

OREGON ACCOUNTING MANUAL		Number 35.70.10.PO
Oregon Department of Administrative Services State Controller's Division		Effective Date October 12, 2006
Chapter	Accounts Receivable Management	.1 OF .3
Part	Interagency Receivables	
Section	Billings and Payments	Approval Signature on file at SCD

Authority [ORS 291.015](#)
[ORS 293.250](#)
[ORS 293.285](#)
[ORS 293.590](#)

Purpose

- .101 This policy describes state agency responsibilities when issuing and paying invoices between agencies.
- .102 The management of receivables between agencies is an important part of an agency's cash management process. Agencies are required to actively pursue the collection of all receivables owed to them that are significant and cost beneficial. The goal of each state agency shall be the timely production and distribution of its billings and the timely payment of billings received from other agencies. There shall be a shared responsibility and cooperation by both agencies to assure that goods and services requested and received are properly and timely billed and paid for.

Standards for Interagency Billings and Payments

- .103 Accounting procedures of the agency must provide for:
 - a. Billing for goods or services rendered or other receivables as quickly as possible.
 - b. A written, structured collection process for receivables, including periodic assessment of collection effectiveness and the implementation of any needed changes based on those assessments.
 - c. Documentation requirements for collection activities, including effective management of receivable collection and payment processing.
 - d. Designation of a position or positions, either full-time or part-time, responsible for the collection of receivables.
 - e. For payments processed to another state agency, a written payment process that exhibits good business practices through timely invoice review and payment authorization, followed by prompt payment action.
- .104 All agencies that do not have receivables systems that meet the above minimum standards are required to develop systems, either manual or automated, that will provide the needed controls.

- .105 A billing agency shall provide timely invoices on a periodic billing cycle. The billing agency shall accumulate their charges up to a periodic cut-off point. Invoices shall be sent within 15 days of a monthly-based billing cycle, and within 30 days for quarterly or annually based billing cycles.
- .106 A billing agency's invoices shall be clear and informative. The billing agency's invoice should conform as close as practicable to the format suggested by OAM form [75.35.03.FO](#), Sample Interagency Invoice. The format identifies the following main components that should be integrated into an agency invoice to adequately convey the billing information:
- A header section that identifies the name of the billing and receiving agencies, along with the key elements that define the transaction including the invoice number, date, amount and the customer number.
 - A body section that contains any specialized contract or agreement numbers and the billing period for which the invoice covers. If the detail is to be distributed over numerous pages, the body should contain a summary of the information. Otherwise, the details may be supplied on the single page and followed by any special information about the billing, including terms or conditions.
 - The footer section should contain the SFMA billing information. Note that the billing information contains a recommended transaction code that may be used by the paying agency. For agencies or entities paying by warrant or check, the footer portion can be torn off and returned with the payment to assure proper posting.
 - At the bottom of the footer section should be the name and phone number of a contact for the billing. Questions from the paying agency should be directed to this person.
- .107 Payers on SFMA must pay the billing with the appropriate transaction code. A recommended transaction code may be supplied on the invoice by the billing agency. Non-SFMS payers can return the bottom portion of the invoice to assure proper posting of the receivable by the billing agency.

Interagency Payment Timelines

- .108 A payer agency shall process the billing invoices applying business practices that assure effective and prompt review, authorization, and payment. Where the payer has no questions or concerns with the billing, payment must be made within 30 days of the billing date. Where there are billing disputes, the undisputed portion of the bill shall be paid within 30 days of the billing date. Agencies experiencing difficulty in meeting the 30-day requirement need to institute a policy of paying the billing first with a post-payment review and correction process.
- .109 For the purposes of determining a delinquent billing, the "billing date" shall be the latter of:
- a. The date of the receipt of the invoice,
 - b. The date of the initial billing statement if no invoice is received, or
 - c. The date the claim is made certain by agreement of the parties or by operation of law.

Resolution of Interagency Issues

- .110 Agencies may use an interagency agreement to arrange for resolution of payment.
- .111 For billings where there are questions, the questions shall be quickly presented and resolved so that payment can be made within 30 days. Where questions regarding the bill become disagreements, a written notification (Invoice Inquiry) must be provided to the billing agency by

- the payer agency that explains the reason for the dispute. Agencies must use OAM form [75.35.04.FO](#), Interagency Invoice Inquiry, to notify other agencies of disputed amounts.
- .112 The billing agency needs to promptly respond to the written "Invoice Inquiry" in an attempt to clarify or resolve the payer agency's concerns. Typically, this is less than 30 days.
 - .113 Disputes or disagreements are those limited situations where the parties cannot reach agreement on the facts that created the billing and/or the dollar amount billed. Billings sent to the correct state agency, but mislabeled in some fashion as to the accurate division or program, do not constitute grounds for a dispute.
 - .114 When interagency issues remain unresolved, refer to [OAM 35.70.20.PO](#) for potential progressive actions or [OAM 35.70.30.PO](#) for the Interagency Dispute Resolution Process (IDRP).