

### 1.1. General Information

<b>Process Area</b>	ARB - Accounts Receivable and Billing to Receipt
<b>Process Workflows</b>	(1) Create Customer and Create Accounts Receivable and Billing (2) Aging and Collections
<b>As of</b>	05/20/2015

### 1.2. Authors and Contributors

<b>Authors</b>	Tanner Collins, BPS Team Robert Bolton, EY Process Lead Elizabeth Chao, EY Process Analyst
<b>Contributors</b>	Department of Juvenile Justice Department of Agriculture and Consumer Services Department of Legal Affairs Department of Business and Professional Regulation Florida Department of Law Enforcement Department of Revenue Department of Financial Services Department of Health

### 1.3. Scope

This document depicts the detail proposed business processes design for the Accounts Receivable and Billing to Receipt Process Area, which is defined in the following two key Process Areas:

- (1) Create Customer and Create AR and Billing
- (2) Aging and Collections

### 1.4. Assumptions

- All agencies will record receivable information into the new system
- All agencies will record customer detail information into the new system (If Applicable)
- Grant billings will be completed through this process area
- Interagency billings will be completed through this process area
- Customers will be maintained at a statewide level with a unique customer number
- There will be customer subaccounts to link to agency specific activities
- Customer records can be marked as confidential
- Edit/Exceptions reports can be run at all process activities to show any errors

### 1.5. Standardized Process Area Overview

This process starts when an agency provides a customer with goods and/or services or when the customer incurs an obligation to the agency. Based on statutory provisions and agency procedures

the agency determines whether the transaction will be recorded at the customer level. If it is not recorded at the customer level, the funds received are directly recorded as a receipt without specific customer information and deposited in the Cash Process Area. If the customer information will be recorded, the customer information is added and an accounts receivable is created. Billing functionality is available to those agencies who choose to utilize the Florida PALM billing process. In some cases, agencies may choose to record customer information but not create an accounts receivable. This may happen when a customer pays at the time of service. Florida PALM will offer the agencies the ability to track customer details without creating an accounts receivable.

Aging analysis for open accounts receivable are generated by the agencies to monitor collections of the outstanding accounts. If a customer does not remit timely payment, any applicable overdue charges will need to be added to the account and a notification (second billing) may need to be generated and sent to the customer.

If the customer has not paid within a time period established by the agency and the receivable is deemed to be delinquent, the system will determine if the account is eligible for payment offset within the P2P Process Area. The factors for determining the eligibility for offset is a Policy Issue and will be managed within the system.

If the customer account is not eligible for payment offset, the account will be identified to be sent to a collection agency. The agency will have the ability to approve or reject the accounts that are identified to be sent to collections. If the agency rejects placement with a collection agent, they must provide a reason why the account is not being sent. If the agency approves the customer accounts for placement, the account information is sent to the collection agency. If the collection agent collects on the account, data is returned to update the customer record information and receivable balances. The deposit of the received cash will be handled within the Cash Process Area.

If the accounts are no longer legally collectible (e.g., Bankruptcy, Deceased, Statue of limitations has expired) or are unsuccessful in being collected at the collection agent, they will be eligible for write-off. The agency will submit the request for write-off with the Florida PALM system. DFS will have the ability to review all supporting documentation for the write-off request within Florida PALM. If the request is approved, the agency will make the adjustment to the account record and it will be written-off for financial statement purposes.

Some receivables, such as renewal notices, fees, permits, or licenses are a choice for the customer to pay. If the customer chooses not to renew a permit or license, Florida PALM will have the ability for the agency to adjust the unpaid receivable without performing a write-off.

In certain circumstances, agencies may incur unearned revenue (e.g., advances, reserves, security deposits). This information will be captured and tracked at the customer level within the ARB sub-

ledger, and accounted for at the agency level within the General Ledger. This process will allow for the agency to keep a detailed record of all unearned revenue in the event that a refund is necessary.

### 1.6. Process Area Details

The table below describes each step in the ARB process envisioned functionality. This process consists of two sub-processes:

- 1) Create Customer and Create AR and Billing
- 2) Aging and Collections

The process step ID refers to the step as depicted in the respective Business Process Workflow diagram. The workflow diagrams use horizontal swim lanes to depict where activities are likely to be performed by different parties. Each swim lane is titled with a role, either agency-based or enterprise-based, and in some cases are representative of an external party. It is important to note that the swim lane roles may be different between the agencies. The swim lanes may change from page to page within a single process area as more or fewer roles are required to execute sections of the overall process.

Workflow Page 1 of 2: ARB – Create Customer and Create AR and Billing	
<b>Swim lanes – Definition</b>	Agency F&A Accountant A Agency F&A Accountant B Agency AR Deposit Staff

Process Step ID	Process Name	Description of Process	Governing Laws and Policies
ARB 1.1	Record Customer	<ul style="list-style-type: none"> <li>The action of goods or services being provided will initiate the process for the agency to make a decision if a customer is recorded. If no customer record is created but a payment is received, the payment received for that good or service will move to ARB 1.1a (Payment Received). If customer information was captured, then the record will move into ARB 1.2 (Record Customer Information).</li> </ul>	TBD
ARB 1.1a	Payment Received	<ul style="list-style-type: none"> <li>Any payments that are received will work through the Payment Received process. This will include payments received on behalf of an agency (e.g., DOR).</li> <li>When full or partial payments are received, the customer record is updated with the payment information, if applicable (ARB 2.20).</li> </ul>	TBD

Process Step ID	Process Name	Description of Process	Governing Laws and Policies
ARB 1.1b	Balance Payment	<ul style="list-style-type: none"> <li>Cash received is reviewed and balanced prior to deposit (The cash deposit will be handled through the Cash Process Area).</li> </ul>	TBD
ARB 1.1c	Make Deposit in CSH	<ul style="list-style-type: none"> <li>Once the cash is balanced, the agency will deposit the cash in the CSH Process Area.</li> </ul>	TBD
ARB 1.1d	Refund?	<ul style="list-style-type: none"> <li>If the deposited cash does not require a refund, the process will end. If a refund is required, proceed to the ACH/CC refund process. Customers that require a refund that paid with a check will move into the P2P process area to resolve the refund.</li> </ul>	TBD
ARB 1.1e	Agency Issues CC/ACH Refund	<ul style="list-style-type: none"> <li>If the customer has paid via credit card or other electronic payment method and a refund is due, the agency will typically handle this process internally by issuing a refund back to the card/account. Reasons for issuing a refund include: denial of service, overpayment, advance, deposit not used, withdrawal of service, reserves/security deposit refunds, etc. If refunds are issued, the customer record will automatically be updated within the system (ARB 2.20).</li> </ul>	TBD
ARB 1.2	Record Customer Information	<ul style="list-style-type: none"> <li>If the customer does not immediately pay, the agency will generate a bill or notice to send to the customer in advance (e.g., license renewal), or if they want to track the revenue to the customer, the customer information is recorded.</li> <li>The customer record will capture various levels of standard detail related to the customer (e.g., name, address, social security number, driver's license number) and will also include status changes (e.g., active, inactive, purge).</li> <li>Information may be obtained from the Grants, Project, Procurement to Payment, and Payroll Process Areas if the receivable is associated with these Process Areas.</li> </ul>	TBD
ARB 1.3	AR Generated	<ul style="list-style-type: none"> <li>After the customer information is recorded, the agency must determine if they are to record the AR. If yes, then the account will move to ARB 1.4 (Create AR). If the agency wishes to not record this customer as an AR (e.g., customer is paying at the time the customer record is created), then the record will</li> </ul>	TBD

Process Step ID	Process Name	Description of Process	Governing Laws and Policies
		move to Customer/AR Record Finalized.	
ARB 1.4	Create AR	<ul style="list-style-type: none"> <li>• After the customer information is recorded, the revenue/receivable entry is recorded.</li> <li>• Different types of AR's (e.g., prepaid, security deposits, and advances) can be created to automatically tie any unearned revenue that would need to be adjusted once posted to the GL.</li> <li>• Unearned revenue at the customer level will be tracked within the ARB module sub-ledger. All unearned revenue within the GL will only be tracked at the agency level.</li> </ul>	TBD
ARB 1.5	Has Customer Paid?	<ul style="list-style-type: none"> <li>• If the customer has paid, the cash deposit is handled through the Payment Received process and the customer record is updated (ARB 2.20).</li> </ul>	TBD
ARB 1.6	Create /Capture Customer Billing Information	<ul style="list-style-type: none"> <li>• If the customer has not paid, the customer information is captured to create a bill for the good or service provided or obligation incurred.</li> <li>• Optionally the agency may utilize their current process for billing instead of using PALM functionality (if applicable).</li> </ul>	TBD
ARB 1.7	Approve Bill?	<ul style="list-style-type: none"> <li>• The agency will have the ability to setup the different levels of approval, as well as the approval parameters, that a bill must go through in order to be generated and distributed to a customer.</li> </ul>	TBD
ARB 1.8	Finalize and Distribute Bill	<ul style="list-style-type: none"> <li>• After the bill has been approved, it is considered finalized and the distribution process is executed within the system to distribute to the customer – the system will process and distribute the approved bill at the predetermined intervals for processing (daily, weekly, etc.).</li> <li>• Examples of distribution methods within the system include: invoices sent electronically or printed for manual distribution (E.g., mailed, inter-agency, online portal).</li> </ul>	TBD

Workflow Page 2 of 2: ARB – Aging and Collections	
<b>Swim lanes – Definition</b>	Agency Supervisor Agency F&A Analyst DFS A&A External – Collection Agencies

Process Step ID	Process Name	Description of Process	Governing Laws and Policies
ARB 2.1	Customer/AR Record Finalized	<ul style="list-style-type: none"> <li>The Finalized Customer/AR record will initiate the aging and collection process to monitor the status of the AR.</li> </ul>	TBD
ARB 2.2	ARB Paid?	<ul style="list-style-type: none"> <li>If the AR is paid, the payment will go through the Payment Received process (ARB 1.1a).</li> <li>If the AR is not paid, it will move to the Aging Analysis Process (ARB 2.3).</li> </ul>	TBD
ARB 2.3	Aging Analysis Process	<ul style="list-style-type: none"> <li>If the customer does not pay within the required timeframe, as determined by the agency, the account is considered delinquent and overdue/late charges may need to be added to the customer account.</li> <li>The agency will have the capability to set different aging timeframes for various debt types in order to determine when these accounts become delinquent as well as associate any fees that may need to be assessed to the accounts.</li> </ul>	TBD
ARB 2.4	Del. AR Notices/Fees 30/60/90 days	<ul style="list-style-type: none"> <li>The agency may utilize the system functionality to distribute delinquent accounts receivable notifications to the customer at various aging intervals (e.g., 30, 60, 90 days) with applicable notes representing the updated status of the AR.</li> <li>Once the delinquent notice is sent out and/or fees are assessed, the customer record will be updated (ARB 2.20).</li> </ul>	TBD
ARB CP 2.5	Approval to Distribute AR Delinquent Notice	<ul style="list-style-type: none"> <li>This control point indicates an approval of the delinquent AR notice from the agency built into the system. The agency will have the capability to modify this approval flow as needed in order to add multiple layers if</li> </ul>	TBD

Process Step ID	Process Name	Description of Process	Governing Laws and Policies
		applicable.	
ARB 2.6	Paid?	<ul style="list-style-type: none"> <li>If payment is received after Delinquent Notices/Fees have been assessed, the Customer Record will be updated (ARB 2.20) and the payment will move to the Payment Received Workflow (ARB 1.1a).</li> </ul>	TBD
ARB 2.7	Legally Collectible?	<ul style="list-style-type: none"> <li>If the customer has not paid, the agency must determine if the account is still legally collectible. If the accounts are legally collectible, the records will be identified as eligible to be sent for collections. If it is determined that the accounts are no longer legally collectible, then the accounts will be eligible for write-off (ARB 2.18).</li> </ul>	TBD
ARB 2.8	Offset?	<p>Once the accounts have been determined as eligible for collection,</p> <ul style="list-style-type: none"> <li>Florida PALM will determine if the accounts are eligible for offset based on the criteria that is established (law, rule, policy, etc.).</li> <li>If the accounts meet the criteria for offset, they will be identified within an internal data exchange.</li> <li>If they do not meet the criteria for offset, they will continue on to the approval flow to be sent to collections.</li> </ul>	TBD
ARB 2.9	Send to Collections?	<ul style="list-style-type: none"> <li>If the account is determined as eligible to be sent to collections, the agency will be prompted to confirm this submission.</li> <li>If the agency confirms the submission, the account data is sent to the collection agency.</li> <li>If the agency does not confirm that the accounts should be sent to collections, the accounts will go back to the aging and analysis process (ARB 2.3) and the agency will be required to provide an explanation as to “why” the accounts are not being sent to collections (e.g., DFS Exemption, Independent Statutory Authority).</li> </ul>	TBD
ARB IP 2.10	Report for	<ul style="list-style-type: none"> <li>Data is generated for consideration by</li> </ul>	TBD



Process Step ID	Process Name	Description of Process	Governing Laws and Policies
	Offsets	agencies to execute or not execute offsets (This happens within the P2P process flow). This data exchange may include information from within the ARB process as well as other sources (DOR, Lottery, etc.).	
ARB 2.11	Create Collection Data	<ul style="list-style-type: none"> <li>Collection data is aggregated for delinquent accounts that are not eligible for offset and have been approved to be sent to collections.</li> <li>Parameters will also be eligible for adjustment by the agency for accounts that are being sent to collections (e.g., SOL, Collection Fees, Placement(s)).</li> </ul>	TBD
ARB IP 2.12	Data Sent to Collections	<ul style="list-style-type: none"> <li>Once the parameters are set, data is sent to the agency's collection vendor(s) in order to continue the collection process.</li> </ul>	<ul style="list-style-type: none"> <li>Section 17.20 F.S.</li> <li>Section 95.11 F.S.</li> <li>Chapter 691-21.003, F.A.C.</li> <li>Agency Specific Authority</li> <li>AAM 06 (2014-2015)</li> <li>CFOM 02(2011-2012)</li> </ul>
ARB 2.13	Collected?	<ul style="list-style-type: none"> <li>If the collection vendor is successful in collecting the outstanding AR, remittance data is created and sent back to Payment Received process (ARB 1.1a).</li> <li>If the collection agency is unsuccessful in collecting the outstanding AR, the original AR account is closed and data to update the account is returned to the appropriate agency.</li> </ul>	TBD
ARB IP 2.14	Remittance Data	<ul style="list-style-type: none"> <li>If the accounts are partially or fully collected, the information will be retrieved by the agency through a data exchange. This data should be accompanied by a check/ACH from the collection vendor. The data will update the receivables with the amounts collected. The agency will be responsible for reconciliation of the amounts collected</li> </ul>	TBD



Process Step ID	Process Name	Description of Process	Governing Laws and Policies
		within ARB 1.1b. <ul style="list-style-type: none"> <li>Once the agency has reconciled the amount received from the collection vendor with the remittance data, the customer account information is updated in ARB 2.20.</li> </ul>	
ARB IP 2.15	Close and Return Data	<ul style="list-style-type: none"> <li>If the accounts are not fully collected, it will be sent back to the agency as close and return data to update customer account. This data may contain accounts that are recalled by the agency for any reason (e.g., placed in error).</li> </ul>	TBD
ARB 2.16	Reconcile Closed Accounts	<ul style="list-style-type: none"> <li>The agency reviews and reconciles the close and return data received from the collection agency.</li> <li>If the accounts are still legally collectable, the agency will update the customer record (ARB 2.20) and proceed with placing the account back at collections. If the accounts are not fully collected, and they are no longer legally collectable (e.g., SOL, Bankruptcy, Deceased), they will be closed and returned to the agency and be eligible for write-off.</li> </ul>	TBD
ARB 2.17	Agency Submits for Write Off	<ul style="list-style-type: none"> <li>If the accounts are no longer legally collectable, the agency will create a write-off to be sent to DFS A&amp;A at their discretion.</li> </ul>	TBD
ARB CP 2.18	Write-Off Review	<ul style="list-style-type: none"> <li>DFS A&amp;A reviews the data to approve the write-off.</li> <li>Once approval is received form DFS A&amp;A, the receivable is written off by the agency and updated in ARB 2.20.</li> </ul>	<ul style="list-style-type: none"> <li>Section 17.04 F.S.</li> <li>Agency Specific Authority</li> </ul>
ARB 2.19	Agency Performs Write-Off	<ul style="list-style-type: none"> <li>The agency receives the approval for write-off from DFS A&amp;A and completes the write-off.</li> <li>The account is then updated within ARB 2.20.</li> </ul>	TBD
ARB 2.20	Update Customer Record	<ul style="list-style-type: none"> <li>Customer record is updated in multiple instances throughout the process model.</li> </ul>	TBD

### 1.7. Integration

This section will describe the timing, frequency and critical data points of the interfaces for the sending and receiving systems. For example it will say whether an interface is run nightly, ad hoc, etc.

Wherever feasible the list will include the scheduled events for each Process Area. For events that are dynamically triggered, the list will include the triggering criteria and the estimated timing/cadence.

Integration ID	FFMIS or Key System	Integration Description
ARB IP 1	Agency Business Systems	Record Customer Information/Create AR/Agency CC Refunds/Agency Collection Details
ARB IP 2	Collection Agency	Debt Collection Interface
ARB IP 3	DOR Business System	DOR Liens/Levy's

### 1.8. Control Points

Control Pt. ID	Control Point Description
	All Control Points are in the process flow

### 1.9. Reporting

In the description column of the report table, this should include the critical data included in the report and the overall purpose for the report.

Report No.	Description	Frequency and Triggering Event	Audience(s)	Classification	Governing Laws and Policies
ARB R 1	Customer Bill/Notification	On Demand, Periodic	Customer	Operational	TBD
ARB R 2	Customer Report	On Demand, Periodic	Agency AR Staff	Operational	TBD
ARB R 3	Verify Cash Received	On Demand, Periodic	Agency AR/Deposit Staff, Management	Operational	TBD
ARB R 4	Refund Report	Agency Issues Refund	Agency AR Staff	Operational	TBD

Report No.	Description	Frequency and Triggering Event	Audience(s)	Classification	Governing Laws and Policies
ARB R 5	Aging Report	On Demand, Periodic	Agency AR staff	Operational	TBD
ARB R 6	Agency Report of Accounts Sent to Collections	Annual - by October 1	Management	President of Senate, Speaker of House and CFO	<ul style="list-style-type: none"> <li>Section 17.20(4), F.S.</li> <li>AAM 03 (2012-2013)</li> </ul>
ARB R 7	Annual CFO Collection Report	Annual - by December 1	Management	Governor, President of Senate, Speaker of House	<ul style="list-style-type: none"> <li>Section 17.20(5), F.S.</li> </ul>
ARB R 8	Write-Off Report	Write-Off Report	Annual	Transparency	TBD
ARB R 9	Customer Update Reports	On Demand, Periodic	Agency AR Staff, Management	Operational	TBD
ARB R 10	Edits/Exceptions – Remittance Data	On Demand, Periodic	Agency AR Staff, Management	Operational	TBD
ARB R 11	Edits/Exceptions – Close and Return Data	On Demand, Periodic	Agency AR Staff, Management	Operational	TBD

**Valid Values:**

**Audiences:** Agency Accounting Staff, Agency AR Staff, Agency Grant Managers, Agency Property Management Staff, Agency Purchasing Staff, Auditor General, A&A, Banks, Bureau of State Payroll, CFO, Customer, DFS, DFS Bureau of Financial Reporting, DFS Bureau of State Payrolls, DMS Division of Real Estate Management, DFS Division of Risk, EDR, EOG, Executive office of the Governor, Federal Agencies, Federal Cognizant Agencies, General External Business Partners, General Agency, General Public, Governor, Governor/Office of Policy and Budget Management, Internal Revenue Service, Legislative Staff, Legislature, Management, Office of Economic and Demographic Research, President of Senate, Public, Speaker of the House of Representatives, Treasury, Treasury Staff, Vendor Public

**Classification:** Operational, Management, Transparency, Statutory

### 1.10. Accounting Events

Accounting Event ID	Description	Accounting Entry DR – Debit CR – Credit
ARB AE 1	AR is established for the customer for good or service provided or obligation incurred	DR – Accounts Receivable/Due From CR – Revenue/Expenditures (Refunds)
ARB AE 2	Refund expenditure	DR – Refund Expenditure CR – Cash
ARB AE 3	Overdue charges added to AR	DR - Accounts Receivable/Due From CR – Revenue Fees
ARB AE 4	Accounts receivable reduced for estimated uncollectible balance	DR – Bad Debt Expense CR – Allowance for Uncollectibles
ARB AE 5	Accounts receivable write-off is uncollectible	DR – Allowance for Uncollectibles CR – Accounts receivables/Due From

### 1.11. Key Performance Indicators/Measures

Measure	Relevance	Data Elements Needed to Generate Measure
Accounts receivables should be sent to a collection agent no later than 120 days after due date unless exempt or granted extension	Aging Capability to Monitor Accounts Receivables	Number of Delinquent Accounts 120 Days or Older
Percentage of delinquent accounts written off (write-off/total delinquent accounts adjusted for allowances)	Ability to determine and monitor Delinquencies And Write-Offs	Number of Delinquencies and Write-Offs
Collection Rates	Ability to determine and improve AR Collections	Outstanding Accounts Receivable and Number Days Outstanding (Aging) before being collected
Timeliness of payment posting to customer record	Control and Improved Processing Time	Time between receiving payment and payment being recorded in the system
Control/Consistency of customer information entered	Control and Improved Processing Time	Standardization of Key Customer Information Components Entered into Accounts Receivable
Automated Protocols/Rules	Control and Improved	Approvals to establish and

Measure	Relevance	Data Elements Needed to Generate Measure
and Workflow Approvals	Processing Time	control Customer Information and Generate Billing
Consolidation/Centralization of AR/BI Process	Control and Improved Processing Time	Centralization of the AR/BI process
Enhanced AR/BI Reporting Capability	Improve Reporting for Management Review	Management Reports to Monitor the AR/BI Process- (Creation and Collections)
Collection Process at the Enterprise Level	Control and Improved Processing Time	Centralization of the AR/BI process

### 1.12. Future Enhancements

- Online customer portal
- Amortization schedules broken out by type
- Auto population for mandated forms(e.g., unclaimed property forms, budget admendmentt)