ADOA – General Accounting Office

QUICK REFERENCE GUIDE:
COLLECTION REFERRAL AND WRITE-OFF PROCESSING

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Table of Contents

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Overview

The AR module in AZ360 allows an agency to record receivables through a Receivable (RE) transaction and tracks these receivables throughout the AR lifecycle. If an RE becomes past due, the RE can be copied forward to a collection referral (CL) transaction to denote that this debt is in collection and is being pursued by a collection unit within the agency, or by the Office of the Attorney General (OAG). If the collection efforts are not successful, then the CL transaction should later be copied forward to the CL Adjustment (CLADJ) transaction to remove the receivable and reduce agency revenue in AZ360. If it is known that an RE is uncollectible, this transaction can alternatively be copied forward right to a CLADJ transaction.

This QRG provides instructions for processing a CL transaction and a CLADJ transaction. However, note that if the write-off request involves an NSF receivable, the instructions in 'Handling an NSF – Department Process' QRG should be followed instead.

Receivable Collection Referral

When an agency has made initial efforts to collect a receivable by, among other steps, sending past due invoices or statements to the customer to no avail, the receivable should be escalated to a collection unit within the agency, or to the OAG for further collection efforts. Typically, this escalation should occur when the receivable becomes around 90 days past due, since waiting longer than this could make it more difficult to collect as it continues to age.

The CL transaction allows the agency to track that a receivable was referred for collection. The instructions in this section provide guidance for creating the CL transaction. However, as the instructions indicate, in order to refer the receivable to the OAG for collection efforts, the Universal Client Agency Coversheet must be completed and remitted to them. Find this form and the submission instructions on the OAG website at https://www.azag.gov/bce/client-agency.

Note: Creating a CL transaction requires the use of the AR module in AZ360. If the agency is not currently using the AR module for all of its billing and collection, but would like to track the collection referral through AZ360, the receivable must first be entered in AZ360 using the AR module. Revenue Source code 4829 (Prior Year Revenue Adjustments) can be used to record a receivable that relates to a prior year.

Log in to the AZ360 **Home** page. Locate and open the RE transaction in Final status.

1. Click the **Expand** caret next to the **Global Search** field.

2. Select the **Page Code** option.

3. In the **Global Search** field, enter *RE*.

4. In the drop-down menu that generates, select **RE Receivable**. The RE Financial Transaction page will generate.

5. In the **ID** field, enter the transaction ID number for the RE transaction.

6. Click **Search**.

7. In the grid that generates at the bottom of the screen, click the RE transaction **ID** link. The RE transaction opens.

Copy Forward the RE transaction to a CL transaction.

1. Click the **Page 3-dot** menu, select **Copy Forward** from Primary Actions.

2. On the **Copy Forward** screen, in the **Transaction Dept** field, enter the user's department 3-digit code.

3. Check the **Auto Numbering** check box.

4. Verify that the **Target Transaction Code** selected is **CL**.

5. Click **Ok**.

6. A new CL transaction will generate and opens to the Header tab. Note that the transaction is in **Draft**, the **Version** number is **1**, the **Function** is **New** and the **Status** is **Held**.

Validate and submit the transaction for approval.

1. Click **Validate** to check for errors. If any errors exist, fix the errors and click **Validate** again. If the validation is successful, the following message is displayed: **Transaction validated successfully**.

2. Click **Submit** to submit the transaction for approval. If submission is successful, the following message is displayed: **Transaction submitted successfully - Pending Approval**.

3. Click **Close.**

4. Click **Home** icon to return to the home page.

Note: The transaction will be handled through workflow and will be pending the approval of the Department Approver.

If the receivable is being referred to the OAG, then complete the Universal Client Agency Cover Sheet.

Receivable or Collection Referral Write-off

If the agency has been unsuccessful in its attempts to collect on a debt and has ultimately deemed the debt as uncollectible, then the debt should be forwarded to the OAG for the approval of a write-off. If the write-off request involves an NSF receivable, the instructions in "Handling an NSF – Department Process" should be followed instead.

Requesting a write-off involves processing a CL Adjustment (CLADJ) transaction in AZ360. Either an original RE transaction or the CL transaction can be copied forward to create the CLADJ transaction. In addition to creating the CLADJ transaction, the agency will need to prepare and submit the Uncollectible Debt Detail spreadsheet and Uncollectible Debt Referral Certification & Recommendation coversheet to the OAG to request permission for the write-off.

Note: Creating a CLADJ transaction requires the use of the AR module in AZ360. If the agency is not currently using the AR module for all of its billing and collection, but would like to track the write-off through AZ360, the receivable must first be entered in AZ360 using the AR module. Revenue Source code 4829 (Prior Year Revenue Adjustments) can be used to record a receivable that relates to a prior year.

In order to write-off any receivable, whether it is recorded in AZ360 or another system, an agency must seek the proper approval from the OAG and GAO. Therefore, the Uncollectible Debt Detail spreadsheet and Uncollectible Debt Referral Certification & Recommendation coversheet will still need to be completed in order to obtain permission to write-off any receivable.

Refer to the **Processing Receivable Adjustment - CLADJ Transaction** QRG for instructions.