60.1 – Enter and Maintain Receivables

Florida PALM
Planning, Accounting, and Ledger Management

Revision History

Version	Date	Revision Notes
1.0	07/30/2019	Accepted Version

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General Information

This document describes and depicts the process steps and supporting information for the identified State of Florida financial management business process. This information should be read in conjunction with the Business Process Flow Diagrams.

The Dependencies and Constraints section describes any conditions or criteria that impact how or when the business process should be executed. These could be set within Florida PALM or from external sources (i.e., Law or Rule).

The Business Process Overview section summarizes the business process and provides context for understanding the objectives and desired outcomes of the described business process.

Within the Business Process Flow Details section, included for each process step are:

- **Process Step ID** – A unique number assigned to each process step, which corresponds to the Business Process Flow Diagram
- **Process Step Title** – A short description assigned to each process step, which corresponds to the Business Process Flow Diagram
- **Description of Process** – A detailed narrative description of the process step, which provides additional information and context for understanding the process step

Also described below are the Ledger Impacts and Reports, which are displayed as icons on the Business Process Flow Diagrams. Ledger impacts describe where there is an update to one of the ledgers used to track activity for accounting, budget management, or financial reporting purposes. Reports describe where a report is identified to be produced at a particular process step or is used to support the completion of a process step.

Finally, included in the Terminology section are definitions of terms which will help the reader to better understand the document. These are terms that are used within this document that may be new or that require a description for common understanding.

Dependencies and Constraints

- Establishing accounts receivable at a customer account level is dependent upon agency use of Florida PALM
- Florida PALM provides the ability to interface AR data with agency business systems
- Transactions are reconciled, and errors corrected prior to closure of the accounting period

Business Process Overview

The Enter and Maintain Receivables business process is within the Accounts Receivable (AR) business process grouping. AR includes a collection of business processes that:

- Manage accounting, reporting, and collection of outstanding State revenues;
- Support the intake and accounting for cash receipts; and
- Ensures that the write-off of outstanding debt is appropriately approved.

This business process addresses how the State records receivable transactions to customers and perform period closings. The business subprocesses included are:

- 60.1.1 – Record Accounts Receivable
- 60.1.2 – Period Close

In Florida PALM receivables are established by creating a bill in the system, manually entering the receivable, uploading a spreadsheet, or interfacing from an agency business system. Receivables can be updated as needed. Florida PALM provides agencies the ability to approve receivable transactions through workflow. The customer account is automatically updated to reflect outstanding receivables and payments received.

Florida PALM also offers various reporting and inquiring capabilities for researching and reviewing transactions. This allows agencies to efficiently manage open receivables. It also allows agencies to reconcile and correct transaction errors prior to closing the AR accounting period.

Business Process Flow Details

The tables below describe steps in each business subprocess as reflected on the Business Process Flow Diagrams. The tables also reflect information associated with each step describing the intent of the specific process.

The Business Process Flow Diagrams use horizontal swim lanes to depict where activities are performed by different parties or systems. Each swim lane is titled with a role, either agency-based or within Department of Financial Services (DFS), and in some cases, are representative of an external entity or system. The swim lanes may change from page to page within a single business subprocess as more or fewer roles are required to execute sections of the business subprocess. Optionally, the process flow diagram may reflect vertical swim lanes to further designate information such as systems or time intervals.

Table 1: Record Accounts Receivable

60.1.1 – Record Accounts Receivable		
Swim Lanes – Definition	**Agency AR Approver:** agency role responsible for reviewing and approving receivables **Agency AR Processor:** agency role responsible for entering and maintaining receivables	
Process Step ID	**Process Step Title**	**Description of Process**
1	Need to Create/Update AR	The Agency AR Processor needs to create/update AR in Florida PALM. If receivables are not recorded to a customer, the Agency AR Processor uses the Create and Approve Journals business subprocess to record AR and Allowance for Doubtful Accounts balances in Florida PALM.
2	Online Enter Pending AR	The Agency AR Processor can create a manual pending AR to the customer record.
3	Spreadsheet AR Data	The Agency AR Processor can create receivables using a spreadsheet upload method. This method is generally used when recording multiple receivables.
4	Import AR Data	An automated process loads the AR data via spreadsheet in Florida PALM.
5	AR Data	AR data is interfaced into the AR module.
6	Import AR Data	This process imports the interface file to load data in Florida PALM.
7	Create/Update Receivable	The Agency AR Processor creates/updates AR balances related to a customer through the Receivables module. An AR is created in the Group Entry page. A Maintenance Worksheet is used to adjust receivables. Once completed, it is sent for review and approval through the workflow.
8	Set Pending AR to Post	If approved by an Agency AR Approver, the accounting entries post. If denied, the workflow is routed to the Agency AR Processor for correction. Billing module transactions are automated to create open receivables in the AR module (e.g., customer and credit invoices) and post to customer accounts.
9	Run AR Update	This process selects pending transactions ready for posting and creates receivables to customer accounts. This process

Process Step ID	Process Step Title	Description of Process
		also tracks the recognized revenue balance and compares it against the revenue estimate.
10	Export AR Data	This process generates and exports a data file for agencies.
11	AR Data	The AR data file includes customer activity data.

Table 2: Period Close

60.1.2 – Period Close		
Swim Lanes – Definition	**Agency Billing/AR Reconciler:** agency role responsible for month end period close.	
Process Step ID	**Process Step Title**	**Description of Process**
1	Need to Close Billing/AR	The Agency Billing/AR Reconciler needs to perform month end period close that aligns with the GL month end close process for Billing and Accounts Receivable modules.
2	Monitor and Review WorkCenter	The Agency Billing/AR Reconciler reviews any pending transactions (e.g., bills, AR, and deposits) that have not been finalized and posted. The reconciler also reviews alerts to update errors accordingly.
3	Resolve Exceptions	The Agency Billing/AR Reconciler reviews the exceptions and determines if the errors should be adjusted or a value must be added or changed to resolve the exceptions.
4	Initiate Unbilled Revenue Accrual	The Agency Billing/AR Reconciler verifies that all reconciliation steps have been performed prior to initiating the Unbilled Revenue Accrual step.
5	Process Unbilled Revenue Accrual	This is an automated process to create accounting entries for unbilled revenue accrual within the current accounting period. This process keeps track of when a customer has been invoiced and prevents double booking of revenue in the same accounting period. In the Perform Month-End Close business subprocess, the source modules are closed for the month based on the predetermined schedule.

Ledger Impacts

Table 3: Ledger Impacts Included on Business Process Flow Diagrams

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
LI1	Actuals Ledger – Create/Update AR Or, Actuals Ledger – Create Expenditure Refund AR	Increases Open AR Increases Revenue/Unearned Revenue Or, Increases Open AR Increases Expenditure Refund Clearing
LI2	Actuals Ledger – Record Unbilled Revenue Accrual	Increases Unbilled AR Increases Revenue/Unearned Revenue
LI3	Actuals Ledger – Record Allowance for Doubtful Account Accruals	Increases Allowance for Doubtful Accounts Increases Bad Debt Expense

Reports

Table 4: Reports Included on Business Process Flow Diagrams

Report Number	Report Description	Report Frequency	Audience
R1	Pending AR – provides receivable information that has been entered in Florida PALM but not yet approved for posting to the ledger	Periodic	Agencies
R2	AR Balance Report – provides a customer account balance of AR billed in one fiscal year and paid in the next fiscal year	Periodic	Agencies
R3	Outstanding Receivable Report – provides a listing of items and customer account balances	Periodic	Agencies
R4	Aging – provides an aged open balance for customers	Periodic	Agencies
R5	Accrual Unbilled Revenue Report – provides bills and bill lines that have been accrued within a date range	Periodic	Agencies

Terminology

Maintenance Worksheet – a workspace for adjusting posted receivables or recording refunds for a credit balance.

Pending AR – unposted receivables that have been manually entered in AR or automatically created through billing in Florida PALM.

Recognized Revenue – revenue is earned when goods are received, or services rendered; no matter when cash is received.

Source Module – one of the supporting modules within Florida PALM that captures business transaction information and provides accounting or other information to other modules (e.g., to the general ledger for posting).

Workflow – orchestrated and repeatable patterns of business activity enabled by the systematic organization of resources into processes with specific approvals that transform materials, provide services, or process transactional information.