Accounts Receivable

The document outlines the functionality and processes of an Accounts Receivable System designed for managing invoicing, payments, and billing contacts related to monthly assessment fees for plots owned by members.

Purpose and Functionality of Accounts Receivable System

The Accounts Receivable System is designed to manage invoicing for Members designated as Billing Contacts for their respective Billable Assets, specifically Plots with Monthly Assessment Fees. It tracks payments, balances, and provides transaction history while allowing for adjustments in case of changes or discrepancies.

- Invoicing is done at the Billable Asset level, with each asset billed to a designated Billing Contact.

- The system tracks payments and balances for Members responsible for one or more Plots.

- Features include the ability to void invoices and payments, create draft batches, and apply late fees.

- Email notifications are sent to Billing Contacts with outstanding balances after invoicing and late fees are applied.

Managing Billing Contacts and Billable Assets

This section outlines the process of designating Members as Billing Contacts and associating them with Billable Assets (Plots). It emphasizes the importance of accurate assignment for effective billing.

- Members with Admin or Manager roles can manage Members and access Accounts Receivable options.

- To designate a Member as a Billing Contact, the checkbox "Is a Billing Contact" must be selected and saved.

- Each Member can be associated with multiple Billable Assets, but only one Billing Contact is assigned per asset.

- The system currently has 82 Plots, each with a set Monthly Assessment Fee of $165.

Creating and Finalizing Draft Batches

This topic covers the process of creating draft batches for upcoming monthly billing and the steps involved in reviewing and finalizing these batches.

- Draft batches are created for the next month's billing, typically reviewed shortly after the first of the month.

- The system allows for easy cancellation and recreation of draft batches to correct any discrepancies.

- Finalizing a draft batch changes the invoice status from Draft to Due and applies any credit balances.

- The review process includes checking for correct Billing Contacts assigned to each Billable Asset.

Applying Late Fees and Sending Notifications

This section explains the procedure for applying late fees to overdue invoices and notifying Billing Contacts of their balances.

- Late fees are applied automatically after the 5-day cutoff, ensuring they are included in the next month's billing.

- Notifications are sent to Billing Contacts approximately three weeks before the due date, summarizing their current balances.

- The system allows for easy application of late fees and sending balance notifications with a single click.

Recording Payments and Managing Credit Balances

This topic details the process of recording payments from Billing Contacts and how overpayments are managed within the system.

- Payments are recorded against specific invoices, and overpayments create credit balances for future use.

- The system automates the application of credit balances to outstanding invoices, streamlining the payment process.

- A demonstration shows how a $1,500 payment can cover multiple invoices, resulting in a credit balance for future billing.

- The system currently only accepts payments via checks.

System Integrity and Reporting Capabilities

The final section emphasizes the importance of system integrity and the ability to reverse transactions to maintain accurate records.

- The system allows for voiding invoices and payments to ensure accurate balance tracking.

- Users can edit certain fields in invoices, but the goal is to minimize the need for such edits.

- The system is designed to be thorough and robust, capable of generating necessary reports and addressing user inquiries.

Please continue reading!

Accounts Receivable

The purpose of the Accounts Receivable System is to allow invoicing Members marked as a **Billing Contact** in their **Member** account. In this case, we have "Plots" with "Monthly Assessment Fees", and we need to keep track of Payments and Balances.

This system has been built to meet that need.

Billing is done on the **Billable Asset** level, each **Billable Asset** is billed to a **Billing Contact**. Some Members are responsible for more than one **Billable Asset** *(ie. Plot).* Accounts Receivable keeps track of the billing and payments made by Members on their Plots and provides history of those transaction. In the cases where there has been a change after billing or accepting payment (such as the **Billing Contact** changed and we were not aware of it, or a check we have accepted has bounced), we are able to go into History and Void Invoices and Void Payments. Balances are updated as needed.

We can **Create a Draft Batch** of Invoices for the upcoming month's Monthly Billing Period and then **Finalize** that Draft Batch after Review, or **Cancel the Batch** and recreate it after any discrepancies have been resolved.

We have the Amount Due (or Credit Ballance) for each **Billing Contact**, and Email notifications are sent out to all **Billing Contacts** *with a Balance (credit or due amount)* after we have both done our next month's Invoicing, plus automatically applyed any Late Fees due. Waiting until after we have applied any Late Fees ensures the **Billing Contact's** balance will have Late Fees included in the next month's billing balance due (on the 1st of the upcoming month).

Payments are easily entered as the checks come in by applying the amount against an unpaid invoice. Overpayments result in Credit Balances, which are then applied against any unpaid Invoices(s). Payments can be cancelled, such as in the case of a bounced check, and overpayment credits are used up by any past or future invoices.

After the 5-day Late Fee cutoff, we can automatically apply Late Fees with a click, and then another one to send out the Balance Due Emails.

First, let's quickly cover how to mark a **Member** a **Billing Contact**, so they will show up in the selection list when we go to assign them as the **Billing Contact** for a **Billable Asset** *(Plot).*

Billing Contacts are the **Member** responsible for paying for a **Billable Asset or Assets.** A **Billable Asset** can be anything that would regularly be invoiced on a reoccurring monthly basis; Invoices for Assessment Fees in this case. Assessment Fees are assigned on the Plot(s) the **Member** owns, or is the responsible party for covering the Assessment fees, Late fees, and any Fines that may be incurred on that **Billable Asset**. A **Member** may have multiple **Billable Assets** (in other words, they may be responsible for more than one Plot), but there is only one **Billing Contact** per **Billable Asset**.

Lets cover where we set the checkbox to make a Member a **Billable Contact** first, then we will go through how to assign a **Billable Asset** (*Plot*) to that **Billing Contact Member**.

Members who are assigned the role of *Admin*, or *Manager* have access to the manage Members, and access to Accounts Receivable menu options from the top menu bar under the heading **Manage**. For our first task, we are going to edit a **Member** account.

Choose **Manage**, then **Members**, then **Manage Members**.

This brings up the Manage Members page, whith a search option and a table listing all of our existing Members (assuming a **Member** has followed the procedure to Register and has been approved as a role **Member**). We can type a few letters of their name in the Search box and should have a narrowed selection allowing us to click on the correct **Member** as the responsible **Billing Contact**.

When Clicking on your Member's Row, you will be taken to the **Manage Member** page.
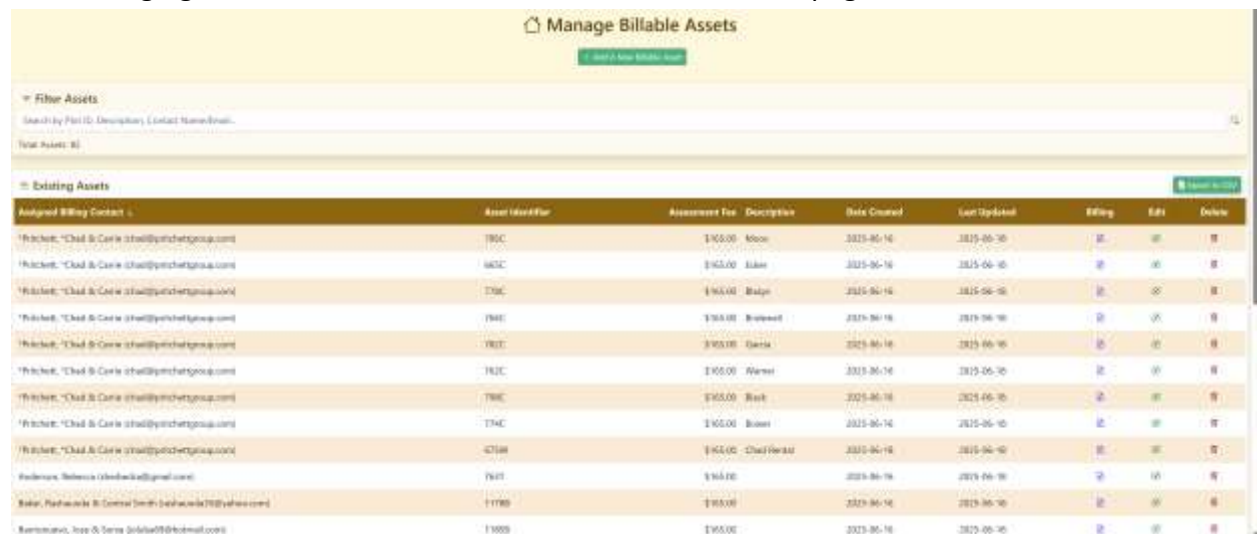

This is where we edit an individual Member's account, including the checkbox to set the **Member** as a **Billing Contact**. The Checkbox can be seen at the bottom left on the form. Scroll to the bottom of the form, and click the checkbox **Is a Billing Contact**, then go back to the top of the form and select **Save**. You will be taken back to Manage Members page... where we will continue back to the main menu and then into Accounts Receivable. We now have a **Member** who we will be able to assign to a Billable Asset, and also can Invoice.

Currently, all the **Billing Contacts** are already configured along with the **Billing Asset** *(Plots)* for which they are responsible for covering the Amount Due, but it is important to understand how and where to make a Member billable. Not all members are billable, there are secondary accounts where more than one household member is registered as a role **Member**, but only one of the members can be responsible for any billing on the **Billing Asset** *(Plot)*. Each Plot has only one responsible **Billing Contact**, but a **Billing Contact** can be listed as the **Billing Contact** on multiple Assets/Plots.

Now that we have a Billable Member, the next step is to associate them with one (or more) of our **Billable Assets** *(Plots).* All of your current **Billable Assets** *(Plots)* have been entered in the system already. As of this writing, there are 82 plots. They can be edited and transferred to a new **Billing Contact** when the responsibility for paying Assessment fees changes to another person, such as a sale/land transfer or other situations where the existing **Billing Contact** is no longer responsible for the **Billable Asset's** *(Plot's)* Assessment fees. New Assets can be added if more Plots become available and existing ones can be transferred to the new responsible party, plus the Assessment fee is set at the Billable Asset level (in case there are varying fee amounts).

The managing of Billable Assets is done on the Billable Assets page.

Menu Options to get to this page from the top menu would be to select **Manage**, then **Accounts Receivable**, then **Billable Assets**. You can set the Assigned Billing Contact, the Plot Identifier, the Assessment Fee, and additional description information Using the Edit Button. There is also a Button for Viewing the **Billing Contact's Billing History** where Invoices and Payments are created.
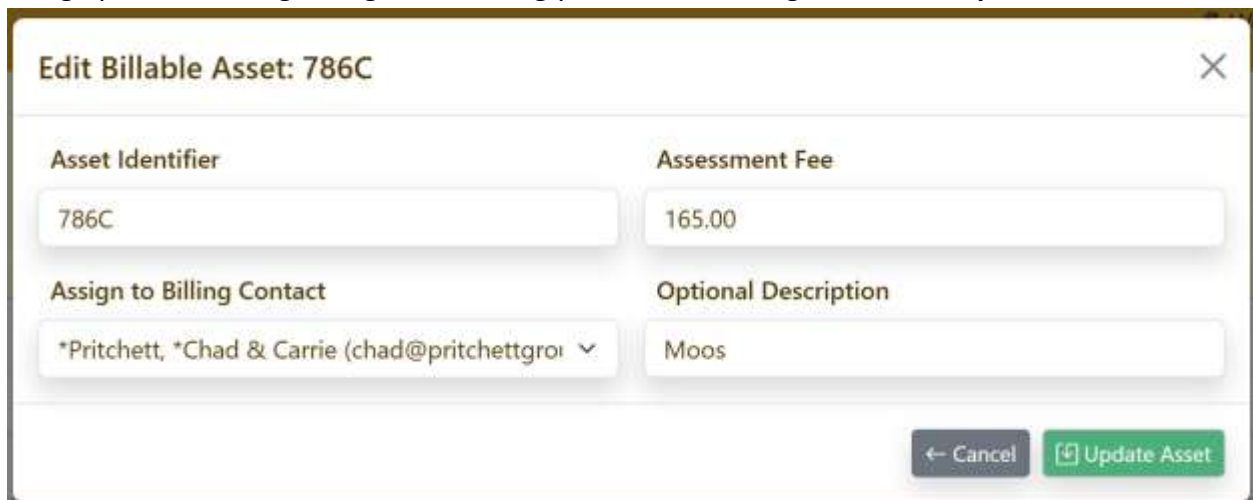
The Assessment fee for the **Billable Asset** *(Plot),* has been set for each of the current **Billable Asset** *(Plot)*. It has been set the same for all plots and is $165 per month. That can be changed,

but needs to be edited in *each* of the 82 plots if there is an increase (or decrease) in the monthly Assessment Fee.

Normally, the assessment fee will stay the same until management decides to adjust it, so having to edit all Billable Asset fee amounts should not be a frequent task.

More importantly is our ability to change the responsible billing contact for a **Billable Asset** to another Billing Contact. That sort of change may happen more frequently and is also why we covered how to edit a **Member** to allow them to become a **Billable Contact**.

To change the responsible party for a **Billable Asset** *(Plot)*, find the Asset/Plot in the table (Using the Search field or sorting by plot should make it easier. Once you have found the row in the table of the Billable Asset you want to edit, look for the Edit button in the Edit column. That will bring up the following dialog box allowing you to make changes and click **Update Asset**.

Now we have a fundamental understanding of some of the pieces and places to edit, knowing that the current data should be correct, We are ready to go through a run of Creating a New Draft Batch to Review and Finalize for the following month's **Billable Assets** with a Balance Due. That process will go through all the Billable Assets and create and Invoice for each one of them. If there is a Credit Balance in the Billing Contact's account, it will apply that Credit Balance towards the Invoice and any other Due Invoices during Finalization of the Batch.

Again, some Billing Contacts have Multiple Billable Assets, so there will be an Invoice listed for each one in their Billing History. When we Email the Balance Due, it is a summary of all current Invoices Due with a link to their Billing Contact History so they can review it in detail.

When The Billing Contact sends in a lump sum to cover the Balance Due, we apply the entire amount towards one of their Invoices creating an Overpayment, but the system will use that Credit Balance to pay all the Outstanding Due Invoices, so we do not need to go into a Multi-Plot holder's account and make payments to each Invoice. We made it easy by applying the overpayment correctly to the remaining Invoices.

So, now we are going (from the top Menu) to **Manage**, then **Accounts Receivable**, then **Create Draft Batches.**

This is the screen we will see:

+ Create Draft Batch Invoices

Use this form to generate a batch of draft assessment invoices (e.g., for monthly assessments) for all **billable assets** that have an assigned billing contact. One invoice will be created per asset.

Currently, there are **82** billable asset(s) with assigned contacts that will be processed. The specific 'Assessment Fee' set for each individual asset will be used to determine the amount for each invoice.

These invoices will be created with a 'Draft' status and can be reviewed and finalized via the 'Manage Batch Invoices' page before they become active.

Batch Description:

Monthly Assessment July 2025

Invoice Date

07/01/2025

Due Date

07/01/2025

🗋 Create a Draft Invoice Batch

← Back to Review batch Invoices

Normally, the Settings will be correct and what you will want entered for the NEXT month's Billing due on the 1st of the following month (in about three weeks after receiging their Balance Due Email). The description will automatically change to reflect the correct Month and Year. I would recommend that you create and review your **Draft batch** shortly after the first of the month (remember this is NEXT month's Billing. Assessment Fees are paid in Advance. And are

due on the 1st, and late after the 5th of the month. Review your Batch. There may be changes needed to correct a new **Billable Asset Billing Contact**. The easiest thing is to delete the incorrect Batch and Re-create a new correct Draft Batch prior to Finalizing the batch, which changes the Invoice status from Draft, to Due. Finalizing also settles up using up Credit Balances towards Due Invoices during it's process.

You will be taken to the Batch Review page, but here are the menu options to reach that page too. From the top menu, select **Manage**, them **Accounts Receivable**, then **Review Draft Batches**.

You should be on tis screen now:

You can sort or scroll down through the listing and even export it to Excel, but the biggest thing you want to do is review to ensure you have not missed any needed changes to the Billing Contact assigned to the Billable Asset. If you have corrections, Just use the Cancel & Delete Button, Go correct your Billable Assets, and then Create a Draft Batch (for the second time). Make sure you delete your incorrect or unused unfinalized Draft Batches if you do not plan on Finalizing them.

To help you review the Draft Batch, there is a Billing button at the end of the row that will take you to that Billing Contact's Billing History showing the Draft Batch as well as their other history. You can also **Delete** the Invoice on the Billing History, or changes it's amount. Depending on the situation, and why you are editing, it is easier to fix any discrepancy in the Billable Assets though, so that when a Draft Batch is created, it is correct. Editing the Invoice only changes the Invoice for this billing cycle.

Here is an example of a Billing Member's Billing History page:

We should be able to reverse every transaction and payment and Late Fee on a Billing Contact's page and arrive at a zero balance as a test of system integrity. Voiding the 9 invoices above would bring this Billing Contact's Balance to zero.

You can **Void**, which marks an invoice **Cancelled**. You can also use the Edit Button to arrive at this screen:

☑ Edit Invoice

Invoice details:

Invoice ID:

84

Batch ID:

BATCH-20250629202038-6002

Due Date

07/01/2025

Description

Monthly Assessment July 2025 - Plot: 675W

Amount Due

165.00

← Cancel ☑ Save Changes

Not all fields are editable but due Date and Amount are the most obvious ones to potentially edit. Again, the Idea is to not have to Edit Invoices. If our Billable Assets have the correct Billing Contact assigned, there should be no need.

Finalizing a Draft Batch takes to the Current Balances page where we can see a list of the Billing Contacts with Current Balances.

Lets go back and look at the Billing History of the Billing Contact we used in the last Billing History Screenshot. And review any changes.

Billing History

← Back

[Invoice] [Payment] [Apply Late Fee]

Current Balance Due for:
*Chad & Carrie *Pritchett (chad@pritchettgroup.com)

$1,485.00
This account has an outstanding balance.

Transaction History for:
*Chad & Carrie *Pritchett (chad@pritchettgroup.com)

Date	Invoice # ↓	Description	Charge	Payment	Status/Method	Type	Edit	Void
2025-07-01	INV-00084	Monthly Assessment July 2025 - Plot: 675W	$165.00		Due	Invoice	✎	⊗ Void
2025-07-01	INV-00081	Monthly Assessment July 2025 - Plot: 774C	$165.00		Due	Invoice	✎	⊗ Void
2025-07-01	INV-00056	Monthly Assessment July 2025 - Plot: 798C	$165.00		Due	Invoice	✎	⊗ Void
2025-07-01	INV-00043	Monthly Assessment July 2025 - Plot: 762C	$165.00		Due	Invoice	✎	⊗ Void
2025-07-01	INV-00042	Monthly Assessment July 2025 - Plot: 782C	$165.00		Due	Invoice	✎	⊗ Void
2025-07-01	INV-00029	Monthly Assessment July 2025 - Plot: 766C	$165.00		Due	Invoice	✎	⊗ Void
2025-07-01	INV-00026	Monthly Assessment July 2025 - Plot: 778C	$165.00		Due	Invoice	✎	⊗ Void
2025-07-01	INV-00024	Monthly Assessment July 2025 - Plot: 665C	$165.00		Due	Invoice	✎	⊗ Void
2025-07-01	INV-00005	Monthly Assessment July 2025 - Plot: 786C	$165.00		Due	Invoice	✎	⊗ Void

The only change is that the Draft Invoices have been marked Due. The Current Balance Due remains the same, because the Draft Batches were already included in the Balance.

At this time, we want to continue to take payments which we will cover, but with our Batch is processed and the new Next Month Billing Invoices created and reflected on the Balance Due in the Billing History. That amount will be Due on the upcoming 1st, and Late on the 6th.

In the meantime, during the current month, we may have Invoices become Overdue as the 5th of the current Month passes by. Our Draft Invoicing is complete, but We should wait until any current invoices become Overdue, then Click the **Apply Late Fees to All Eligible** button on the Accounts Receivable Current Balances page.

After we have Applied any Late Fees, it is now appropriate to Click the **Email Balance Notifications** Button. Waiting until after applying Late Fees on the morning of the 6th ensures those late fee amounts are included in the Balance Due amount we email to the Billing Contacts. If you are applying Fees for the previous month, then you should get those fees into the balances presented to the Billing Contact for the Upcoming month. Emails will go out approx. three weeks prior to being due.

Now lets cover what to do when a Payment comes in. The first thing we have to do is find the

Billing Contact's Billing History page. There are several pages with links/buttons taking you to that page. It contains the History as well as the options to manually create and Invoice (for things like Fines), but more importantly, it has a button allowing you to record a **Payment**.

One of the quickest ways to get to that page is to call up the **Manage/Accounts Receivable/Billable Assets** page. From there, you should easily be able to type some letters of the **Billing Contact's** name (or the Plot Number if included on the check). When you find the right Row in the table, there will be a button in the Billing Column waiting for you to click called **Billing**.

We have done a few screenshots of the Billing Contact's History page looks like, but here is one more shot focusing on the Payment button Location:

Now lets take a look at the Payment page:

Record New Payment

Member

*Chad & Carrie *Pritchett (chad@pritchettgroup.com)

Apply to Invoice

○ INV-00005 (2025-07-01) - Monthly Assessment July 2025 - Plot: 786C (Due: $165.00, Paid: $0.00, Rem: $165.00)

○ INV-00024 (2025-07-01) - Monthly Assessment July 2025 - Plot: 665C (Due: $165.00, Paid: $0.00, Rem: $165.00)

○ INV-00026 (2025-07-01) - Monthly Assessment July 2025 - Plot: 778C (Due: $165.00, Paid: $0.00, Rem: $165.00)

Apply Existing Credit to Selected Invoice

No available credits for this Member.

Payment Date (if new payment)	Payment Amount (if new payment)
06/29/2025	

Payment Method (if new payment)

Check

Reference Number (e.g., Check #)

Notes (Optional for new payment)

← Billing History   Record New Payment

The first thing you may notice, is that our demonstration user has a box with a list of all the Invoices this **Billing Contact** has, quite a few, one for each of the Billable assets they are the

assigned Billing contact. This is a Multi-**Billable Asset Billing Contact**. Most Billing Contacts will only have one Invoice unless they have prior unpaid invoices.

We will demonstrate a feature that will make recording payments against Multi Asset Contacts easier. It would be time consuming if this **Billing Contact** sends in one grand total of the balance due in one check for the total amount if we had to go in and mark each Invoice paid and the portion of the check used. Instead, we have automated that process. All we do is pick ONE invoice and OVERPAY it with the total amount of the check the Multi Plot holder sent.

What will happen is the Overpayment amount will be treated correctly as a **Credit Balance**, but the Billing Clint still has Due Invoices, We take the Credit balance and automatically apply it to all of the Due Invoices, or at least as many as it will cover. Depending on the Check Amount, it could cover all Due invoices, just some of the due invoices, or all of the due invoices and still have a Credit Balance left over. The big point is Credits will always be applied to Due Invoices if the **Billing Contact** has any. We are going to apply that Credit. If there is a leftover, if will be used towards the next month's invoice when Finalized.

Lets try this with some more screenshots on the following pages.

We are going to Record this $1,500 payment against our Demonstration **Billing** Contact who has a balance due of $1,485.

Record New Payment

Member

*Chad & Carrie *Pritchett (chad@pritchettgroup.com)

Apply to Invoice

○ INV-00005 (2025-07-01) - Monthly Assessment July 2025 - Plot: 786C (Due: $165.00, Paid: $0.00, Rem: $165.00)

○ INV-00024 (2025-07-01) - Monthly Assessment July 2025 - Plot: 665C (Due: $165.00, Paid: $0.00, Rem: $165.00)

○ INV-00026 (2025-07-01) - Monthly Assessment July 2025 - Plot: 778C (Due: $165.00, Paid: $0.00, Rem: $165.00)

Apply Existing Credit to Selected Invoice

No available credits for this Member.

Payment Date (if new payment)

06/29/2025

Payment Amount (if new payment)

1500

Payment Method (if new payment)

Check

Reference Number (e.g., Check #)

Check 123454

Notes (Optional for new payment)

Payment for the outstanding balance, plus $15 extra.

← Billing History   Record New Payment

As anticipated, after Recording the Payment, We are taken to his Billing History and it now looks like this:

We can see that all his Due Invoices have been marked Paid, his Balance Due is back down to 0, and the overpayment of $15 is reflected as a Credit to be applied toward the next round of Invoicing.

This flow should streamline accepting payments. We currently only accept Checks.

I'm not going to cover taking a payment from someone having just one **Billable Asset.** It works the same, you select the Due Invoice, and apply a payment towards it. If the payment does not cover the entire Invoice, there will still be a portion Due. If the Payment is Greater than the Amount Due, then a Credit is formed and traced through it's usage such as what Invoices it was applied towards.

This should be an introduction to Accounts Receivable. It was designed to attempt to make the flow of billing easy. Accounting is complicated. The various situations that can arrise are complicated. We have strived for a simple, yet thourough and robust system capable of gathering all the data needed for any reporting needs. If you have questions about any area, or you have suggestions for improvement or asdditional needs, I'm sure we can address them.

Michael Vaughn
The Mikish Group
mikish.vaughn@gmail.com.