

60.3 Perform Collections and Aging

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Revision History

Version	Date	Revision Notes
1.0	07/30/2019	Accepted Version
2.0	01/06/2020	Updates related to interim, extension, or chart of account changes.
2.1	01/24/2022	Updates per Financials Wave Module Workgroup Sessions

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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

Florida PALM screenshots are included within the sections following the Business Process Flow Diagrams to allow connections to be made from specific business subprocess steps to screens within Florida PALM.

Also described below are the Ledger Impacts, Interfaces and Key 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. Interface IDs are provided for each interface identified on the Business Process Flow Diagrams.

Tables are included to identify the Conversions, Forms, Workflows, and Stakeholder Configurations related to this Business Process. These items may not be included within the Business Flow Diagrams, however, these items are important elements of each Business Process as a whole.

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

- The collection process is dependent on agency business systems providing accurate and timely customer and accounts receivable information through an interface to Florida PALM.
- Agencies typically use agency business systems to track and monitor accounts receivable details at the customer level.
- External collection agency ability to provide collection data to interface with Florida PALM

- Agency write-off requests are dependent on the review and approval process by the Department of Financial Services (DFS) Write-Off Approver.

Business Process Overview

The Perform Collections and Aging 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 monitors outstanding AR, performs collection activities, and writes-off uncollectible accounts.

The business subprocesses included are:

- 60.3.1 – Collections
- 60.3.2 – Write-Off

Section 17.20, Florida Statutes (F.S.), requires each agency to use due diligence in securing full payment of all accounts and claims due to the State. If an agency has exhausted all lawful measures available to collect an AR, section 17.20(3)(a), F.S., provides that agencies report delinquent AR to a collection agency no later than 120 days after the date on which the account is due. DFS Division of Accounting and Auditing (A&A) may approve an exception, including approving a different period for assigning the past due amount to a collection agency. Section 17.04, F.S., provides for DFS is to examine, audit, adjust, and settle the accounts of the State.

The Florida PALM Perform Collections and Aging business process provides AR aging analysis, sending statements and notices to customers, and referring customers to external collection agencies. This process includes a Collection Workbench that allows agencies a central work space that presents a complete view of each customer. The Agency Collection Processor can perform day-to-day collection activities including accessing and completing action items and following up with customers. The Collections Workbench provides the agency with information and metrics needed to diligently track and manage customer data from the day the customer receives a statement until it is paid or referred to a collection agency. If unable to collect, the Agency Collection Processor can request write-off approval from A&A through workflow.

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.

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60.3.1: Collections

Table 1: Collections

60.3.1 – Collections		
Module	Accounts Receivable	
Related Module(s)	N/A	
Swim Lanes – Definition	<p>Agency AR Collection Approver: agency role responsible for reviewing and approving delinquent accounts</p> <p>Agency AR Collection Processor: agency role responsible for processing delinquent accounts</p> <p>External Collection Agency: (Non-Florida PALM role) external role responsible for processing delinquent accounts after the State has performed its collections process</p>	
Process Step ID	Process Step Title	Description of Process
1	Need to Collect AR	The Agency AR Collection Processor needs to collect a receivable in Florida PALM.
2	Run Aging Process	Florida PALM automatically processes aging for all customers in all business units. This process runs at predefined intervals (e.g., daily).
3	Monitor AR Aging Analysis	The Agency AR Collection Processor monitors the age of open receivables to determine whether it is paid timely. If the customer does not pay within the required timeframe, the account is considered delinquent and late fees may be added to the customer account. The customer account also includes collection activities (e.g., phone calls and emails) that documents the agency's due diligence. The agency has the capability to set different aging timeframes for various debt types.
4	Run Condition Monitor	Florida PALM calculates late fees (e.g., flat fee, number of days, and percentage) automatically at predefined intervals. Any late fees added to the agency's AR are booked and the customer balance is updated.
5	Manually Add/Correct Late Fees	If a correction is needed to the late fee calculation or an atypical scenario arises, the Agency AR Collection Processor can manually add or adjust the late fee.
6	Run AR Update	This process generates the accounting for late fees associated with the open AR, updates the AR status, and records any allowance for doubtful accounts.
7	Process/Print Customer Statements	The Process Statements program gathers customer and AR data to produce customer statements; either an open AR or balance forward statement can be prepared and sent through email and/or regular mail. The process automatically runs in predefined intervals.
8	Process/Print Delinquent Notices 30/60/90	Florida PALM generates notices to customers with past due balances based on aging timeframes (e.g., 30, 60, or 90 days).
9	Send Delinquent Notifications	If delinquent notices are not being sent, the accounts remain in the Monitor AR Aging Analysis process and continue to be worked by the agency. Prior to delinquent notices being sent, the

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Process Step ID	Process Step Title	Description of Process
		Agency AR Collection Approver must review and approve the delinquent notice through workflow. Approved delinquent notices can be emailed and/or printed and mailed to customers as defined in the customer contact set up for the "Bill to Customer".
10	Compile Collection Data	If the open receivable is not collectible, it must be closed as described in the Write-Off business subprocess. If the open receivable is eligible for external collections, the Agency AR Collection Processor aggregates the collection data that has been identified to be sent to the collection agency. In some cases, agencies are exempt from sending items to the collection agencies and continue to monitor AR aging.
11	Export Collection Data	The Agency AR Collection Approver reviews the accounts to be sent to the collection agency. If the account is not approved, The Agency AR Collection Processor continues with the Monitor AR Aging process step. If approved for sending to a collection agency, an automated process generates a collection data file.
12	Outbound Collection Data File	An interface provides a collection data file for collection agencies.
13	Perform Collection Activities	The collection agency contacts customers (e.g., letters and phone calls) to collect amounts owed. If the collection agency collects payments from customers, the collection agency sends the payments outside of Florida PALM to the agency. The agency follows the 60.2.2 AR Deposits business subprocess when receiving payments from the collection agency.
14	Inbound Collection Data - Agent Details	State contracted collection agencies are contractually required to provide the State detailed collection activity monthly. Agency contracted collection agencies may be required to report detailed collection activity.
15	Import Collection Activities	An automated process loads collection activity into Florida PALM.
16	Inbound Collection Data - Close and Return Data	If the collection agency is not able to collect and the AR is no longer legally collectible (e.g., bankruptcy, death, or statute of limitations), the collection agency closes and returns the account to begin the write-off process. This data may contain accounts recalled by the agency for any reason (e.g., placed in error). An agency contracted collection agency is not required to provide a close and return file. In this example, the Agency AR Collection Processor manually updates the customer account activity.
17	Import Close and Return Collection Data	An automated process loads close and return data into Florida PALM.

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Process Step ID	Process Step Title	Description of Process
18	Update Customer Record	Throughout the lifecycle of an account at collections, pertinent collection activities are reflected/updated on the customer account (e.g., number of calls placed on account, address changes, status of payment, and collection agent fees). After the collection agency closes and returns customer outstanding receivables, the open AR status is updated. The agency determines if the open AR is maintained or identified for closeout.
19	Process Annual Debt Collection Reporting	The Annual Report of Claims for Collections, Section 17.20(4), F.S., and the Annual Chief Financial Officer (CFO) Collection Report, Section 17.20(5), F.S., are submitted each year.

60.3.2: Write-Off

Table 2: Write-Off

60.3.2 - Write-Off		
Module	Accounts Receivable	
Related Module(s)	N/A	
Swim Lanes – Definition	Agency AR Collection Processor: agency role responsible for processing write-offs Agency AR Write-Off Approver: agency role responsible for reviewing and approving write-offs DFS AR Write-Off Approver: DFS role responsible for reviewing and approving write-offs	
Process Step ID	Process Step Title	Description of Process
1	Analyze Customer Accounts	The Agency AR Collection Processor analyzes and reconciles customer accounts to determine if an outstanding balance needs to be written off (e.g., statute of limitations, bankruptcy, or deceased).
2	Create Maintenance Worksheet	If the analysis requires a write-off, the Agency AR Collection Processor creates and submits a Maintenance Worksheet with the receivable selected to write-off. The worksheet is routed through the approval workflow to the Agency AR Write-Off Approver.
3	Set Worksheet to Post	If approved by the Agency AR Write-Off Approver and the write-off does not need DFS approval, Florida PALM automatically posts the worksheet. If approved by the Agency AR Write-Off Approver and the write-off requires DFS approval, the Maintenance Worksheet is forwarded to the DFS AR Write-Off Approver. If not approved by the Agency AR Write-Off Approver, the worksheet routes back to the Agency AR Collection Processor to update and correct. If approved by the DFS AR Write-Off Approver, Florida PALM automatically posts the worksheet. This allows the Run AR Update process to post the write-off. If additional information is requested by the DFS

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Process Step ID	Process Step Title	Description of Process
		AR Write-Off Approver, the worksheet routes back to the Agency AR Collection Processor to update and correct. If declined by the DFS AR Write-Off Approver, the agency continues to analyze the customer accounts.
4	Run AR Update	This process generates the accounting and updates the status to write-off.

The screenshot displays the 'Worksheet Application' interface. At the top, it shows 'Unit 43000', 'Worksheet ID 6', 'Currency USD', and 'Accounting Date 10/13/2020'. Below this are controls for 'Item Action' (Entry Type: Write-off A Credit, Reason: WOC01), 'Row Selection' (Choice: Select Range, Range: [empty]), and 'Display Control' (Display: All Items). The main area is an 'Item List' table with columns: View Detail, Sel, Set, Item Balance, Currency, Item ID, Line, Type, Reason, Unit, Customer, Service Purchase ID, Installment Number, Tax Status, Conv, and Amount selected. The table contains 8 rows of data, including 'AESG ITEM' and various 'AR PENDING' items.

View Detail	Sel	Set	Item Balance	Currency	Item ID	Line	Type	Reason	Unit	Customer	Service Purchase ID	Installment Number	Tax Status	Conv	Amount selected
1	<input checked="" type="checkbox"/>		1,000,000	USD	AESG ITEM	1	WOFFD		50100	1000000010			Not Applicable		
2	<input type="checkbox"/>		100,000	USD	AR PENDING 012				50100	1000000010			Not Applicable		
3	<input type="checkbox"/>		300,000	USD	AR PENDING DEBIT ITEM				50200	1000000010			Not Applicable		
4	<input type="checkbox"/>		100,000	USD	AR PENDING ITEM 013				50100	1000000010			Not Applicable		
5	<input type="checkbox"/>		150,000	USD	AR PENDING ITEM 02				50100	1000000010			Not Applicable		
6	<input type="checkbox"/>		500,000	USD	AR PENDING ITEM 03				50100	1000000010			Not Applicable		
7	<input type="checkbox"/>		100,000	USD	AR PENDING ITEM 030				50100	1000000010			Not Applicable		
8	<input type="checkbox"/>		500,000	USD	AR PENDING TEST 01	1			50100	1000000010			Not Applicable		

Figure 1: Worksheet Application Page

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 – Late Fees	Increases AR Increases Revenue
LI2	Actuals Ledger – Write-Off	Decreases AR Decreases Allowance for Bad Debt
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	ARR010 - AR Aging Report – A report that provides aging of open AR balances.	Periodic	Agencies
R2	ARR003 - Customer Statement Report – A report to provide account balance to customer.	Periodic	Agencies, Customers
R3	ARR036 - Delinquent Notices Report – A report that provides delinquent notices to customers with past due balances based on aging timeframes.	Periodic	Agencies, Customers
R4	ARR025 - Billing and AR Data Report – A report that provides raw Billing and AR data to agencies for analysis purposes.	Periodic	Agencies
R5	ARR016 - Annual Debt Collection Report – Annual report that provides information on Annual Debt Collection Report (Annual CFO Report 17.20(5) F.S.).	Annual	A&A, Governor, President of the Senate, Speaker of the House of Representatives
R6	ARR013 - Accounts Referred for Collection in Fiscal Year Report – Annual report that provides information on Accounts Referred for Collection in Fiscal Year (Annual Report of Claims for Collections, Section 17.20(4)(a) F.S.).	Annual	Agencies, A&A, President of the Senate, Speaker of the House of Representatives
R7	ARR014 - Accounts Not Referred for Collection Report – Annual report that provides information on Accounts Not	Annual	Agencies, A&A, President of the Senate, Speaker of

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Report Number	Report Description	Report Frequency	Audience
	Referred for Collection (Annual Report of Claims for Collections, Section 17.20(4)(b)).		the House of Representatives
R8	ARR015 - Accounts Written-Off Report – Annual report that provides information on Accounts Written-Off (Annual Report of Claims for Collections, Section 17.20(4)(c)).	Annual	Agencies, A&A, President of the Senate, Speaker of the House of Representatives
R9	ARR037 - Collection Activities Report – A report that is created from an inbound interface file that provides due diligence (calls, emails, etc.) performed by the external collection agency	Periodic	Agencies, A&A

Note: A complete list of reports may be found in the [Reports Catalog](#)¹.

Conversions

Table 5: Data Converted from External System to Florida PALM

Conversion Number	Conversion Description	Conversion Frequency	Source
N/A			

Note: A complete list of conversions may be found in the [Catalog of Conversion Offerings](#)². This is a protected publication that requires login. If your business or technical teams do not currently have access to the Smartsheet Florida PALM Dashboard, contact your Readiness Coordinator to request their access.

Interfaces

Table 6: Interfaces Included on Business Process Flow Diagrams

Interface Number	Interface Description	Interface Frequency	Source	Target
ARI015	Inbound Collection Data - Agent Details – Inbound interface that provides due diligence activities (e.g., calls, emails etc.) performed by the external collection agency.	Daily	3 rd Party Collection Agencies	Florida PALM
ARI016	Inbound Collection Data - Close and Return Data – Inbound interface that provides a list of accounts being closed	Daily	3 rd Party Collection Agencies	Florida PALM

¹ <https://app.smartsheet.com/b/publish?EQBCT=a8d51896f0144ef6a87314b3c7824ba5>

² <https://app.smartsheet.com/dashboards/xW9gQgMRP6w5pfRGMQGjh4wvP676gf2h4mf57hP1>

Interface Number	Interface Description	Interface Frequency	Source	Target
	and returned to the State by the external collection agency.			
ARI018	Outbound Collection Data File – Outbound interface file that provides collection data to external collection agencies.	Daily	Florida PALM	3 rd Party Collection Agencies

Note: A complete list of interfaces may be found in the [Catalog of Interface Offerings](#)¹. This is a protected publication that requires login. If your business or technical teams do not currently have access to the Smartsheet Florida PALM Dashboard, contact your Readiness Coordinator to request their access.

Forms

Table 7: Forms Included on Business Process Flow Diagrams

Form Number	Form Description	End User Role
N/A		

Workflows

Table 8: Workflows Included on Business Process Flow Diagrams

Workflow Number	Workflow Description	End User Role
ARW004	Account Receivable Past Due Notice Workflow – Workflow that routes past due AR notices for approval.	Agency AR Collection Processor
ARW005	Collection Workflow – Workflow that routes collection items for review and approval before the items are sent to the external collection agency.	Agency AR Collection Processor
ARW006	Write-off Workflow – Workflow that routes write-off items for approval within or between organizations and DFS.	Agency AR Collection Processor
ARW007	Maintenance Worksheet Workflow – Workflow that routes AR maintenance items (e.g., AR adjustments) for approval.	Agency AR Collection Processor

Agency Configurations

Table 9: Configurations Defined and/or Maintained by Agencies

Configuration Number	Configuration Description	Frequency
C-AR003	Aging – Defines the aging categories into which you want transactions broken down. Also defines how the system ages disputed items	As Needed
C-AR005	Hold Codes – Reasons for placing a customer on hold.	As Needed

¹ <https://app.smartsheet.com/dashboards/xW9gQgMRP6w5pfRGMQGjh4wvP676gf2h4mf57hP1>

Configuration Number	Configuration Description	Frequency
C-AR008	Condition Definition – Occurs when specified item types meet user-defined criteria. e.g., reaching a credit limit or exceeding a user-defined balance	As Needed
C-AR010	Condition Priority – Determines the order in which an action for the condition appears in the action list if a customer has multiple actions.	As Needed
C-AR011	AR Specialist – Researches the reason for the dispute and determines whether the item should be collected, refunded, or written off.	As Needed
C-AR019	Letter Code – The text that prints on a dunning letter.	As Needed
C-AR022	Overdue Charging – Used to define some basic rules for how to calculate overdue charges and the conditions under which items should be excluded from overdue charges.	As Needed
C-AR024	Statement ID – Determine the statement type, open item or balance forward and conditions under which items are excluded from statements.	As Needed
C-AR036	Auto Entry Type – Is a subset of system functions that includes transfers, drafts, direct debits, finance charges, and worksheet functions.	As Needed
C-BI008	Collector – User who works with a customer to manage collections.	As Needed
C-BI009	Credit Analyst – User who works with a customer to establish credit limits and payment terms.	As Needed

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Terminology

Accounts Receivable – money a customer legally owes the State with a reasonable expectation of collection.

Aging – technique for evaluating the composition of accounts receivable by grouping according to length of time the accounts have been outstanding.

Collection Agency – agency contracted by the State to pursue recovery of moneys due to the State accounts which have been deemed delinquent.

Condition Monitor – a process that analyzes the schedules, customers, AR, and rules to determine what to monitor. This process selects customers that meet the criteria specified on the Condition Monitor page.

Customer – individual, entity, or agency that conducts business and/or financial transactions with the State of Florida or otherwise is obligated to pay funds or incurs debt to the State.

Delinquent Accounts Receivable/Debt – account or claim due an agency which remains unpaid on the day after the date upon which the account or claim was due and payable.

Legally Collectible – obligation where there is no lawful restriction on pursuing collection.

Maintenance Worksheet – a workspace for adjusting and writing off posted receivables.

Payment – exchange of funds to compensate or discharge an obligation.

Write-Off – procedure for accounting for receivables deemed uncollectible.