a file accessible to Student Business Services (SBS Cashier's Office) with proper recording processes for payment.
 - iv. All external invoice billing payments should be sent to the SBS Cashier's Office for processing (they will have the file to identify/match payments). The standard invoice on the FR&A website will state to return payments to the SBS Cashier's Office.

- v. If payment is routed to the billing department or to FR&A, it will be routed to the SBS Cashier's Office for proper processing.
 - c. **Service Centers** within the University setting will continue to use a different method through SAP to process their charges between the various University departments.
- 3. If at any time the invoices from these departmental billings are not routed to GAO-FR&A for mailing, it will make payment posting extremely difficult to identify. In order to provide quality, timely service to each department, it should be persuasively noted to use the directions above for quick, correct, and timely processing of payment postings.