

<b>R★STARS</b>	<b>Version 2.0</b>
<b>REFERENCE MANUAL REVENUE CYCLE</b>	<b>9-1 12/94</b>

## INTRODUCTION

Organizations obtain revenue from a wide range of sources and must maintain information regarding revenue for effective accounting and control. Every organization has the responsibility for assuring its receipts are properly controlled and its revenue is correctly recorded. To meet this objective, the accounting system must record actual revenue against estimated revenue (if recorded) and classify the revenue at detailed levels. In addition, R★STARS provides information on accounts receivable and associated customers.

A separate topic closely related to the revenue cycle and revenue transfers, is discussed in Chapter 8 - "General Accounting" of the R★STARS Data Entry Guide.

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## **9-1 REVENUE CYCLE OVERVIEW**

Revenue cycle transactions are prepared manually for entry into R★STARS. Accrued revenues and receivables, cash receipts and inter -agency transfers are all prepared and entered directly by the agency. Actual revenues are compared to budgeted amounts, if the estimated revenues were recorded in R★STARS.

The steps involved in entering revenue cycle data into R★STARS are briefly discussed below.

### **Profile Maintenance**

The first step in the revenue cycle is profile maintenance. This involves changing various R★STARS profiles to reflect revisions in classification structure or to set parameters related to interest and late fee accumulation and transfer to the central collections unit. *The capability for a central collections unit is not used in Oregon.* The profiles which may need to be modified are:

- **Descriptive Profiles** - for changes in the classification structure codes (such as Organization, Program, or Object structures) and other optional elements.
- **Appropriation Profile (20)** - for adding new Appropriations or deleting obsolete Appropriations.
- **Agency Control Profile (25)** - for identifying or changing the determination of interest calculation and/or transfer to collections.
- **Project Control Profile (27)** - for adding new Projects.
- **Grant Control Profile (29)** - for adding new Grants.
- **Index Code Profile (24)** - for adding new Index Codes or deleting obsolete Index Codes.
- **Program Cost Account (PCA) Profile (26)** - for adding new PCAs or deleting obsolete PCAs.
- **Agency Document Control Profile (53)** - for adding or changing eligibility of Document Types for interest accumulation or transfer to collections

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- **Agency Receivable Document Exemption Profile (54)** - for adding a specific document that is exempt from interest calculation or transfer to collections, or a document that is subject to a different interest rate than that found in the Agency Document Control Profile (53).

## **Financial Data Entry**

After profile maintenance has been completed, revenue transactions can be entered into R★STARS. The revenue budgets, if entered, are usually loaded first. If an automated system is used to prepare the budgets, the transactions enter R★STARS through the standard interface process. Otherwise, the budgets are entered manually using the financial data entry process.

Accrual transactions are entered as they occur. Since revenue budgets are not controlled, accrued revenues may be entered without a revenue budget. More information is given in Section 9-2, "Accrual Recognition". Collections of accrued revenues are entered when cash is received in payment of accounts receivable or other accrued revenues. Additional information is given in Section 9-3, "Collection of Accrued Revenues".

R★STARS also has the ability to provide customer information on accounts receivable. Detailed invoice information is entered through an Invoice Detail Entry Screen. This information is then used to print invoices, statements of account and delinquent notices. More information is given in Section 9-4, "Account Receivable Invoicing".

Cash receipts for revenues not previously accrued are entered when cash is received. These cash receipt transactions differ from collections of accruals because revenue is recognized at the time of cash receipt rather than at an earlier date. Additional information is given in Section 9-5, "Cash Receipts Not Previously Accrued".

Expenditure refunds are recorded when cash is received resulting from overpayment to vendors or employees. The transaction is not recorded until the cash is actually received. Additional information is provided in Section 9-6, "Expenditure Refunds".

Deposit Liabilities are recorded when cash is received resulting from amounts being received from individuals which are not revenues or expenditure refunds. Additional information is provided in Section 9-7 "Deposit Liability".

Deferred revenue is recorded when cash is received and the revenue has not yet been earned. Revenue is recognized when the revenue is earned. Additional information is provided in Section 9-8, "Deferred Revenue Recognition".

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It is important to note that R★STARS maintains General Ledger Accounts on several types of cash. Each General Ledger Account and a brief description of its uses are described below:

- **Cash on Hand** - Currency, coin, checks, warrants, postal and express money orders, and bank drafts on hand. Includes petty cash accounts, change funds and receipts held prior to deposit.
- **Cash on Deposit with Treasurer** - Cash deposited with the State Treasury in a receipted or unreceipted account.
- **Cash in Bank** - Cash in depositories other than the State Treasury.
- **Cash with Fiscal Agent**- Deposits with fiscal agents, such as commercial banks, for the payment of matured bonds and interest, other obligations, or for the purchase of investments. This account should be used only when your agency is doing business directly with the fiscal agent.
- **Unreconciled Deposit** - Cash deposited with the bank but not yet reconciled/recognized by the State Treasurer. Amounts are not available to the agency until reconciled with the Treasurer and reclassification transaction to Cash on Deposit with Treasurer is performed.

Agencies sometimes are required to collect revenues for other agencies. Examples of types of revenue collected for one agency by another are sales taxes and royalties. Chapter 10 - "Revenue Cycle" of the R★STARS Data Entry Guide, contains procedures for entering these revenues.

## Reports

The third step of the revenue cycle is reporting. Several reports are available which show the status of revenues and receivables. Other standard reports display cash receipts information.

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## **9-2 ACCRUAL RECOGNITION**

The primary objective of accrual accounting is to record revenues when they are earned rather than waiting until the cash is received. Accrual accounting may include invoicing customers for amounts owed or recording items such as sales tax revenues without being invoiced. Generally, accrued revenue transactions may be recorded at any level of detail the user organization requires.

R★STARS supports two types of accounts receivable: billed and unbilled. Billed receivables are posted in detail so that they can be tracked. These transactions post to the Document File. The status of a billed receivable can be verified at any time by recalling the receivable number on the Document Record Inquiry Screen.

Unbilled receivables are used by reporting agencies to post summary level accruals. These transactions do not post to the Document File and are not tracked at the detail level. A reversal transaction can be generated automatically for these transactions.

This section describes the process of coding and entering accruals in R ★STARS.

### **Entering Accrued Revenues**

Accrued revenues are identified within R ★STARS by Fund, Index, PCA, Object and Document Number. Multiple levels of detail within the classification structure may be used to record accrued revenues, including:

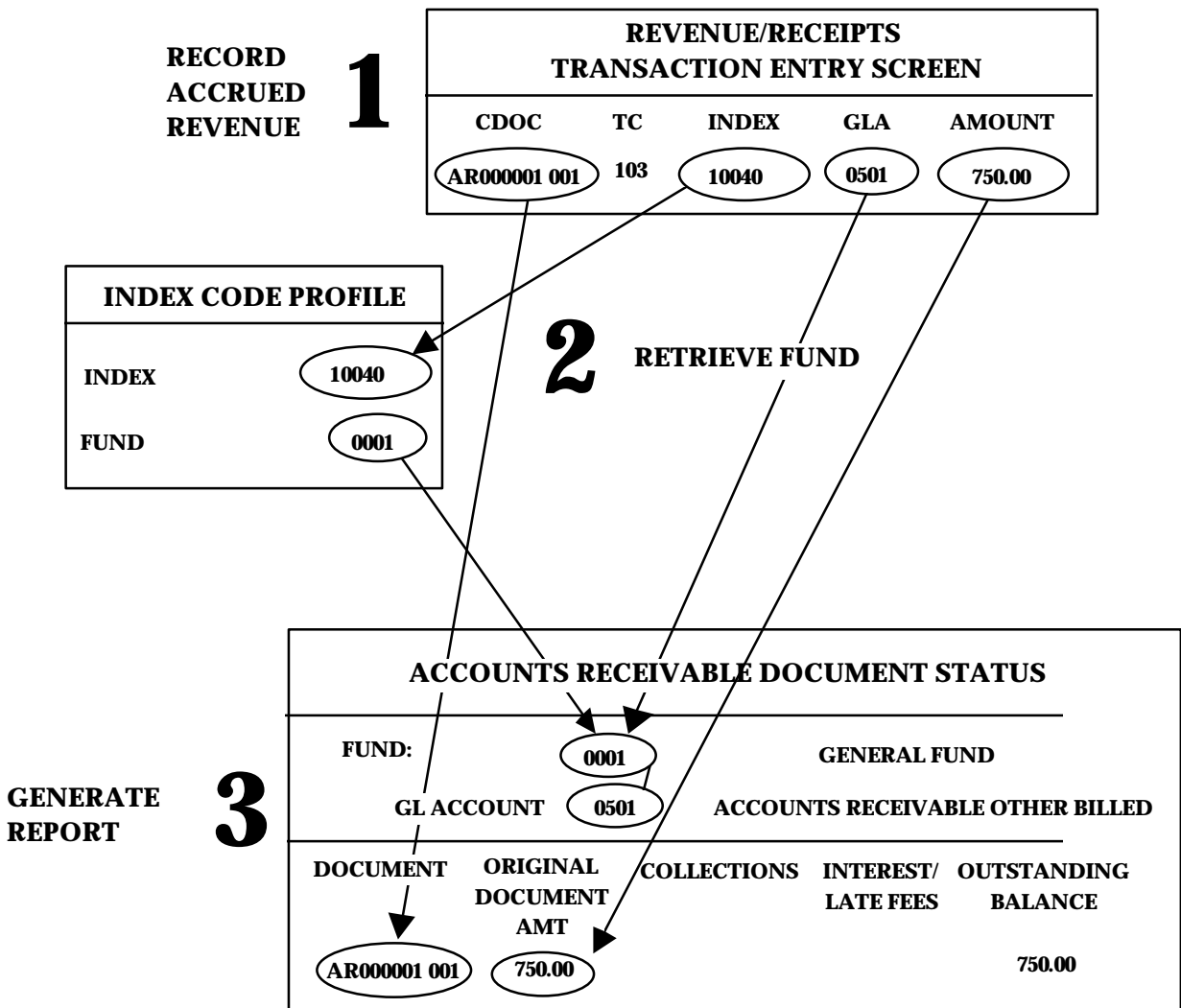
- Organizational structure
- Program structure
- Any level of the Object structure, such as Comptroller or Agency Object

In addition, optional classification elements, such as Grant/Phase, Agency Code 1, 2 and 3 and Project/Phase may be used to define a revenue transaction.

The exhibit on page 9-6 traces the input of an accrued revenue to the DAFR9750 Accounts Receivable Document Status Report.

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**TRACING ACCRUED REVENUE INPUT  
TO ACCOUNTS RECEIVABLE DOCUMENT STATUS  
REPORT**



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### **Recording the Accounting Impact**

Accrued revenues are recorded as follows:

**DR   Accounts Receivable - Billed or Unbilled**  
**CR   Revenue Control - Accrued**

If additional detail is needed, the Agency General Ledger Account may be used.

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### **9-3 COLLECTION OF ACCRUED REVENUES**

The second part of accrued revenue transactions is the collection of cash. Agency General Ledger support is available, although not mandatory, as with accrual transactions. The level of detail at which the collection transaction is recorded depends upon the original accrual transaction.

This section describes the process of coding and entering collection of accruals in R★STARS. The following topics are discussed:

- Entering Collections of Accrued Revenues
- Recording the Accounting Impact

#### **Entering Collections of Accrued Revenues**

Collections may be entered into R★STARS from the Revenues/Receipts Transaction Entry Screen. Details on the use of this screen and the related transactions are given in Chapter 3 - "On-line Procedures" of the R★STARS Data Entry Guide. Page 9-9 traces the input of a collection against an invoiced receivable to the DAFR9750 Accounts Receivable Document Status Report.

#### **Recording the Accounting Impact**

Collections of accrued revenues are recorded as follows:

**DR Unreconciled Deposit**  
**CR Revenue Control - Cash**

**DR Revenue Control - Accrued**  
**CR Accounts Receivable - Billed**

The accounts receivable account credited is the same one debited in the accrual transaction.

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**TRACING COLLECTION OF ACCRUED REVENUE  
TO ACCOUNTS RECEIVABLE DOCUMENT STATUS REPORT**

**RECORD  
COLLECTION**     **1**

REVENUE/RECEIPTS TRANSACTION ENTRY SCREEN					
CDOC	TC	INDEX	GLA	RDOC	AMOUNT
CR724541 001	176	10040	0501	AR000001	720.00

INDEX CODE PROFILE	
INDEX	10040
FUND	0001

**2**     **RETRIEVE FUND**

**GENERATE  
REPORT**     **3**

ACCOUNTS RECEIVABLE DOCUMENT STATUS				
FUND:	0001	GENERAL FUND		
GL ACCOUNT:	0501	ACCOUNTS RECEIVABLE OTHER BILLED		
DOCUMENT	ORIGINAL AMOUNT	COLLECTIONS	INTEREST/ LATE FEES	OUTSTANDING BALANCE
AR000001 001	750.00	720.00		30.00

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## **9-4 ACCOUNT RECEIVABLE INVOICING**

The invoicing feature in R★STARS provides the ability to maintain detail invoice information including Item Description, Quantity, Unit Cost and the Extension of the Unit Cost. Once entered, the following reports can be generated by customer number:

- DAFR9800 Invoices
- DAFR9810 Statement of Account
- DAFR9820 Delinquent Notices (with aging summary)
- DAFR9830 Delinquent Notices (with comments)
- DAFR9770 Accounts Receivable Calculated Interest

### **Entering Invoice Information**

Invoice information for billed accounts receivable is entered on the Invoice Detail Transaction Entry Screen. This screen is accessed from the Revenue/Receipts Transaction Entry Screen or directly from the Data Entry Menu. The system will require that Invoice Detail Transactions are balanced against the related Accounts Receivable Document before Invoices can be released. Details on the use of this screen are given in Chapter 10 - "Revenue Cycle" of the R★STARS Data Entry Guide.

### **Recording the Accounting Impact**

The accounting impact is the same as for accrued revenues.

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## **9-5 CASH RECEIPTS NOT PREVIOUSLY ACCRUED**

Many revenue transactions are not earned prior to cash receipt. When the cash is received and revenue is earned concurrently, the cash receipt and revenue are recorded as part of the same transaction. As with accrued revenue transactions, however, Agency General Ledger support may be used and the level of detail at which the transaction is recorded depends on the needs of the agency.

This section describes the process of coding and entering cash receipts for revenues not previously accrued in R★STARS. The following topics are discussed:

- Entering Cash Receipts Not Previously Accrued
- Recording the Accounting Impact

### **Entering Cash Receipts Not Previously Accrued**

Cash receipt transactions are identified in R★STARS by Fund, Index, PCA, Revenue Object and Current Document Number. For all revenue transactions, additional optional classification elements may be used as desired.

Cash receipts may be entered in R★STARS from the Revenue/Receipts Transaction Entry Screen when entering the data on-line. Details on the use of this screen and the related transactions are given in Chapter 3 - "On-line Procedures" of the R★STARS Data Entry Guide.

### **Recording the Accounting Impact**

Cash receipts for earned revenues are recorded as follows:

**DR Unreconciled Deposit**  
**CR Revenue Control - Cash**

Cash receipts for deferred revenues are recorded as follows:

**DR Unreconciled Deposit**  
**CR Revenue Control - Cash**

**DR GAAP Revenue Offset**  
**CR Deferred Revenue**

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Note that the differences involve the use of two separate General Ledger Accounts used to record revenue. These accounts define the revenue as currently recognizable or recognizable in the future.

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## **9-6 EXPENDITURE REFUNDS**

Cash receipts are not always originated by revenue transactions. For example, reimbursements of overpaid expenditures are also cash receipt transactions. These transactions are recorded at the level of detail desired by the user organization, although that level generally corresponds to the amount of detail used in the original expenditure transaction.

This section describes the process of coding and entering expenditure refunds in R ★STARS. The following topics are discussed:

- Entering Expenditure Refunds
- Recording the Accounting Impact

### **Entering Expenditure Refunds**

Expenditure refund transactions are entered in R ★STARS with the same data elements normally used to classify expenditures. Any level of detail within the classification may be used to record expenditure refunds, including:

- Organizational structure
- Program structure
- Expenditure Object structure

In addition, optional classification elements, such as Grant and Project, may be used to define an expenditure refund transaction. The Revenues/Receipts Transaction Entry Screen is used when entering the data on-line. The exhibit on page 9- 14 traces the input of an expenditure refund to the Revenues and Expenditures by Fund, Organization, Program and Object Report.

### **Recording the Accounting Impact**

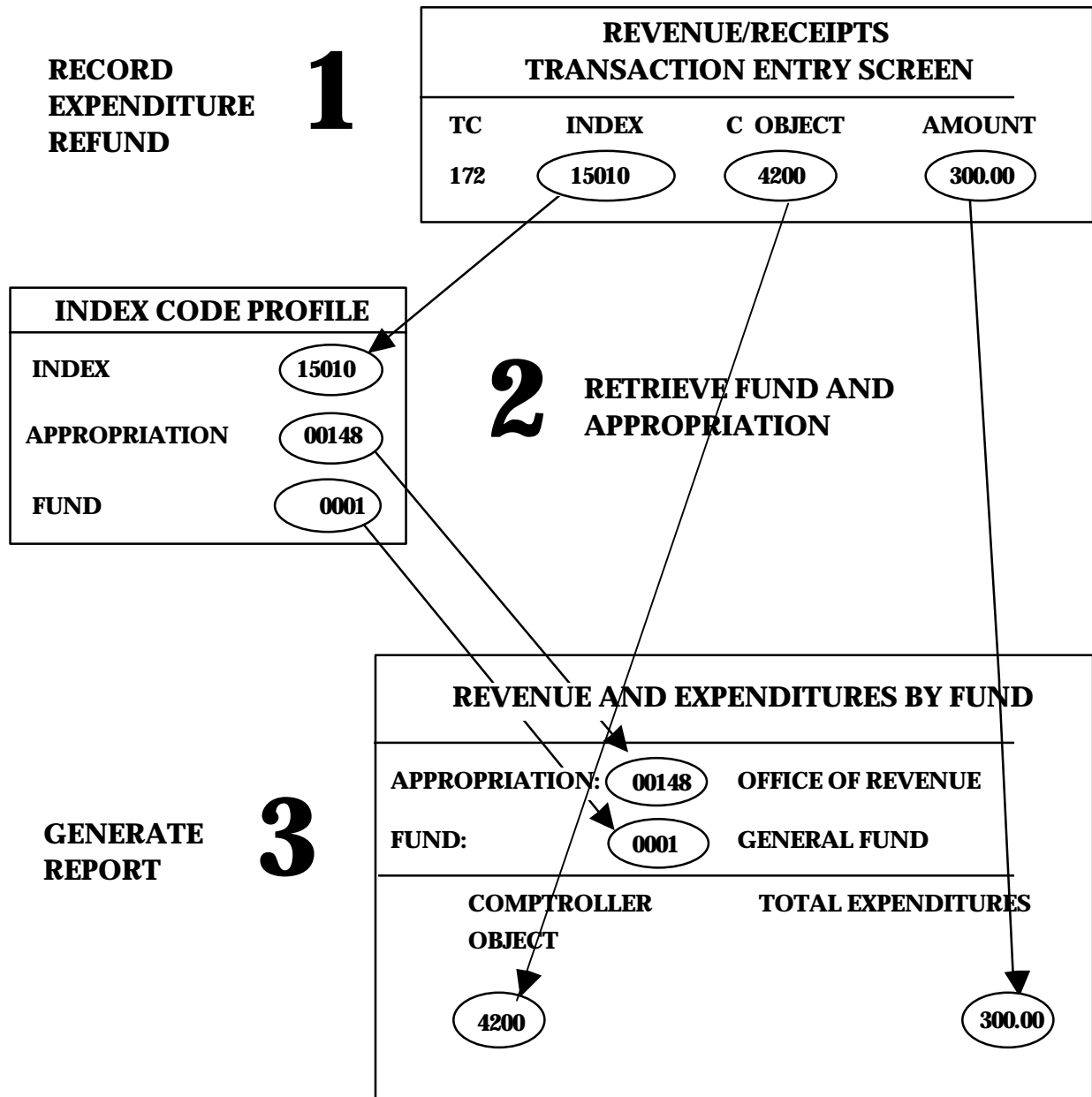
Expenditure refund transactions are recorded as shown below:

For current year expenditures:

**DR Unreconciled Deposit**  
**CR Expenditure Control - Cash**

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**TRACING EXPENDITURE REFUNDS TO  
REVENUES AND EXPENDITURES BY FUND,  
ORGANIZATION, PROGRAM AND OBJECT**



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## **9-7 DEPOSIT LIABILITIES**

Cash receipts are not always originated by revenue transactions. For example, amounts received on deposit by an agency are also cash receipt transactions. These transactions are recorded at the level of detail desired by the user organization. Deposit Liability General Ledger Accounts exist which are document file supported and non-document file supported.

This section describes the process of coding and entering deposit liabilities in R★STARS. The following topics are discussed:

- Entering Deposit Liabilities
- Recording the Accounting Impact

### **Entering Deposit Liabilities**

Deposit Liabilities arise from situations where an agency receives cash and either does not know if the cash received belongs to them or if they must hold the cash pending some action.

Two General Ledger Accounts are available to track deposit liabilities. One is Deposit Liability - Document Supported and the other is Deposit Liability - Without Document Support. The difference between these two accounts is that the Document Supported General Ledger Account is posted and tracked by document number in the Document Financial Table for each deposit liability, with separate identification of original receipts, adjustments and subsequent payments or liquidations of the deposit liability. The unsupported General Ledger Account tracks the lump sum amount, tracking only the summary balance in the General Ledger, without identifying individual deposit liabilities.

Any level of Organizational or Program structure may be used to record deposit liabilities. In addition, Fund and Appropriation elements are required and Vendor Number is required for document supported deposit liabilities.

### **Recording the Accounting Impact**

Deposit Liability transactions are recorded as shown below.

**DR Unreconciled Deposit**  
**CR Deposit Liability (with or without Document Support)**

*For a complete description of deposit liability accounting events and their use, see the Oregon Policy and Procedures Manual. The Policy and Procedures Manual covers deposit liability establishment, adjustments and liquidations.*

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## **9-8 DEFERRED REVENUE RECOGNITION**

Cash may be received for revenues that have not yet been earned. These revenues are called deferred revenues and are recorded as a credit balance sheet account (similar to a liability). Periodically, the deferred revenue account must be reviewed so that revenues that are earned during the period may be recognized. Deferred revenue transactions and the subsequent revenue recognition transactions may have Agency General Ledger support and may be recorded at the level of detail desired by the user organization.

This section describes the process of recording deferred revenue recognition in R ★STARS. The following topics are discussed:

- Recognizing Deferred Revenues
- Recording the Accounting Impact

Recording cash receipts for deferred revenues is discussed in Section 9-5, Cash Receipts Not Previously Accrued.

### **Recognizing Deferred Revenues**

Revenue recognition transactions are identified in R ★STARS by Fund, Index and PCA. Any level of detail within the classification structure may be used to recognize deferred revenue including:

- Organization structure
- Program structure
- Revenue Object structure

In addition, optional classification elements, such as Project or Grant, may be used to define a revenue recognition transaction.

Deferred revenue recognition transactions may be entered into R ★STARS from the Revenue/Receipts Transaction Entry screen when entering the data on-line.

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### **Recording the Accounting Impact**

Revenue recognition for deferred revenues is recorded as follows:

**DR** Deferred Revenue  
**CR** GAAP Revenue Offset

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## **9-9 FINANCE CHARGES**

R★STARS tracks accounts receivable balances by Document Number and Suffix in the Document Financial Table. Document Financial Table balance types identify the financial components of an accounts receivable document such as original amount, adjustments, interest and collections. R★STARS provides for the automatic accumulation of interest and late charges (flat fee amount) based on user defined parameters, aging schedules, statements, and past due notices.

Accounts receivable documents must meet certain requirements to be eligible for interest accumulation. Each agency can identify documents as exempt from interest and late fee calculation in the on-line maintenance screen Agency Document Exemption Profile (54). Also, this profile is used to identify a single document that is subject to interest calculation.

Reports are generated to provide information on monthly interest and late fees accumulated on delinquent accounts. The following reports are available:

- DAFR9750 Accounts Receivable Document Status
- DAFR9770 Accounts Receivable Calculated Interest
- DAFR9790 Accounts Receivable Reconciliation
- DAFR9810 Statement of Account
- DAFR9820 Delinquent Statement of Account
- DAFR9830 Delinquent Notices

### **Recording the Accounting Impact**

**DR Accounts Receivable**

**CR Revenue Control-Accrued**

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## **9-10 TRANSFERS TO CENTRAL COLLECTION UNIT**

*This capability is not being used by Oregon.*

R★STARS supports the ability to automatically transfer delinquent receivables to a central collections unit.

Accounts receivable documents must meet certain requirements to be eligible for transfer. A document can be identified as exempt from transfer to collections on the Agency Document Exemption Profile (54).

The DAFR9890 Receivables to be Transferred Report identifies delinquent accounts that will be transferred to collections in a user-specified number of days .

### **Recording the Accounting Impact**

The transfer of a delinquent receivable is recorded as follows:

#### **Originating Agency**

**DR Revenue Control-Accrued**  
**CR Allowance For Uncollectible Accounts**

#### **Central Collection Unit**

**DR Central Collection Unit Receivables (memo)**  
**CR Central Collection Unit Receivables-Offset (memo)**

The cash collection by the central collection unit is recorded as follows:

#### **Central Collection Unit**

**DR Central Collection Unit Receivables-Offset (memo)**  
**CR Central Collection Unit Receivables (memo)**

**DR Cash in Treasury**  
**CR Due to Other Funds**

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The cash is then transferred to the originating agency and is recorded as follows:

**Central Collections Unit**

**DR Due to Other Funds**  
**CR Cash in Treasury**

**Originating Agency**

**DR Cash in Treasury**  
**CR Accounts Receivable-Billed**

**DR Allowance for Uncollectible Accounts**  
**CR Revenue Control-Cash**

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## **9-11 ACCUMULATION OF INTEREST**

R★STARS supports the collection process by providing for the automatic accumulation of interest and late charges (flat fee amount) based on user defined parameters, aging schedules, statements, and past due notices. Separate totals for interest and principle are also provided.

The overnight batch process program, DAFM310, reviews documents in the Document Financial Table for eligibility for interest and/or late charge calculation. If the reviewed documents meet the criteria for eligible documents listed below, interest will be calculated and an Internal Transaction (IN) record will be generated for posting the interest and/or late charge amounts.

### **Interest and Late Charge Eligibility Criteria**

- The document has been given final approval.
- There is an entry in the Agency Document Control Profile (53) for the Agency and Document Type.
- The document amount is greater than zero (the original amount + adjustments - collections)
- There is no interest activity for the document in the month specified in the Agency Control Profile (25).
- The number of days past the document due date, as of the current date, equal or exceed the number of days past due on the Agency Receivable Document Control Profile (54), i.e., the number of days before calculating interest has expired.
- The override indicator in the Agency Receivable Document Exemption Profile (54) has not been set to 'Y' for the document.

Control indicators maintained in the Agency Control Profile (25) determine when the interest calculation process is performed and for which month the interest and fees are posted

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S053 VER 2.0                                STATE OF OREGON
08/29/94 06:14 PM
LINK TO:                                AGENCY DOCUMENT CONTROL PROFILE
STST

AGENCY:          DOC TYPE:

INTEREST AND LATE FEE CALCULATION
  DAYS PAST DUE DATE:          TRANSACTION CODE:
    INTEREST RATE:              COMP OBJ:          AGENCY
OBJ:
    LATE FEE:                  COMP OBJ:          AGENCY
OBJ:
  COMPOUND INTEREST:          (Y/N)

TRANSFER TO COLLECTIONS
  SUBJECT TO TRANSFER:          (Y/N)
  DAYS BEFORE TRANSFER:

    A/R DEF DUE DAYS:

STATUS CODE: A
  EFF START DATE: 08291994    EFF END DATE:          LAST
PROC DATE:

F1-HELP F3-DEL F5-NEXT F9-INT F10-SAVE F11-SAVE/CLEAR ENTER-
INQ CLEAR-EXIT

```

The Agency Document Control Profile (53) is used to access and update the data that is used to calculate monthly interest and late charges. This data is keyed on Agency and Document Type. Other information elements in this profile are described below.

- **Days Past Due Date** - The Days Past Due Date field determines the point in time, after the account has become delinquent, that the interest and/or late fee is to be calculated.
- **Transaction Code** - The Transaction Code is used to post the interest and/or late fee to the account.
- **Interest Rate** - The Interest Rate is entered as a percentage, e.g., '99.999'.

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- **Comptroller and Agency Object** - Either the Comptroller or Agency Object is entered for the posting of the interest. If both the Comptroller and Agency Objects are entered, then the Comptroller Object in the D11 must be left blank or must be equal to the Comptroller Object entered.
- **Late Fee** - The Late Fee is entered as a dollar amount. Either the Comptroller or Agency Object is entered for posting the fee.
- **Compound Interest Flag** - The Compound Interest Flag (Y/N) determines whether or not the interest is to be compounded.
- **Subject to Transfer** - The Subject To Transfer indicates if the document type is subject to automatic transfer to collections. *(not used in Oregon)*
- **Days Before Transfer** - The Days Before Transfer determines the number of days that must pass before the delinquent account is transferred to collections.
- **A/R Def Due Days** - The Accounts Receivable Default Due Days determines how many days past the due date a payment may be received before penalty interest and/or late fees are added to the account.

S054 VER 2.0	STATE OF OREGON	
08/29/94 06:17 PM		
LINK TO:	AGENCY RECEIVABLE DOCUMENT EXEMPTION	
PROFILE	STST	
	AGENCY:	DOC NO:                      FY:
	EXEMPT FROM:	
	INTEREST AND LATE FEE CALCULATION:	(Y/N)
	TRANSFER TO COLLECTIONS:	(Y/N)
	DUNNING NOTICE PREPARATION:	(Y/N)
	INTEREST RATE:	

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```

STATUS CODE: A
  EFF START DATE: 08291994   EFF END DATE:           LAST
PROC DATE:

F1-HELP F3-DEL F5-NEXT F9-INT F10-SAVE F11-SAVE/CLEAR ENTER-
INQ CLEAR-EXIT

```

Documents that are exempt from interest and late fee calculation are entered in the Agency Receivable Document Exemption Profile (54). This profile is keyed on Agency, Document Number and Suffix, and Fiscal Year. Other information elements are Interest Calculation and Fee Override Indicator with valid values of (Y/N) for each element.

Reports are generated to provide statistics on monthly interest and late fees applied to delinquent accounts. The following reports are available:

- DAFR9750 Accounts Receivable Document Status
- DAFR9770 Accounts Receivable Calculated Interest
- DAFR9810 Statement of Account
- DAFR9820 Delinquent Notices

### **Recording the Accounting Impact**

Assessments of interest or late fees are recorded as follows:

**DR Interest/Late Fees Receivable-Unbilled**  
**CR Revenue Control Accrued**

Transfers of interest/late fees receivable to accounts receivable as delinquent notices mailed are recorded as follows:

**DR Accounts Receivable-Billed**  
**CR Interest/Late Fees Receivable-Unbilled**

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Collections of the interest or late fee are recorded as follows:

**DR Unreconciled Deposit**  
**CR Revenue Control-Cash**

**DR Revenue Control-Accrued**  
**CR Accounts Receivable-Billed**

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## 9-12 DEPOSIT RECONCILIATION

The Deposit Reconciliation Subsystem provides the capability to monitor the deposit transactions that have successfully posted in R★STARS as well as the deposits that have been presented to the bank. After each bank has posted deposits, the bank presents the deposit to the State Treasurer. Data from each bank is consolidated into the Daily Bank File and posted at night to the Deposit Control Table via the Treasurer's Interface. Posted R★STARS transactions, extracted from the Daily History File are also written to the Deposit Control Table.

A batch process compares three elements for matching criteria from both the Treasurer's records and the agency's records in the Deposit Control Table. These three elements are: Account Number (Agency Code 3), Deposit Number, and net Deposit Amount. The first two elements must match exactly in the reconciliation process, however the net Deposit Amount can vary by twenty dollars. The Reconciliation Indicator in R★STARS is set to 'Y' for matching amounts and set to either 'A' for amounts with a difference of less than twenty dollars, or set to 'N' for a difference of greater than twenty dollars. For differences of twenty dollars or less that are automatically released, adjustments will be recorded by the agency as "over or under". The Treasurer will not make adjustments to their records for less than twenty dollars. Records with an indicator set to 'N' will require a correction, by either the agency or the Treasurer, depending on the cause of the error. If the error is a bank error, the Treasurer will manually release the cash to the agency and post an adjustment on both the Treasurer's books and the agency's books via a debit or credit advice. If the error is the agency's, the agency must adjust their deposit transaction in R★STARS to balance to the Treasurer's deposit amounts. Once the deposit is balanced, the Reconciliation Indicator will be automatically set to 'Y'.

Five on-line screens assist in the recording and monitoring of deposits. These screens are:

- **Bank ID Profile (D56)** - identifies the Bank ID associated with the agency (*Not Used in Oregon*).
- **Fund Profile (D23)** - looks up the Treasury Fund associated with the Fund used in the deposit transaction.
- **Manual Deposit Release Screen (12)** - displays the deposit and treasury amounts posted to the system indicating the Account Number, Deposit Number and Treasury Fund as well as the Date of deposit and Date of treasury receipt. It also displays the reconciliation indicator ('Y', 'A', 'N', or 'M'). This screen also allows the manual reconciliation of unreconciled deposits ('M').

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- **View A Batch Screen (530)** - displays the reconciled deposits that have gone to the error file.
- **Agency Code 3 Profile (D36)** - maintains the valid cash accounts used by the agency.

### **Recording the Accounting Impact**

The Deposit Reconciliation batch process generates financial transactions for all successful matches of records between the Treasurer's balance and the agency's balance in the Deposit Control Table. Successful matches include those within the twenty dollars tolerance and those manually released by the Treasurer. The amount generated is the agency's amount. The accounting impact for the deposit reconciliation process is as follows:

**DR   Cash on Deposit with Treasurer**  
**CR   Unreconciled Deposit**

This transaction moves the cash from an unreconciled status, (where it is not available for agency use) to a reconciled status as Cash on Deposit with Treasurer (available for use).

The Deposit Reconciliation batch process generates the following control report:

- **DAFR3321 - Deposit Reconciliation Control Report** - provides a cumulative listing of all unreconciled deposits. This report is sorted by Agency and Account Number.

The Deposit Reconciliation batch process generates two requestable reports. These reports are:

- **DAFR3330 - Deposit Reconciliation Report - by Agency** - displays deposit records from the Cash Receipt Summary Extract File. This report is sorted by Agency, Treasury Fund and Account Number and subtotaled by Treasury Fund. This report allows for the selection of a reconciliation indicator ('Y', 'A', 'M', or 'N') and the selection of a Treasury Fund (single fund or range of funds).
- **DAFR3360 - Deposit Reconciliation Report - All Agencies** - displays deposit records from the Cash Receipt Summary Extract File. This report is sorted by Treasury Fund, Agency and Account Number and subtotaled by Treasury Fund. This report is for the Control Accounting Section of the State Controller's Division's use. This report also allows for the selection of a reconciliation indicator ('Y', 'A', 'M', or 'N') and the selection of a Treasury Fund (single fund or range of funds).

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Coding instructions for the on-line screens can be found in Chapter 10 - "Revenue Cycle" of the R★STARS Data Entry Guide.

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