

## Monitoring Controls Over Accounts Receivable Key Processes

### Purpose

This document should be utilized by campus and RF central management teams responsible for the Accounts Receivable billing and receipts processes as a guideline for developing monitoring and review procedures.

**Note:** This document only includes key processes and is not a fully inclusive listing of the controls to be created, rather a high-level guideline for the campus management teams to assist in developing your monitoring controls environment.

### Invoice Generation

#### Monitoring Controls:

RF Central & Campuses

- Monitor award billing for completeness and accuracy.
- Reconcile the nightly invoice import from the Oracle Grants Management (OGM) module to verify the interface completed successfully.
- Monitor items with a 'hold' or 'billable awaiting to be cancelled' status are being resolved on a timely basis.
- Review printed invoices to ensure that all invoices were properly generated.
- Monitor awards that have not been billed.
- Monitor draft invoices not approved.
- Review adjustments to invoices in AR coming from OGM.
- Monitor 'hold on draft' invoices.

#### Reports used for Monitoring Activities:

- Receivables Tie Back – Utilized to ensure invoice interface with the Oracle Grants Management module was successful.
- Incomplete Invoice Report – Identifies invoices not reconciled.
- Unbilled Receivables Aging Report – Identifies awards that have not been billed.

### Customer Setup/Maintenance

#### Monitoring Controls: RF Central

- Prior to sponsor setups/changes, an on-line review should be performed at the RF central office to identify if the requested sponsor already exists.
- The Customer Listing Summary Report should be monitored daily to verify new AR customer accounts have been set-up properly based upon

supporting documentation.

- The RF Central Office should perform a periodic review (monthly or quarterly) to verify no duplicate sponsors exist. If duplicate sponsors are identified, the Merge Process should be run.

### **Reports used for Monitoring Activities:**

- Customer Listing Summary Report – Lists all customers and applicable information.
- Customer Merge Execution Report – Use the Customer Merge Execution report to review the customers and site uses involved in the merge process.  
Oracle Receivables automatically generates this report when you initiate the Customer Merge program.
- Customer Credit Snapshot – Listing shows invoice aging, customer's history and credit summary.

## **Invoice Receipt Processing**

### **Monitoring Controls:**

RF Central and Decentralized Campuses

- Monitor aged invoices to ensure that all automatic payments have been received from the customer (sponsor).
- Monitor unapplied cash receipts for timely resolution.
- Monitor advanced billing receipts and recoups on cost billed invoices (all campuses).
- Monitor cash posted to both 'unidentified' and 'unapplied' accounts.
- Monitor the unapplied cash receipts register to ensure wire receipts were properly applied to open L.O.C. invoices (all campuses).

### **Reports used for Monitoring Activities:**

- Billing and Receipt History – Identifies cash received not equal to the invoice.
- RF Past Due Invoice Report – Identifies all invoices for which receipts have yet to be applied.
- Disputed Invoice Report – Identifies the outstanding invoices in dispute.
- RF Unapplied Receipts Register – Utilized to provide information on unapplied cash. Assists in identifying that a receivable record needs to be created to apply the receipts to.
- RF Receipts Register – Identifies all cash receipts posted for the day.

## **Collections**

### **Monitoring Controls:**

RF Central and Campuses

- Monitor award billings. The aging report should be reviewed regularly to identify outstanding invoices greater than 90 days generated from award for which they are responsible.
- Review the RF Unbilled Receivables report regularly to ensure that unbilled items related to disputed charges are cleared in a timely manner.

### **Reports used for Monitoring Activities:**

- Aging Report (4 & 7 Bucket) – Utilized to monitor aged invoices. Displays by customer invoice number, days late, % paid, and outstanding amount.

## **Closing of Awards and Projects**

**Monitoring Controls:**

RF Central and Campuses

- Quality review and monitoring should be performed over award and project close processing.

**Reports used for Monitoring Activities:**

- Awards and Installments Terminating in 60 Days
- Awards/Project Terminating with Active Employees – Identifies all awards/projects terminating within the payroll cycle that have active employees.
- Records Eligible for Destruction Report

**Posting to the General Ledger****Monitoring Controls:**

RF Central

- Daily reviews of the nightly GL interface should be performed by RF Central GL management to ensure no errors occurred during the interface.
- Monthly reconciliation of receivable balances are performed between the general ledger and the receivable sub-ledger.

**Reports used for Monitoring Activities:**

- Journal Import Execution Report – Identifies any errors that may have occurred during the interface of AR entries to the General Ledger

**Feedback**

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