

GILES CHEMICAL CORPORATION		
COMPANY PROCEDURE		
Standard Operating Procedure	Page : 1 of 5	Revision : 04/19/2006 Date :
Author: Julia Green	Title: (00) Accounts Receivable Procedure	

ADM-PROC-ACCT-ARPROC

ACCOUNTS RECEIVABLE PROCEDURE

Most payments will be received at the Lock Box address in Charlotte. Any checks received at the Waynesville Post Office Box will be received from HR Manager or Controller in Manager's absence. All checks, Lock Box funds and EFT's will be entered on a daily check log. Bank Deposits, if any, will be completed and ready for delivery to the bank no later than 12:30 each day. **Accuracy is of the utmost importance and any questions should be addressed prior to completing deposits.** (*See work instructions for cash receipts, daily check log and AR posting*)

CASH RECEIPTS FOR CHECKS RECEIVED BY MAIL

1. Separate checks by Company, and alphabetize, writing the company number on the check stub and on the corner of the check.
2. Stamp stub with date received stamp. (Lockbox deposit dates will be the date that the bank receives the check) (Office deposits will be the date that the check is deposited to the bank) (Electronic funds transfers will be the date that they are received by email from the Controller.)
3. Use check stubs to pull "open invoices" for each check received – check the invoice number and dollar amount to insure accuracy.
4. If a check is received that pays invoices for more than one Company or more than one Customer ID, make a copy of the check and stub to attach to each company payment or Customer ID.
5. For checks not received in the lockbox, run a total on the checks for each company – run total twice to insure accuracy marking the tape with the company number.
6. Enter all checks on the daily check log. If checks are received at office, attach tape in procedure 5 above to cash log. (*See instruction for daily check log*) Check each company total against the tape for that company.
7. Electronic Funds Transfers (EFT) are entered at the end of the document in the company's EFT section. Place the trace number in the check number column. The amount will then be transferred to the Company's check section under EFT. It will not change the deposit amount.

GILES CHEMICAL CORPORATION		
COMPANY PROCEDURE		
Standard Operating Procedure	Page : 2 of 5	Revision : 04/19/2006 Date :
Author: Julia Green	Title: (00) Accounts Receivable Procedure	

ADM-PROC-ACCT-ARPROC

Staple the stub to the corresponding invoice(s). Stub should be stapled on the left edge in the center of the invoice(s).

8. The amounts on the spreadsheet are checked against the totals that have been previously run for any errors. EFT amounts are not included in the bank deposit on the spreadsheet.

Save the check log under the month, dash, day (ex. 12-30) in L:/jgreen/excel/daily cr_reports either in lockbox or office for appropriate year. Separate stubs from checks (or make copy of check in the absence of a stub).

9. **Miscellaneous (ZZ Cash) payments that are received must be copied and the copy should be forwarded to the AR clerk, along with all other checks and invoices for posting.

DAILY CHECK LOG

There are 2 check logs for GCC: one for lockbox deposits and one for office deposits (which include any checks received in office instead of lockbox.)

- Enter the amounts into the appropriate check log under each company's section.
- For checks that are split between two companies, enter amount paid for each company.
- The amounts on the spreadsheet are checked against the tape totals for any errors. EFT amounts are not included in the totals on the spreadsheet.
- Save the check log under the month, dash, day (ex. 12-30) that the check will be deposited. Save in jgreen/excel/Daily-Cr-Rpts.
- The office check log goes to Controller along with the Bank Deposit Bag for deposit.
- In the case of lockbox deposits, the check log goes to the Controller after being entered and posted in Dynamics. Check off each total for each company after posting and reconciling. Then turn in check log to Controller.

BANK DEPOSITS

Stamp checks on back according to company and complete deposit slip for each individual company. Deposit slip totals should match adding machine tape and check log totals. Insert checks, with adding machine tapes attached, in appropriate deposit books and books into deposit bag. The deposit bag should be forwarded to Controller or HR Managers in Controller's absence. Each deposit

GILES CHEMICAL CORPORATION		
COMPANY PROCEDURE		
Standard Operating Procedure	Page : 3 of 5	Revision : 04/19/2006 Date :
Author: Julia Green	Title: (00) Accounts Receivable Procedure	

ADM-PROC-ACCT-ARPROC

total will be checked against each company deposit total to ensure accuracy. Controller will take deposit to banking institution.

AR POSTING – ENTER CASH RECEIPTS IN DYNAMICS

Trans/Sales/Cash Receipts/By Company

1. After entering each document place "entered stamp" with appropriate date on each check stub. Write PM# on check stub and enter Batch ID # (Ex: PSM50CR041403_1)
2. Then on batch description enter either--Lockbox Cash Receipts for appropriate month—Electronic Cash Receipts for appropriate month—ZZ Cash Receipts for appropriate month—Cash Receipts for appropriate month.
3. Customer vendor—pull up by customer code. If payments are split between more than one company, enter the amount paid for that customer in the appropriate company.
4. Wire transfers—when split make copy for each company. Treat wires as you would checks in data entry. (make a separate entry for the customer in the appropriate company)
5. Enter amount of check
6. Enter check #
7. Click apply and choose Invoice #, then check that invoice is zero and that unapplied amount (on account) is 0. Click OK, and then SAVE.
 - 1) **Select Series Post**—choose batch (cash receipts), click and then click Post. Print 1st copy and if invoice is not completely paid, return to previous screen to check amounts entered and if amount does not zero out, return to salesperson to show that customer has overpaid or underpaid. Stamp each stub with entered/date stamp. After entering all entries x-out and go to*
 - 2) ***Select Receivable Batches**—pull up your Batch #ID and print. Check printout against invoices (inv.#, amts., totals) x-out. If posting does not agree, check distribution tab. **Always be sure to check entries before you post.**
10. Cancel the rest. If posting does not agree, check distribution tab.

GILES CHEMICAL CORPORATION		
COMPANY PROCEDURE		
Standard Operating Procedure	Page : 4 of 5	Revision : Date : 04/19/2006
Author: Julia Green	Title: (00) Accounts Receivable Procedure	

ADM-PROC-ACCT-ARPROC

11. Hold until you get the Daily Check Receipts Log from Controller and then verify totals. Initial check log with the date that it is posted.
12. Put posting sheets in appropriate CR binders at AP's shelf with the latest CR # on top.
13. Put Check Log in Controller's mailbox.
14. File paid invoices in paid files by company. Be extremely aware of various customer id's for the same customer and be sure that the paid invoices are filed in the correct folder.
15. Different "ship to's" need to be entered separately in cash receipts.
16. Returns are printed on pink "returns" copies

APPLYING CREDITS AGAINST INVOICES

1. Transaction
2. Sales
3. Apply
4. Select Customer ID
5. Under Type – Select Payment or Return
6. Find Document # and choose the item you are applying against – check to insure that it balances.
7. Click OK
8. No report will print

ZZ CASH

1. Transaction
2. Sales
3. Transaction Entry
4. Tab
5. Write Number on check stub or copy
6. Enter Description
7. Batch ID
8. Customer ID
9. Tab down to Miscellaneous and enter amount
10. Tab over to Check and enter amount and check # and OK
11. Click on Distribution and enter Account # and OK
12. Save and X out
13. Receivables Batch Entry
14. File – Print
15. Print copy and review for accuracy and X out
16. Select Batch

GILES CHEMICAL CORPORATION		
COMPANY PROCEDURE		
Standard Operating Procedure	Page : 5 of 5	Revision : Date : 04/19/2006
Author: Julia Green	Title: (00) Accounts Receivable Procedure	

ADM-PROC-ACCT-ARPROC

17. Series Post
18. Post and Print
19. OK
20. 1 copy for file
21. 1 copy for check stub
22. Cancel the remaining 2 copies
23. Staple Edit list and distribution list to copy of check