



The Billing/Accounts Receivable/ Cash Receipts(B/AR/CR) Process

Enterprise Resource Planning

Introduction

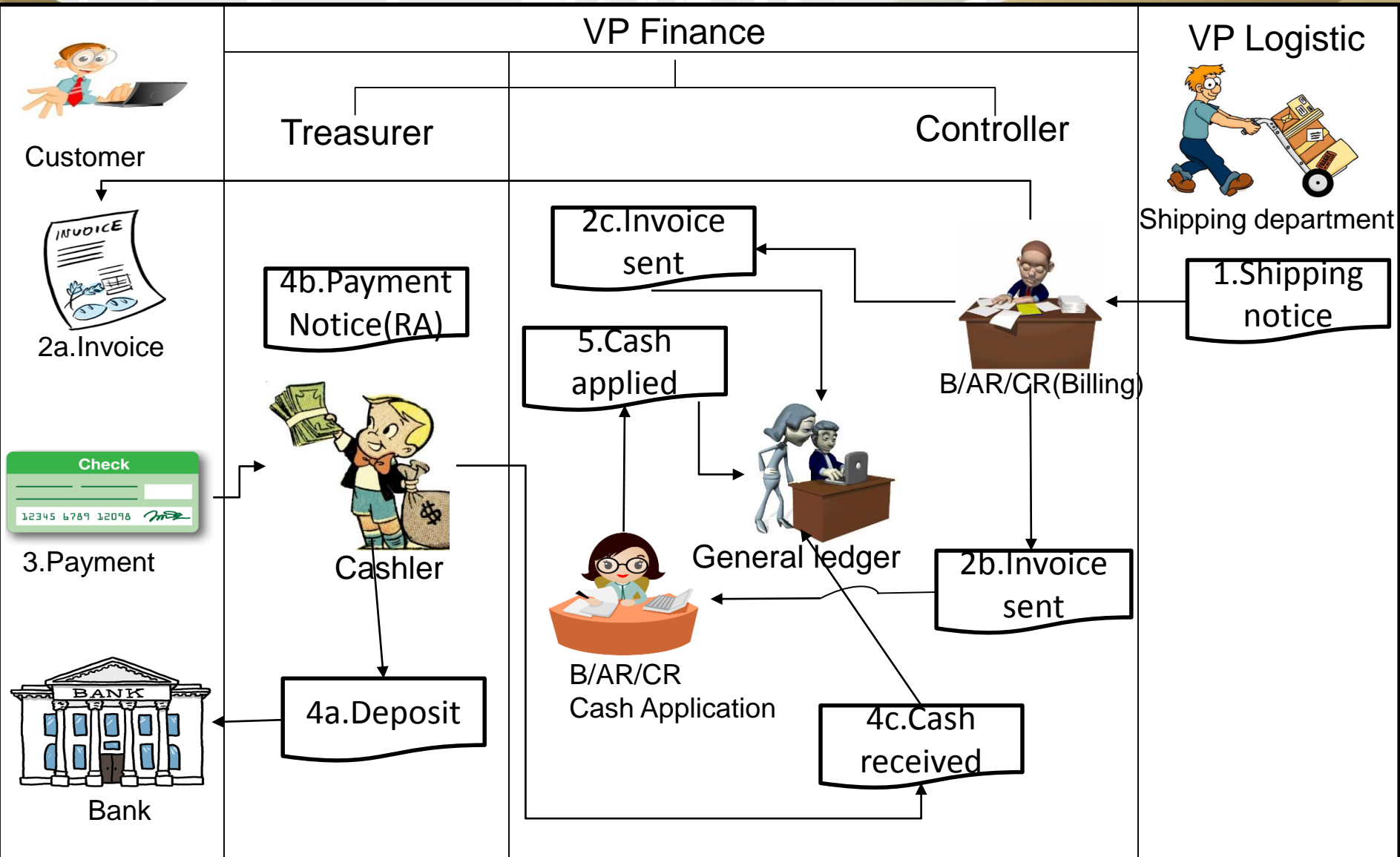
เวลาเอาใบไปเก็บเงิน
ใบส่งของ
ใบกำกับภาษี
ใบแจ้งหนี้

The billing/accounts receivable/cash receipts (B/AR/CR) process is an interacting structure of people, equipment, methods, and controls designed to create information flows and records that accomplish the following:

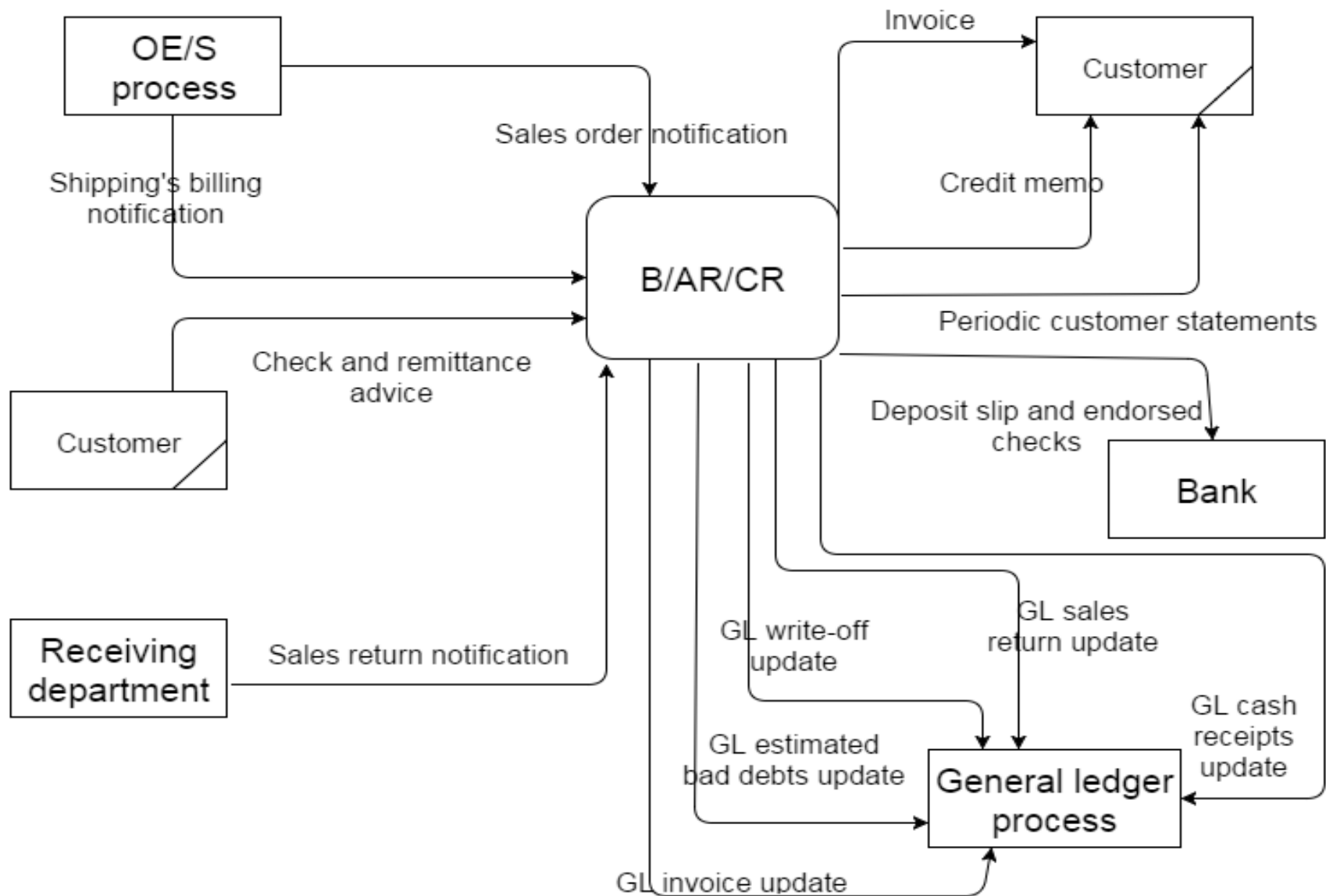
1. Support the repetitive work routines of the credit department, the cashier, and the accounts receivable department
2. Support the problem-solving processes of financial managers
3. Assist in the preparation of internal and external reports

รายการอาหารที่เราสั่ง = P/O
ใบที่เราได้หลังจากสั่งอาหารเสร็จ (มีราคา) = ใบวางบิล/ใบแจ้งหนี้
ได้รับอาหาร - กิน
หยิบบิลไปจ่ายเงิน
ใบที่ได้รับมาใหม่ตอนจ่ายเงิน = ใบเสร็จรับเงิน/ใบกำกับภาษี

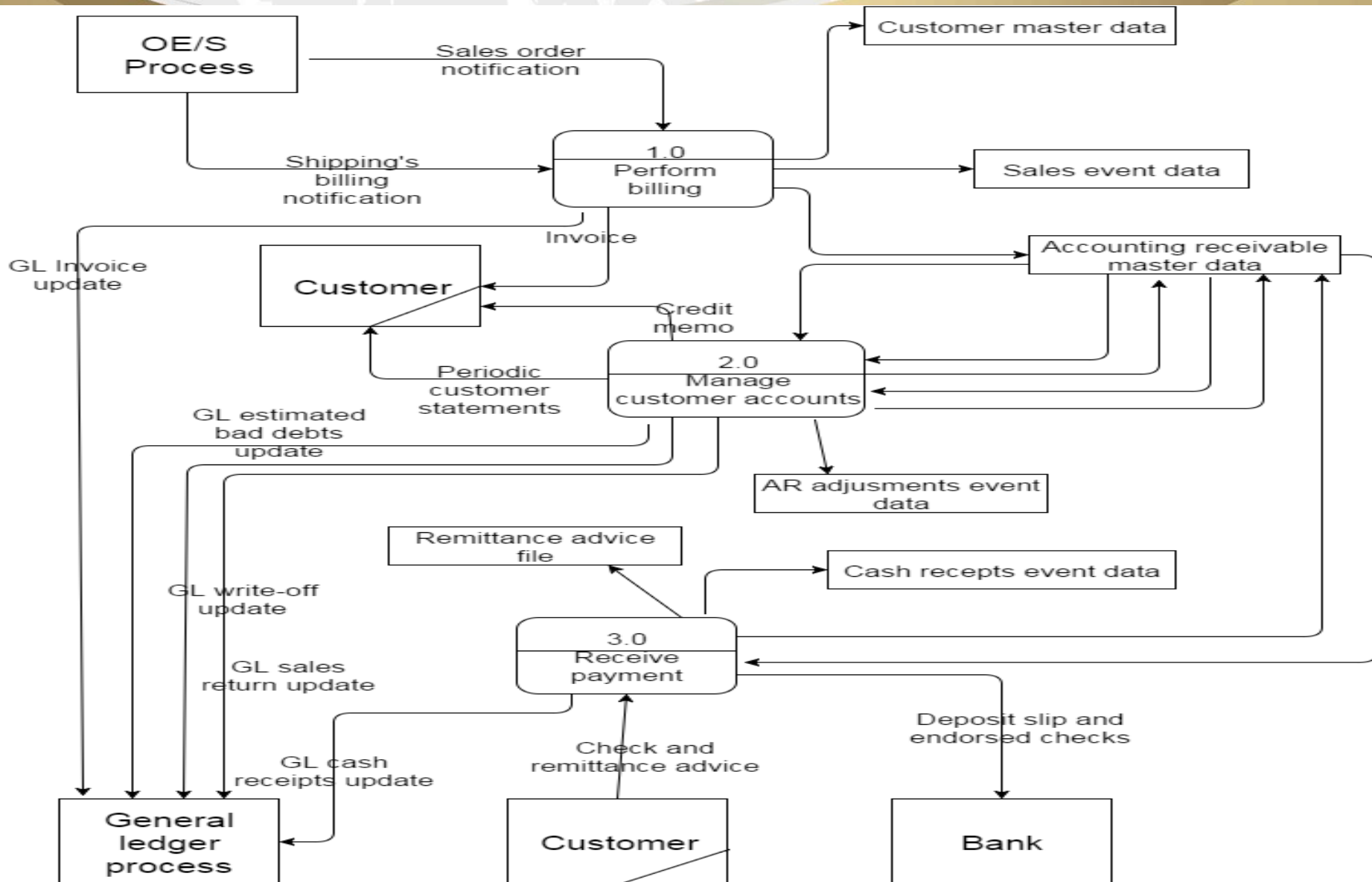
Horizontal View B/AR/CR



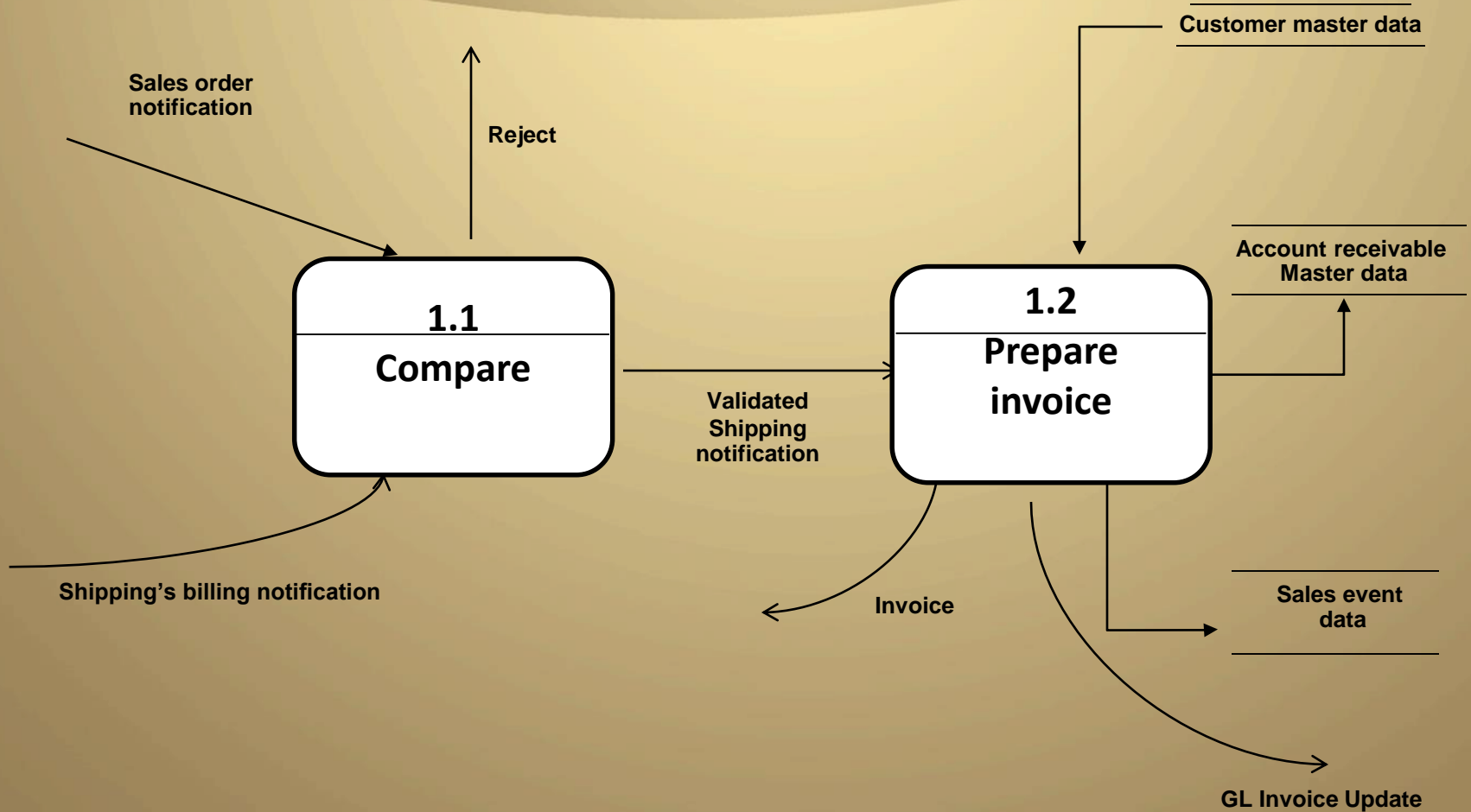
B/AR/CR Context Diagram



B/AR/CR Level 0 DFD



B/AR/CR Process Diagram 1: Perform Billing



Sample SAP A/R Invoice Data Screen

A/R Invoice

Customer: C99999
 Name: One Time Customer
 Contact Person:
 Customer Ref. No.:
 BP Currency: \$

No.: Primary 93
 Status: Open
 Posting Date: 05/12/2009
 Due Date: 05/12/2009
 Document Date: 05/12/2009

Contents Logistics Accounting

Item/Service Type	Item	Item Description	Quantity	Unit Price	Disc...	Tax Code	Total (L.C)
1	B10	Beer in Crate (empty, c	-10		0.000		
2	B0002	Deposit Bottle	-200	0.25 \$	0.000		-50.00 \$
3	C0001	Crate for Beer (20 bottl	-10	2.00 \$	0.000		-20.00 \$
4	W0001	Water 1l	2	2.00 \$	0.000		4.00 \$
5					0.000		

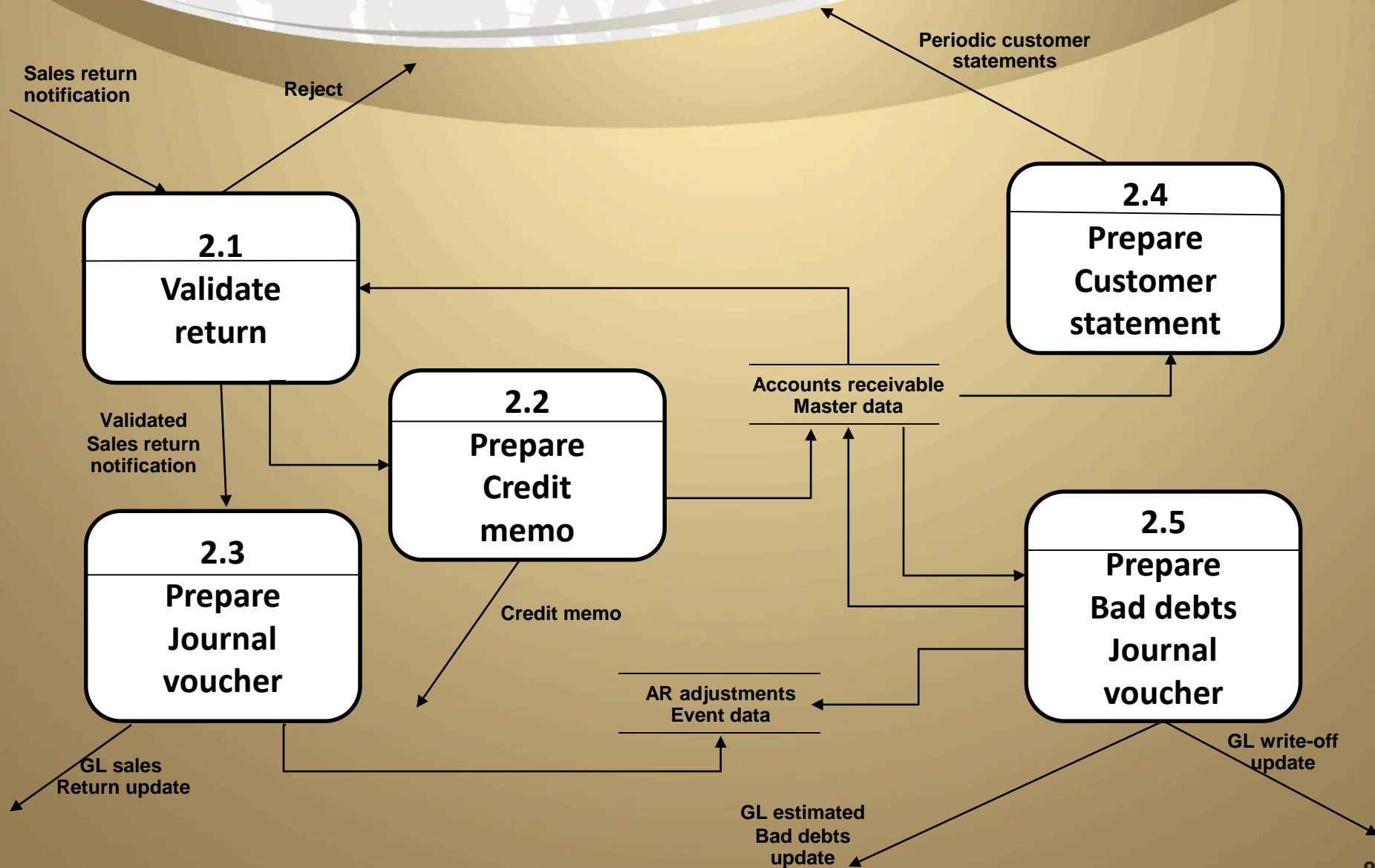
Summary Type: No Summary

Sales Employee: Sales Manager
 Owner:
 Remarks:
 Add Cancel

Total Before Discount: -66.00 \$
 Discount: %
 Total Down Payment:
 Freight:
 Rounding: 0.00 \$
 Tax:
 Total: -66.00 \$
 Applied Amount:
 Balance Due: -66.00 \$

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B/AR/CR Process Diagram 2 Manage Customer Accounts

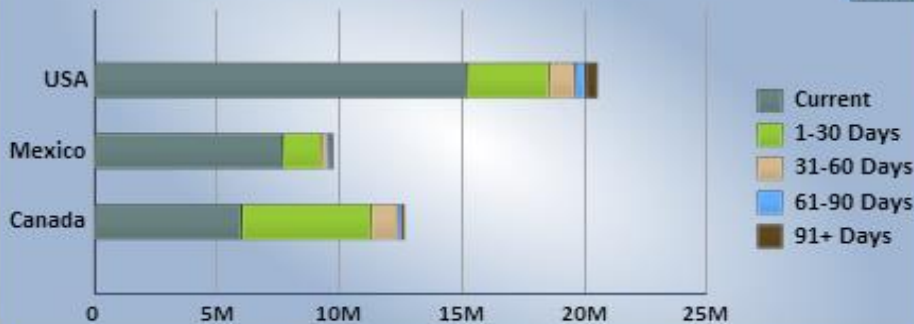


Sample Accounts Receivable Report

cash flow - เงินหมุนเวียน

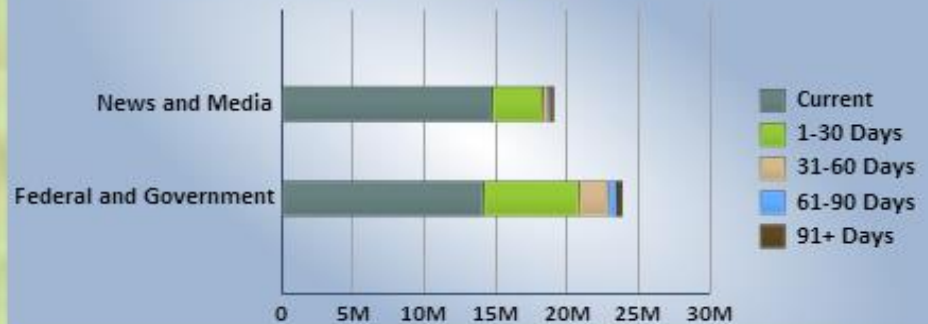
Overview

By Country (USD)



Geographic View

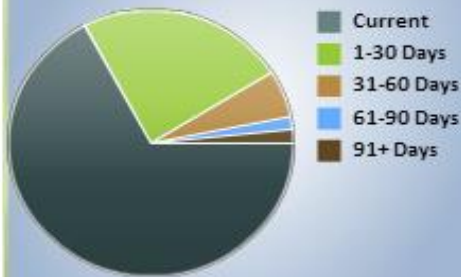
By Industry (USD)



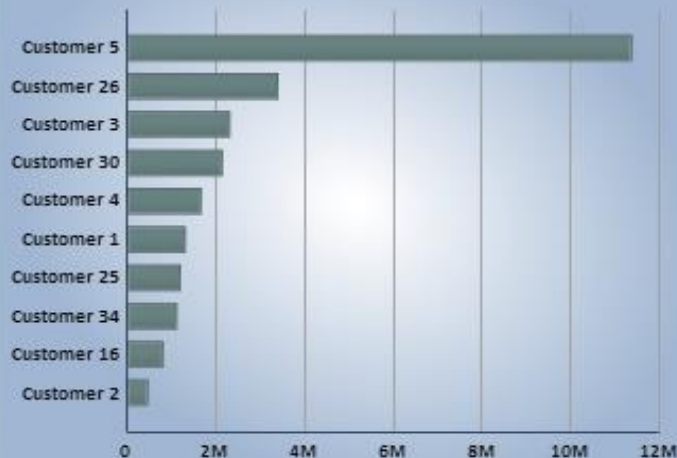
Customer / Sales Rep View

By Age Category (USD)

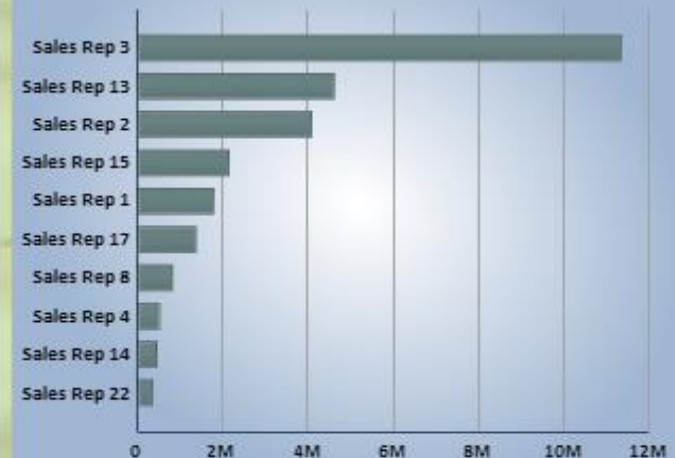
(USD)



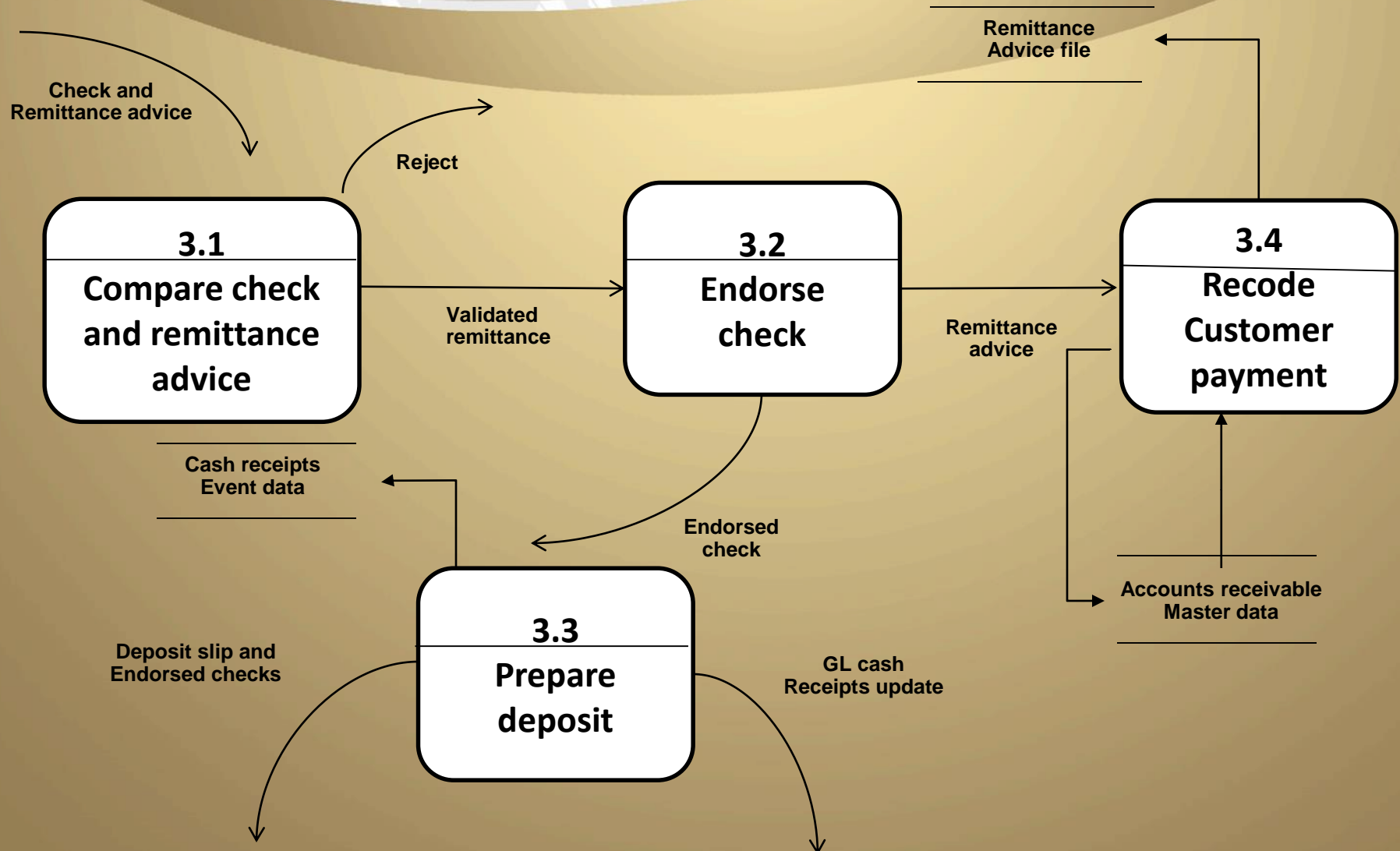
Top 10 Customers (Current)



Top 10 Sales Reps (Current)



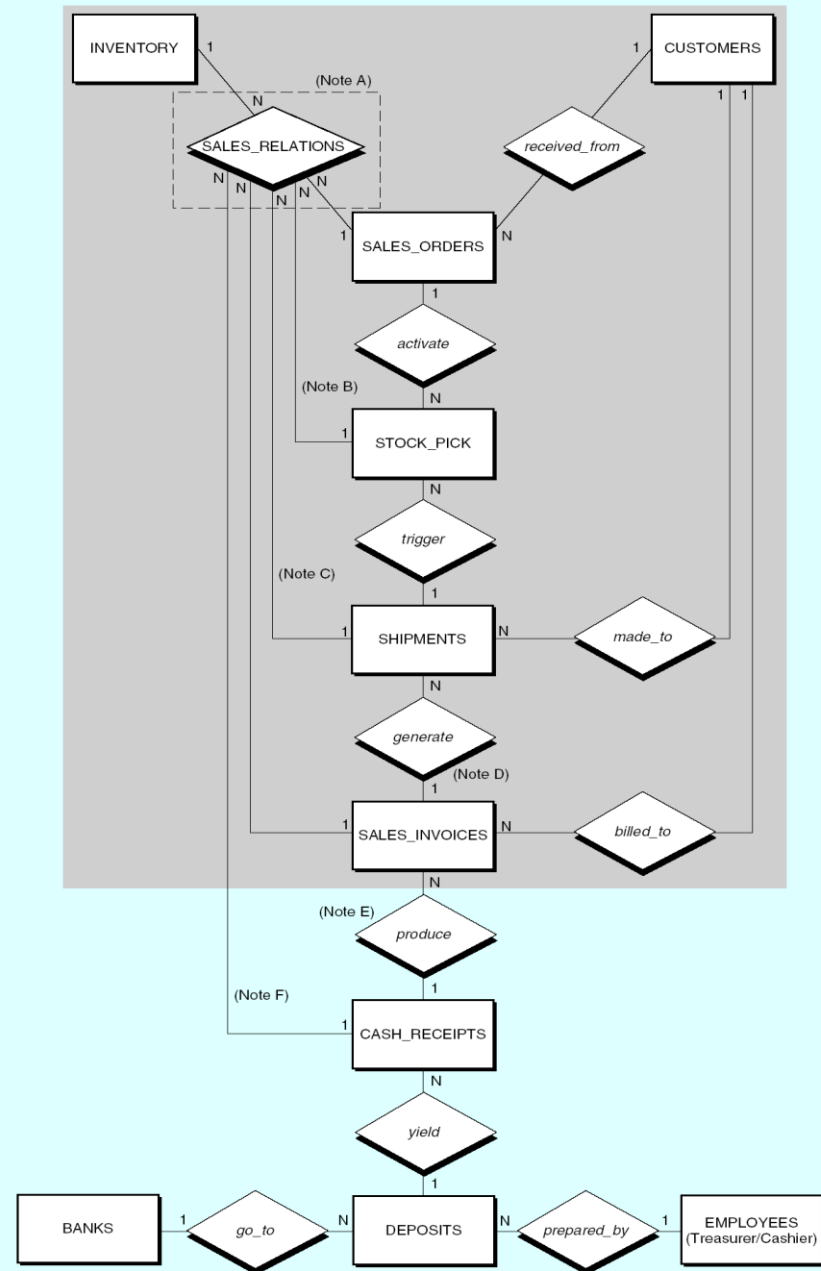
B/AR/CR Process Diagram 3 : Receive Payment



Data Descriptions in B/AR/CR

- Sales event data
 - one or more invoice records (details contained in invoice data)
- A/R adjustments data
 - write-offs, estimated doubtful a/c, sales returns, etc.
 - Journal voucher #, trans. code, authorization
- Cash receipts data
 - details of customer payments

E-R Diagram (Partial) for B/AR/CR



NOTES, for simplicity, we assume that:

A—See page 409 for an explanation of the box around SALES_RELATIONS and why the model is not fully normalized.

B—All goods ordered are picked (no partial picks).

C—All goods picked are shipped (no partial shipments).

D—All shipments are invoiced in full (no partial invoices).

E—The difference between SALES_INVOICES and CASH_RECEIPTS represents account receivable and/or deferred income.

F—A single cash receipt (remittance advice) could pay for several invoices, but there are no partial payments (all invoices are paid in full).

Digital Imaging Processing Systems

- Because of the quantity of paper documents that typically flow through the B/AR/CR process, the ability to quickly scan, store, add information to, and retrieve documents can significantly reduce:
 - labor costs for filing
 - costs of physical storage space and structures necessary for storing paper-based files.

Types of Billing Systems

Post-billing system

- Invoices are prepared after goods are shipped and shipping notice compared to sales order notice
- There may be a delay between receiving the order and shipping
- Post-billing is assumed in Ch. 12 diagrams

Pre-billing system

- Invoice prepared upon receipt of order (after inventory and credit checks)
- There is little or no delay between receiving order and shipping

FIGURE 11.11

Systems Flowchart of the Billing Function

Billing Function System Flowchart

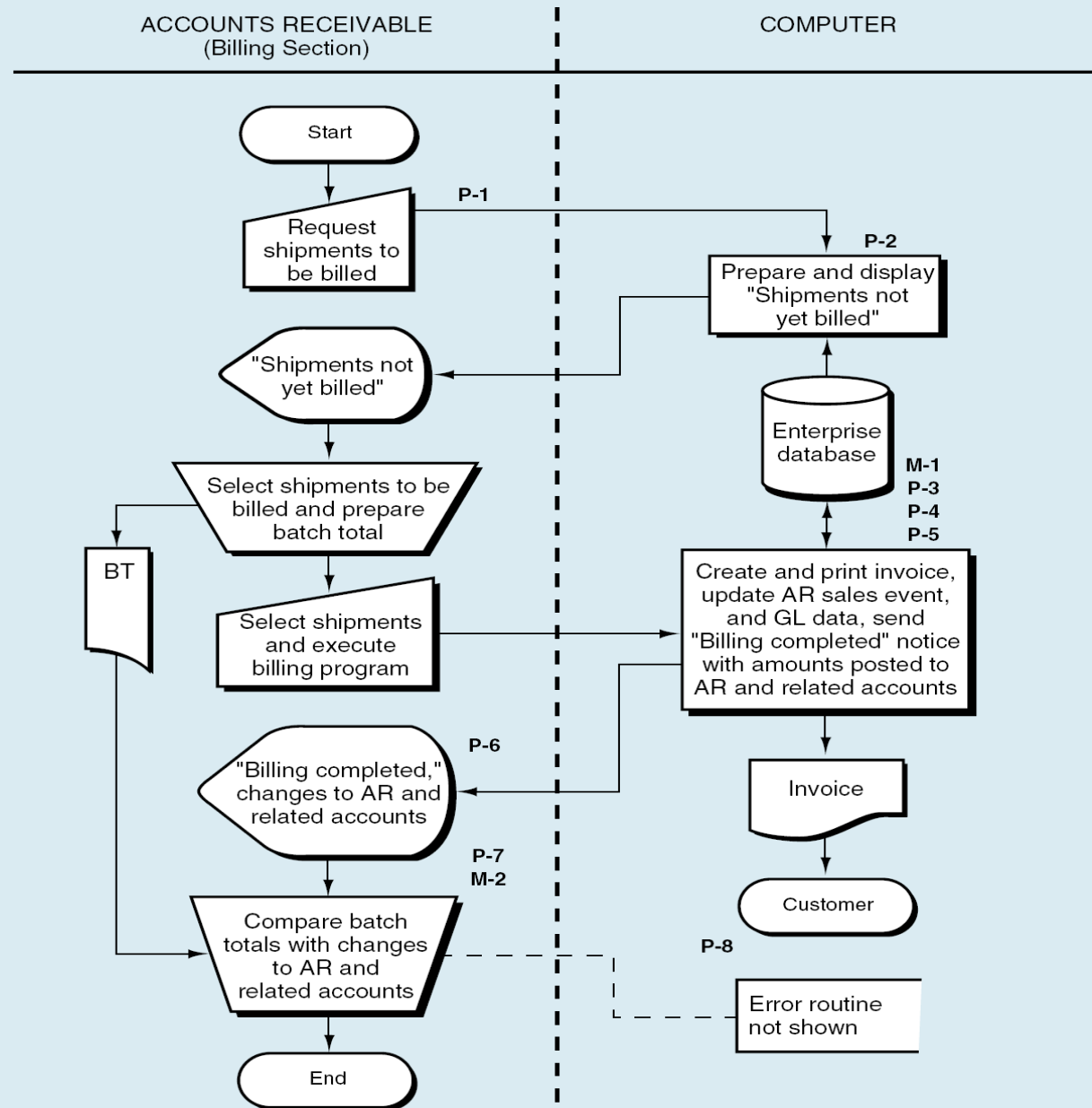
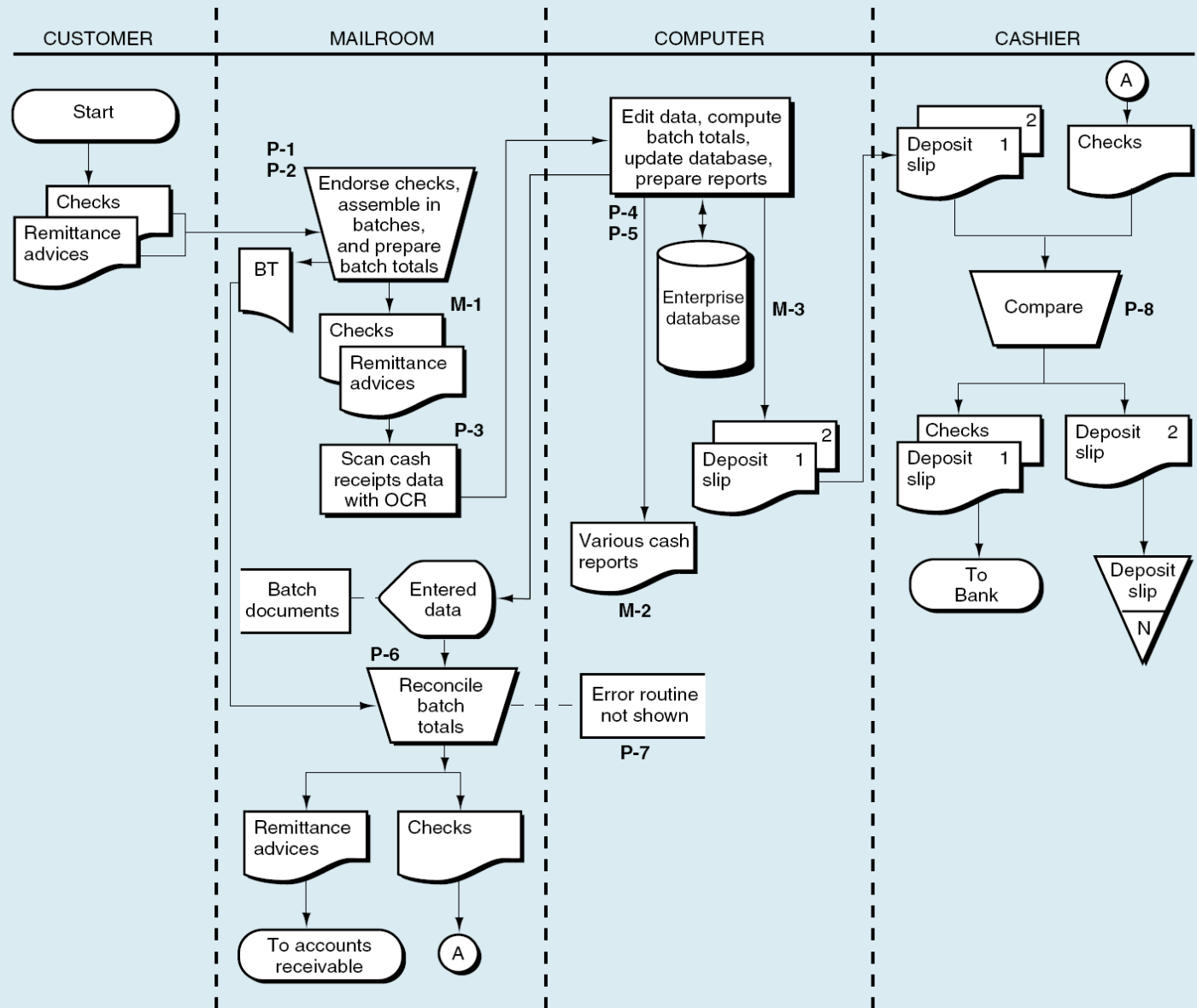


FIGURE 11.13

Systems Flowchart of the Cash Receipts Business Process

Cash Receipts System Flowchart



CSS: Customer Self-Service Systems

- CSS is an extension of CRM that allows a customer to complete an inquiry or perform a task without the aid of the organization's employees
 - ATMs, Speed pass, Automated telephone systems
- A major extension: interconnection of CSS systems with *enterprise systems*
 - In some cases, customers can check their orders during the manufacturing process or check inventory before placing orders.
 - Some of the more advanced systems also allow customers to check production planning for future manufacturing to determine if goods will be available when they are needed.
- Why are companies so interested in customer self-service systems?
 - The payback on such systems is huge
 - Reduction of staffing needs for call centers is particularly beneficial

Cash Receipts Management

- In the billing function, the goal is to get invoices to customers as quickly as possible; with the hope of reducing the time it then takes to obtain customer payments.
- Having the B/AR/CR process produce invoices *automatically* helps ensure that invoices are sent to customers shortly after the goods have been shipped.
- **Float**, when applied to cash receipts, is the time between the customer tendering payment and the availability of good funds.
- **Good funds** are funds on deposit and available for use.

Cash Receipts Management

- The following procedures are designed to reduce or eliminate the float associated with cash receipts:

— Checks

- High-speed electronic equipment is able to read the *magnetic ink character recognition* MICR code and sort checks at speeds approaching 100,000 checks per hour

— A charge card or credit card

- A third party, for a fee, removes from the collector the risk of no collection of the account receivable.
- The retailer submits the charges to the credit card company for reimbursement.
- The credit card company bills the consumer

Cash Receipts Management

— A debit card

- Authorizes the collector to transfer funds electronically from the payer's to the collector's balance.
- Some retailers find the notion of direct debit attractive because it represents the elimination of float.



Q & A