Title: Billing **#** 67

Source: Book by Steven M. Bragg **Co Area:**

Addl Info: Accounting Best Practices - Chpt, pg 66 - Contact Dianne Parkerson, 561 297-3946

Abstract: FAU has student billing, internal billing and external billing so this may not be too helpful for FAU's operations, therefore only the list of suggested best practices is listed. Contact Dianne Parkerson, 7-3946 for additional information

Invoice Delivery
4-1 Add carrier route codes to billing addresses
4-2 Delivery person delivers the invoice
4-3 Early billing of recurring invoices
4-4 Issue electronic invoices through the Internet
4-5 Issue single, summarized invoice each period
4-6 Print separate invoices for each line item
4-7 Transmit transactions via electronic data interchange Invoice Error Checking

Invoice Error Checking
4-8 Automatically check errors during invoice data entry
4-9 Delivery person creates the invoice
4-10 Computerize the shipping log
4-11 Track exceptions between the shipping log and invoice register

Invoicing Efficiency
4-12 Eliminate month-end statements
4-13 Offer customers secure Internet payment options
4-14 Reduce number of parts in multipart invoices
4-15 Replace intercompany invoicing with operating transactions
4-16 Use automated bank account deductions
4-17 Use fingerprint verification for credit card and check payments

Title: Initiative to Reduce Student Account Receivables **#** 113

Source: Texas A&M University **Co Area:**

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2005.html

Abstract: Beginning in the Fall of 2001, we implemented several steps to reduce our student account receivables. There are two major initiatives that have since led to a 76% reduction in student account receivables. This reduction occurs in spite of a 24% increase in tuition and fee revenue.

The first initiative, implemented in the Fall of 2001, involved using Campus Loan Manager our loan management software to "fold" collection of the student accounts into an already active debt recovery process on student loans. There are many benefits to this initiative. Students who already have an outstanding loan receive one billing statement from the university on a monthly basis. Using the loan management software, we are able to tie into processes already in place for student loan collections including credit bureau reporting, collection letters, collection queues for internal and external collectors, monthly repayment plans and skip tracing attempts. Also, invalid departmental charges are removed from student accounts.

The second initiative, implemented in the Spring of 2002, involved withholding diplomas for graduating students who owe a past due amount of $250.00 or more. The students were informed of their financial obligations prior to leaving the university while it was easier to communicate with them. In cases where students were unable to pay the amount due in full, we were able to work out a repayment agreement with them and get some important demographic information. This signed repayment agreement also provides leverage in future debt recovery efforts.

Title: Summary of Collections Best Practices # 122

Source: Book by Steven M. Bragg **Co Area:**

Addl Info: Accounting Best Practices - Chpt 7, pg 128 - Dianne Parkerson, 561 297-3946

Abstract: Most of the suggestions (listed below) do not apply to FAU - however, I have included 3 in the database.

Best Practice Cost Install Time Collection Management
7-1 Clearly define account ownership - See record 123
7-2 Utilize collection call stratification
7-3 Grant percentage discounts for early payment
7-4 Conduct immediate review of unapplied cash
-5 Outsource collections
7-6 Simplify pricing structure
7-7 Write off small balances with no approval - See record 124

Collection Systems
7-8 Compile customer assets database
7-9 Maintain access to customer orders database
7-10 Arrange for automatic bankruptcy notification
7-11 Set up automatic fax of overdue invoices
7-12 Issue dunning letters automatically
7-13 Use a collection call database
7-14 Implement customer order exception tracking system
7-15 Install payment deduction investigation system
7-16 Link to comprehensive collections software package - See record 125
7-17 Institute lockbox collections

Credit Issues
7-18 Preapprove customer credit
7-19 Create standardized credit level determination system

Invoice Issues
7-20 Add receipt signature to invoice
7-21 E-mail invoices in Acrobat format

Title: Clearly define account ownership **#** 123

Source: Book by Steven M. Bragg **Co Area:**

Addl Info: Accounting Best Practices - 7-1 pg 130 - Contact Dianne Parkerson, 561 297-3946

Abstract: To improve the collections process, a company should clearly define who "owns" each customer account and assign collection responsibility to the person who has been given account ownership. "Ownership" means that salesperson's name or sales region number should be included in the account database for each customer name. Collections staff can now call upon specific individuals in the department when they feel that they will not otherwise collect payment on an invoice.

NOTE: This is included here because of the amount internal A/R. Various departments sent data to A/R to be put on A/R and the billing process and then they are often forgotten about. This may be one internal account owing another internal account or an external party (often a business) owing a department. This was obvious when we recently started looking at accounts for possible writeoffs. Examples - a student club owes a department money, a vendor owes for a utility service, a local government owes for employees attending a class offered by IOG. The department originating the invoice should take some responsibility in making sure payment is made.

Title: Write off small balances with no approval **#** 124

Source: Book by Steven M. Bragg **Co Area:**

Addl Info: Accounting Best Practices - 7-7 pg 135 - Contact Dianne Parkerson, 561 297-3946

Abstract: The typical procedure for writing off a bad debt is for a collections person to write up a bad debt approval form, including an explanation of why an account receivable is not collectible, which the controller must then review and sign. The form is filed away, possibly for future review by auditors. This can be a time- consuming process, but a necessary one if the amount of the bad debt is large. However, some bad debts are so small that the cost of completing the associated paperwork exceeds the bad debt. In short, the control point costs more than the savings for small write-offs.

The obvious solution is to eliminate approvals for small amounts that are overdue. A company can determine the appropriate amount for the upper limit of items that can be written off; an easy way to make this determination is to calculate the cost of the collections staff's time, as well as that of incidental costs, such as phone calls. Any account receivable that is equal to or less than this cost should be written off. The timing of the write-off, once again, depends on the particular circumstances of each company. By avoiding the approval process for writing off small accounts receivable, the collections staff avoids unnecessary paperwork while managers eliminate a waste of their time.

NOTE: I realize that we must follow state procedures - but we do need a documented internal write procedure. This which was requested in the past, but never produced due to the change over to SIS. If an account is not sent to collections due to the small balance, perhaps at that time it should be written off.

Title: Link to comprehensive collections software package **#** 125

Source: Book by Steven M. Bragg ***Co Area:***

Addl Info: Accounting Best Practices - 7-16 pg 145 - Contact Dianne Parkerson, 561 297-3946

Abstract: An example of a new breed of software is GetPAID which can be reviewed at the www.getpaid.com Web site. This product is linked to a company's legacy accounting systems (specifically, the open accounts receivable) by customized interfaces, so that there is a continual flow of information.

The GetPAID system does not just store collections data - it can also export it to other systems, where it can be altered for other uses or reformatted for management reporting purposes (though the package contains its own reporting features, as well). It can also create reports that are tailored by recipient. The software can also export data files into Excel or Access.

NOTE: A/R has had problems getting the type of A/R reports needed. Also, could this system interact with a collection agency's system?

Title: Online eBill and ePayment for Student Accounts **#** 131

Source: Wake Forest University ***Co Area:***

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2005.html

Abstract: Wake Forest University (WFU) has developed the Deacon Electronic Account Center (DEAC) to offer an online system for paying tuition and other charges, checking monthly statements listing student account detail, and viewing regularly updated student account activity. This new e-bill and e-payment system gives students and parents the ability to view up-to-date account information as well as details of transactions expected to occur in the upcoming semesters including anticipated tuition and housing charges and financial aid awards, neither of which were available before. Users can provide information that will enable electronic transfers from checking and savings accounts to the University. In addition, students can using their campus debit card. Data from DEAC is fed electronically into the University's accounts receivable system. The system changed the Student Financial Services staff into a more efficient and customer service oriented group.

Title: Outsourcing Student Payments **#** 156

Source: Mary Washington College ***Co Area:***

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2003.html

Abstract: Based on analysis of the final submissions, we entered into an exclusive partnership with Tuition Management Systems, Newport, Rhode Island in 1999. That strategic partnership has been helpful in delivering the following benefits:

* Administrative workload dropped significantly, especially in the areas of billing, payment processing, and inquiry resolution while we increased options and services for our customers.

* We began allowing credit card payment with no merchant fees to the school, which has helped improve collections and convenience.

* Our partner customized a credit card payment process for tuition and housing deposits to dramatically ease our collection process for these fees.

* Cash flow has been enhanced by the success of payment plan marketing to encourage earlier payment schedules and reduce delinquency.

* Additional revenue has been generated via fee sharing arrangements with our partner.

* With better planning and counseling, our student debt burden has been reduced and now remains very favorable versus our peer group averages.

* We have been able to introduce a wide variety of web capabilities with no capital outlay, development or programming initiatives.

Title: Notification Process of Withholding Diplomas **#** 170

Source: Texas A&M University **Co Area:** Registrar's Office

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2003.html

Abstract: In Spring of 2002, the decision was made to withhold diplomas for graduating students who owe a past due amount of $250.00 or more. A need to make students aware of this decision prompted the development of a multi-step process including mailings, e-mail notifications and finally phone call attempts.

Immediately following the deadline to apply for graduation, we began the process by notifying all students who had filed an application to graduate. This notification included placing an ad in the university's newspaper, mailing out letters and sending emails to those students. We then targeted students with outstanding financial obligations. After the final installment was due for student accounts and after the due date for Emergency Tuition and Fee loans, we sent letters and e-mails to all students who had filed an application to graduate and had past due balances of $250.00 or more. After giving the students ample time to respond, we then sent a certified letter and an e-mail giving them the final deadline to settle their financial obligations in order to prevent their diploma from begin withheld at graduation.

This process improved our debt recovery efforts in several ways. The students were informed of their financial obligations prior to leaving the university while it was easier to communicate with them. In cases where students were unable to pay the amount due in full, we were able to work out a repayment agreement with them and get some important demographic information. This signed repayment agreement also provides leverage in future debt recovery efforts.

Title: Student Refund System **#** 196

Source: Oklahoma State University **Co Area:**

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2002.html

Abstract: In July 1999, Oklahoma State University converted to a new system, SIS Plus. Because of the conversion, the processes for refunding credit balances were reviewed and rewritten. The goal of the Bursar's office refunding process is to automate the procedures of refunding with minimum user intervention and to disperse refunds to the students as quickly as possible. The Bursar office has one program, FREFCALC, written in FOCUS to calculate the refunds. FREFCALC calculates refunds for any account (student or non-student) eligible to receive a refund; this includes refunds to parents from Direct Parent Plus loans. There are two other programs used to help distribute the refunds ACHRPRT and REFARS; both written in FOCUS.

Title: Billing & Collections Best Practices **#** 357

Source: Book by Steven M. Bragg ***Co Area:***

Addl Info: http://www.fau.edu/financial/best-practices/billing-collections.pdf

Abstract: FAU Library HG 3752.5.B73 2005
The book contains more than 200 best practices related to every phase of a company's billing and collections activities: creating credit systems, granting credit, creating and delivering invoices, applying cash receipts, managing the collections department, outsourcing collections work and using a variety of collection techniques. The above website is the Appendix which provides a summary of the best practices.

While most of these suggestions do not apply to FAU's operations, nevertheless, there are large sums of money due to the University and it's not just student receivables.

Billing & Collections Best Practices book by Steven Bragg is available at FAU Library HG 3752.5.B73 2005.

Title: Collection Agency Contracts **#** 668

Source: Florida DOE - Div of Colleges & Universities ***Co Area:***

Addl Info: Contact Florida Atlantic University

Abstract: Steps Taken to Implement Best Practice: (e.g., policies, procedures, RFPs, contracts, task force formed, etc.)
Since the early 1980’s, an inter-institutional group of collection managers has been assembled to produce or update a Request for Proposal (RFP) for collection services with the intent of identifying and contracting with a pool of highly quality, reputable vendors to provide collection services at the best pricing possible for the Universities. This workgroup has gone through thorough selection processes to identify the vendors that best meet the needs of the State University System. A contract is established with each of the selected vendors which allows each of the Universities to utilize the contract as the basis for their contract with the vendor. Each vendor is also required to provide a bond for the services provided). A University can choose to contract with any or all of the selected vendors for collection services.

Measurable Results: (e.g., savings, revenues, reduction in process steps/time, etc.)
The Universities are utilizing these vendors to collect delinquent amounts owed with little or no cost to the institutions. Collection costs are added to amount owed from the debtor and are only due to the vendor if they succeed in collecting amounts due. Universities have reported that they generally continue to cycle delinquent debts between collection agencies until they are collected. Universities have reported an initial 20-40% collection rate on those accounts placed with a collection agency under this contract.

Title: Accounts Receivable Management Best Practices ***#*** 694

Source: Book by John G. Salek ***Co Area:***

Addl Info: Book from FAU Library HF 5681.A3 S23 2005

Abstract: This book discusses the importance of managing accounts receivable, and provides proven principles for achieving benefits such as increased cash flow, higher margins, and a reduction in bad debt loss. The book is easy to read, with each chapter giving an Overview of the topic and then suggest Best Practices in list form. There are also brief case studies.

Title: Maximizing Student Collections ***#*** 828

Source: University of Virginia ***Co Area:*** Financial Aid

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2007.html

Abstract: The University of Virginia has received decreasing financial support from the state in recent years. The University's budget is increasingly dependent on tuition revenues and philanthropy. Therefore in order to maintain and improve the University's programs and fund operations, it is imperative that the University maximize collection of receivables.

The opportunity to positively affect the collection of receivables was realized when the University of Virginia Bursar's Office and Office of Student Financial Aid were merged under one umbrella, Student Financial Services. The goals of the office were to provide financial aid timely where eligibility existed and to collect receivables to the greatest extent possible, while mitigating disruption to the student's experience at the University.

Student Financial Services facilitates improved communication between the bursar and financial aid offices, as well as "one stop shopping" for students. Another feature of Student Financial Services, and one that is unique to the University of Virginia, is the School's ability and willingness, upon completion of all requisite paperwork by the student, to apply the monies for all grants and loans before the University has received payment for the financial aid. The benefit of this arrangement is that disbursements of funds are delivered more quickly to the students. Ultimately, students can come to Student Financial Services to gain financial information, education, and counseling, as well as financial aid.