



Billing and Accounts Receivable Best Practices, Tips, and Reminders

Customer Set-up

Personal or business addresses – If an *individual* is responsible for paying the invoice, please ask them for their *personal address* (not their business address). If the business or organization is responsible for paying the invoice a business name and address is appropriate.

E-mail addresses - ask the customer for their e-mail address and include in customer set-up information. E-mails are used for automatic collection follow-up.

Let Accounts Receivable Services know if a customer prefers or insists on e-mailed invoices. We are keeping a list so when the e-mail functionality is rolled out as part of the 9.2 upgrade, we can add these customers to the top of the list. Send to acctrec@umn.edu.

Billing

Purchase Order (PO) Numbers – If a customer has given you a PO number, be sure to include it on the invoice in the *PO Ref* field on the *Header – Order Info* tab. This will help their AP department pay the invoice and will ensure the information is included on statements of account.

ATTN: - Need to send an invoice to the attention of a specific person or department? Request a contact set-up rather than placing this information in the notes on an invoice. This will ensure the information is included on statements of account and other follow-up correspondence.

Charge Codes, Distribution Codes and Standard Notes can be used to streamline bill entry. Using these codes minimizes the number of fields that need to be filled in and reduces the chance of data entry errors.

- A *distribution code* is a code for a particular combination of ChartField values.
- A *charge code* is a way to identify the item being sold. It associates the line description, unit of measure, unit price, and ChartString distribution with the code.
- A *standard note* is a predefined set of text that can be used as a header or line note.

Excel upload to billing is available. This works best for large volume single line invoices (e.g. Foundation requests). Contact Accounts Receivable Services if interested.

Department printing of invoices – Let the system generate (print) invoices if at all possible. This ensures that they will be distributed to the customer, eliminates local steps, and streamlines the process. If printing invoice locally, e-mail or mail the invoice exactly as it is generated from system. DO NOT modify invoice in any way. It is important that the invoice the customer receives match data in EFS. It is acceptable to send supporting documentation along with a locally generated invoice.

Use EFS Billing to generate invoices. Invoices should not be generated from Word, Excel, etc.

Credit invoices – When creating a credit invoice, think about whether you want it mailed to the customer. If not, change the Invoice Form to “NO_PRINT”.

Federal Agencies – If a department is contacted by a federal agency to set-up an account in a federal system such as IPP or Tungsten Network, they should contact Accounts Receivable Services.



Payments

Banking Information Requests and W-9 Forms – Banking information for making a wire or ACH payment to the University is printed on the back of the invoice. If possible, let the system generate (print) the invoice so that the customer will receive this information. If the customer requests that a banking form or W-9 form be completed, send the form to acctrec@umn.edu. We will complete the form and obtain necessary signatures. If a customer will be sending money to the *University of Minnesota Foundation*, do NOT send the University of Minnesota W-9. Contact the Foundation for instructions.

Check received in department – If a department receives a check for an invoice that was created in EFS, they should send it to the lockbox.

Payment Remittance – forward all remittance notifications to arpaymnt@umn.edu.

Credit card payments – If customers need assistance with a credit card payment, they should contact Accounts Receivable Services at 612-625-2392. Department staff should NOT offer to process a credit card payment locally, nor use the pay.umn.edu web site to process a credit card payment from a University computer. This practice can put the University out of compliance with Payment Card Industry Data Security Standards (PCI DSS).

Misdirected checks – If you receive a check payment in your department and don't know what it is for, send it to the non-sponsored AR bank lockbox (address above). Do not hold onto the check trying to find a home for it.

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Collections

Collection of outstanding receivables residing in EFS will be handled by Accounts Receivable Services with assistance from the selling department as necessary. The following methods are used in the collection of outstanding receivables: Statements of account, dunning e-mails, telephone calls, aging review, third-party collection agencies, Revenue Recapture Program, Office of the General Counsel.

Conversations - Use the "Conversation" functionality in EFS to record any communication with customers regarding individual items/invoices. Conversations can also be used to place the account on DEPTHOLD so that dunning e-mails are not sent to the customer.

Monitoring Accounts Receivable

Aging Reports – There are two aging reports departments can run to monitor open Accounts Receivable: Aging by Chartfield and UM Aging by DeptID Tree.

UM Reports – Accounts Receivable Status by Chartstring is similar to an aging report but also includes closed invoices. The Accounts Receivable Activity by Invoice shows all activity for an AR item including payment information.

Access Roles – There are two roles available that provide inquiry access to the billing and accounts receivable modules: Accounts Receivable Inquiry (designed for billing initiators) and Accounts Receivable Monitoring (designed for department accountants or fiscal monitors).