# Accounts Receivable Data Management – Best Practices

The Department of Financial Services, Division of Accounting and Auditing (A&A) has combined efforts with the Florida PALM Agency Advisory Council to collect information to develop guidance and best practices for agencies to analyze and manage legacy data in preparation for implementation into Florida PALM. The information contained in this list discusses the best practices identified by multiple agency subject matter experts for Accounts Receivables and data management.

## Things to consider:

* Review error reports daily to ensure errors related to accounts receivables have been identified and items are handled as necessary.
* Have Divisions and Programs validate and confirm account receivable information regularly. Example: Confirming that accounts receivables are still outstanding, or if they are past due and need to be sent to collections.
* Empower and encourage staff to ask questions and request justification for items that do not reconcile or stand out.
* Perform consistent and frequent reconciliations of accounts receivable records. Records should be reviewed at least monthly, if not more frequently.
	+ Reconciliation should occur within FLAIR and between FLAIR and any Agency Business System that may be used.
	+ When reviewing records, reconcile at a detail level and not at a summation.
	+ Review Trial Balance Reports to identify FLAIR account codes and general ledgers that may be out of balance.
	+ Best practice for compartmentalizing records: Month -> Account code -> Day -> Specific Receipts
	+ Steps to consider:
		- Confirm errors from daily reports throughout the month have been resolved.
		- Review and follow-up on outstanding items from previous reconciliations.
		- Follow-up with Divisions and Programs to validate records and confirm status of any outstanding items.
		- Identify past due invoices that are still open and should be sent to collections through the write-off process.
			* Consider using Aging Reports or any reports specific to your Agency Business System to identify outstanding invoices.
		- Identify if cash receipts were processed as a TR30 instead of a TR33. If confirmed, reduce or delete the account receivable.
* If not already established, create agency policy and guidance for write-offs so that it aligns with Section 17.20, Florida Statutes, which requires each state agency to assign delinquent accounts to a CFO’s contracted collection agent within 120 days after the date the accounts are due and payable.
	+ Information on the [Debt Collection Program](https://myfloridacfo.com/division/aa/state-agencies/debt-collection-program) can be found on the Division of Accounting & Auditing’s website.
* Resolve any invoice overpayments as quickly as possible to avoid items being sent to Unclaimed Property at the end of the year.

For additional information on A&A’s Data Management’s Workgroups, as well as available resources to assist with data management, please visit our [Data Management Workgroups](https://www.myfloridacfo.com/division/aa/state-agencies/data-management-project/data-management-workgroups) webpage.