# Accounts Receivable

**Core Business Process**

In line with the overall business objective of FC Platinum sales can either be on cash or credit basis. The Accounts receivable Module caters for the processing of both these types of transactions. Among the many outputs of this module, it will allow invoicing and tracking of all invoiced amounts up to payment and also tracks debtor balances through an aging report. At FC Platinum Holdings, AR represents a line of credit extended by a company, due within a relatively short timeframe and company policy allows for 30days credit.

## Prerequisites

1. **Customer groups**

There must be predefined categories for debtors and these are based on the nature of sales that we would have undertaken as well as the basis of the relationship. An example is Staff Debtors, who are essentially bonafide employees of FC Platinum, another example is Contract debtors, whose relationship with FC Platinum is bound by a contract.

1. **Charge codes**

They are used to define the kind of charge and how the charge is going to be debited or credited.

1. **Terms of payment**

Terms of payment are predefined by virtue of the goods and services being supplied as well as the customer group consuming them. Terms of payment are also used to define how the due dates will be calculated.

1. **Methods of payment**

Payment Method is one of the essential configurations while creating new retail store.

## Customer Creation

### Prerequisites

The customer must have gone through credit vetting and references checked before credit can be extended. This initial process will set the basis for which other privileges such as maximum credit period will be allowed.

### Process Description

Once FC Platinum Holdings have identified a customer and agreed on the terms and conditions, the Accounting Officer creates a customer by capturing the following details:

**Registration Details**

|  |  |  |
| --- | --- | --- |
| **Column Name** | **Datatype** | **Length** |
| Customer Account | Varchar | 20 |
| Customer Group | Varchar | 20 |
| Customer Name | Varchar | 20 |
| Record Type | Varchar | 20 |
| Mode of Delivery | Varchar | 20 |
| Sales Tax Group | Varchar | 20 |
| Terms of Payment | Varchar | 20 |
| Delivery Terms | Varchar | 20 |
| Currency | Varchar | 20 |
| Customer Address | Varchar | 20 |



After the customer’s account have been created the then the account is maintained

1. Identify New Customer - Service Departments e.g. Hospitality / Engineering/Website
2. Vetting of Customer - Accounting Officer
3. Approval of Credit terms - Finance & Admin Superintendent
4. Agree on terms & Conditions - Accounting Officer
5. Capture & Create Customer - Accounting Officer

### Actors

* Accounting Officer
* Service Departments
* Finance & Admin Superintendent

### Workflow

* None Required

### Audit Trail

* Customer ID
* Service Contracts

## Sundry Invoicing

### Process Prerequisites

* These are mainly sales to legal persons who are not contractual nor our employees. Mostly this group comprises of once off orders and short-term contracts.

### Process Description

Each Service department submits proof of service provision or delivery of goods by way of an approved Delivery Note from the client, email confirming service, or an approved quotation. On receipt of the invoicing instructions from the service departments, the Accounting Officer Revenue will verify if the source document meet the client expectations before they invoice.

Before an invoice is captured by the Accounting Officer – Revenue, the accounts receivable staff must ensure all Delivery notes reflects the correct quantities of goods delivered to the customers. Once verified the Delivery Notes are submitted to the Accounting Officer – Revenue. The Accounting Officer – Revenue raises an invoice against a Delivery note capturing the following details:

**Invoicing Details**

|  |
| --- |
| **Column Name** |
| Customer Account |
| Invoice Date |
| Receiving bank |
| Invoice Currency |
| Customer Department |
| Customer Section |
| Customer Cost Centre |
| Invoice Line Description |
| Invoicing Account |
| Tax Code allocation |
| Units, Unit Price, |
| Financial Dimensions of Service Departments accruing Revenue |
|  |

The Accounting Officer – Revenue then submit the invoice to the customer being invoiced. Sundry invoicing work on the following facilities:

* Mine Canteen
* Gazebo
* Diverse
* Chivasa
* Regalia
* Platinum Lounge
* Roland
* Once off orders external to Mimosa



1. Accounting officer raises a quotation in consultation with the service department in response to an inquiry for adhoc jobs
2. Once the quotation is approved by the customer, the work is carried out.
3. On completion of the Job, a signed Delivery Note by the customer is submitted for invoicing
4. The Accounting Officer Captures and generates invoice
5. The Accounting Officer sends out the Invoice with the support documents to the customer for final authorisation and

Other sundry debtors emanate from contracts entered into with customers for non-core actives ranging from a month to a year. In this case a service charge id defined and agreed in the contract and monthly invoices will be raised and submitted to customer on a monthly basis for payment.

### Actors

* Service Department
* Accounting Officer
* Customer
* Service departments

### Workflow

* Invoice Batch Approval

### Audit Trail

* Invoice
* Delivery Note / Quotation
* Contract

## Labour Broking Invoicing

FC Platinum Holdings offers labor broking services. The invoicing of the seconded labour is done based on timesheets depicting hours worked in the particular month. Rate of invoicing are based on the company business model and the rates are agreed with the customer at the inception of the contract and varied from time to time if there are circumstances that warranty any amendments.

**Pre-Condition**

* Contract
* Labour Request
* Agreed Rates
* Authorised Time Sheets from Customer
* Approved Summary Sheet form HR

Human Resources supply Labour to a customer based on approved Labour requests from customers. On a daily basis, the HR clerks log time for all employees seconded and draw up a timesheet at the end of the month. The timesheets are sent for to the customer for verification of hours and the related details. The Human Resources compile a summary sheet based on the approval framework in the respective sections where the employees are seconded. The time sheets and summary sheets are submitted for Invoicing to the Accounting Officer – Revenue.

**Process Description**

The Accounting Officer receives the Summary sheet and Uploads the summary sheet into the Accounts Receivable invoicing module.

1. **Verification**

The process of verification includes checking the accuracy of Cost Centers if the provided Cost Centers on the summary sheets are the same with the available Cost Centers. If the summary sheet is not correct the officer will then send it back to the HR Officer for correction. Upon verification success the Finance & Admin Officer will then calculate the summary sheet.

Verification columns:

* Cost Centres

1. **Calculation**

**For Mining Clients**

On Calculation the Officer will be computing variables like Normal Shift Hours, Night Shift Hours (\*10%), Underground +4(\*8\*5%), PPH Overtime @2%,StandBy Allowance @1, Planned Overtime @2, Planned Overtime @1.5, Callout @2.0,Callout @1.5, Full Rate, Allowance Rate to produce Amount in Transaction Currency.

As follows:

1. Night Shift Hours (\*10%) and Underground +4(\*8\*5%) are multiplied by Full Rate (2.85)
2. %), PPH Overtime @2%, Standby Allowance @1, Planned Overtime @2, Planned Overtime @1.5, Callout @2.0, Callout @1.5 are multiplied by Overtime Rate (1.78)
3. Part (i) and Part(ii) are then added to constitute Amount in Transaction Currency (Total Amount (ZWL)) or (Total Amount (US))
4. For other clients – the calculation changes based on the dictates of the respective NEC
5. **Post**

The Accounting Officer posts the summary sheet. The summary sheets and timesheets will be attached to the invoices when submitted for authorization and payment

Below are the specific details required on the Upload Template in line with our Current Requirements

**Fields**

|  |  |  |
| --- | --- | --- |
| **Name** | **Type** | **Length** |
| Section | String | 25 |
| Cost Centre | String | 10 |
| Count | Integer | 10 |
| Mine Number | String | 10 |
| Surname | String | 25 |
| First name | String | 25 |
| Normal Shift Hours | Integer | 6 |
| Night Shift Hours (\*10%) | Double | 9,2 |
| Underground +4 (\*8\*5%) | Double | 9,2 |
| PPH Overtime @2.0 | Double | 9,2 |
| Standby Allowance @1 | Double | 9,2 |
| Planned Overtime @2.0 | Double | 9,2 |
| Planned Overtime @1.5 | Double | 9,2 |
| Callout @2.0 | Double | 9,2 |
| Callout @1.5 | Double | 9,2 |
| Grade | Integer | 6 |
| Full rate | Double | 9,2 |
| Overtime rate | Double | 9,2 |
| Amount (ZWL) | Double | 9,2 |

**Diagram deemed to include both Summary sheet & Timesheet**



### Actors

* Accounting Officer
* HR Officer

### Workflow & Notification

* Accounting Officer verifying Summary Sheet
* Finance Superintendent -Invoice Batch Approval

### Audit Trail

* Summary sheet ID
* Invoice ID

## Cash Receipts & Payments

### Pre-Condition

Debtor Balance

Account Statement

### Process Description



### Actors

* Accounting Officer

### Workflow

* Customer recurring workflow

### Audit Trail

* Remittances
* Proof of Payment

## Aging Analysis

### Precondition

1. **Customer**

Is a customer/client in receipt of goods and services from FC Platinum and in return has to pay FCP.

1. **Invoice**
2. **Payment**

### Process Description

The Accounting Officer runs an aging analysis report on the system and prints it. After analysis, the Accounting Officer can report to management on the trend of payments from debtors and if the company can be exposed by non performing customers. This information will assist management on decision making.

**Age by Posting date**

* Date the invoice was posted.

**Age by Document**

* Date on invoice document

**Aging Buckets**

|  |  |
| --- | --- |
| **Period (Days)** | **Description** |
| 0 – 30 | Current period |
| 31 – 60 | 60 days |
| 61 – 90 | 90 days |
| 91 – 120 | 120 days |
| Over 120 | 120+ days |



### Actors

* Accounting Officer - Finance

### Workflow

* None

### Audit Trail

* Aging report

## Monthly Procedure -Revaluation

### Precondition

1. **Invoice**

This is a statement which reflects the balances FC Platinum owed by its debtors.

1. **Foreign currency invoice**

The invoice has to be foreign for it to be revaluated.

1. **Transaction Date**

The day should be the last day of the month.

### Process Description

At the end of each reporting month all unsettled/open foreign currency invoices are revalued. The Accounting Officer - Finance load the rate as of last day of the month to allow correct revaluation of the customer balances. All foreign currency balances should reflect the new revalued balance owed to customers as of the given reporting period. When the balance is settled at a later date from the revaluation date, the invoice will be settled at the prevailing rate as of the date of settlement. The difference between the paid amount and the revalued invoice amount is posted to the Profit/Loss account as an exchange gain or loss.



### Actors

* Accounting Officer - Finance

### Workflow

* None

### Audit Trail

* Current rate
* Payment and receipts