

Accounts Receivable

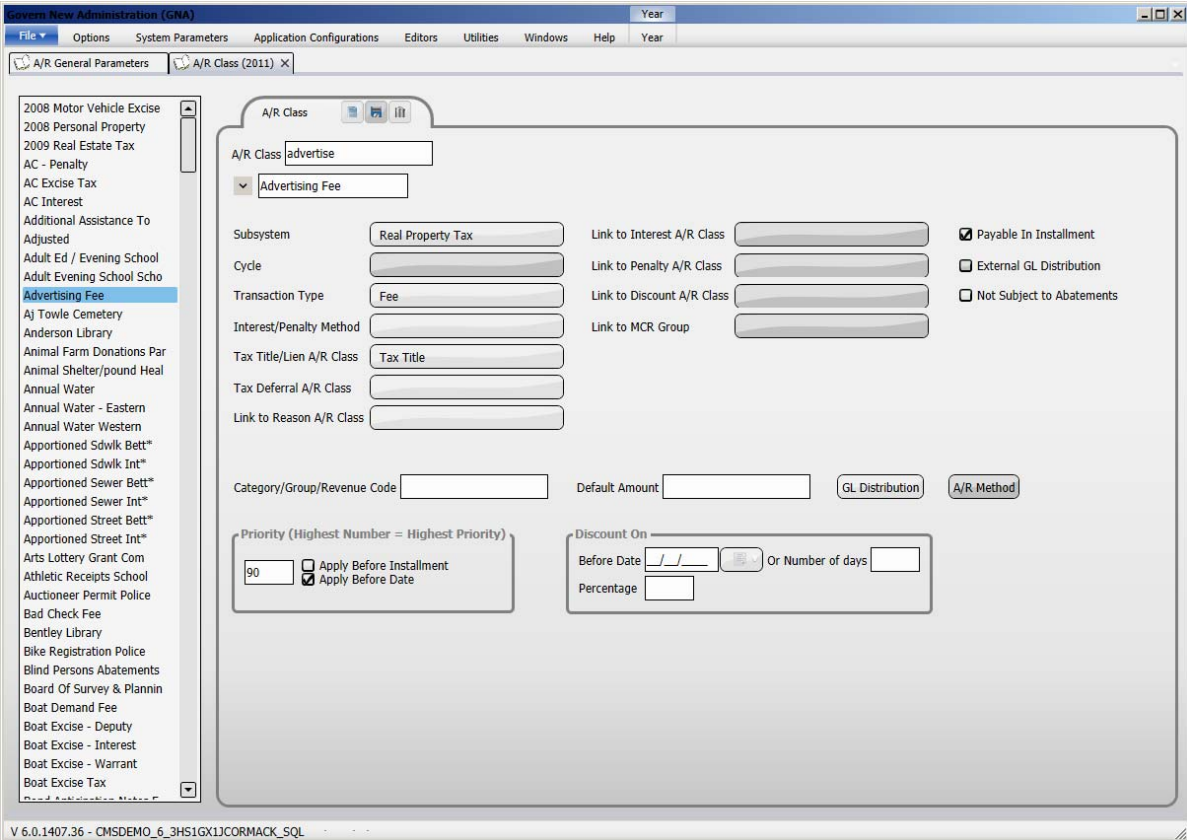
A/R Class Parameters

Overview

The *A/R Class Parameters* form is used for creating and maintaining A/R Class Codes. These are associated with the A/R transactions and records. They are defined by subsystem. The A/R Methods for interest and penalties are associated with A/R Class Codes. General / Ledger distribution is managed by A/R Class.

To access the A/R Class Parameters form:

1. Launch GNA.
2. Select **Application Configurations > Accounts Receivable > A/R Class**.



The screenshot shows the 'A/R Class Parameters' form within the 'GNA New Administration (GNA)' application. The form is titled 'A/R Class' and has a tab for 'A/R Class (2011)'. The left sidebar lists various subsystems, with 'Advertising Fee' selected. The main form area contains the following fields and options:

- A/R Class:** advertise
- Advertising Fee:** (dropdown menu)
- Subsystem:** Real Property Tax
- Cycle:** (dropdown menu)
- Transaction Type:** Fee
- Interest/Penalty Method:** (dropdown menu)
- Tax Title/Lien A/R Class:** Tax Title
- Tax Deferral A/R Class:** (dropdown menu)
- Link to Reason A/R Class:** (dropdown menu)
- Link to Interest A/R Class:** (dropdown menu)
- Link to Penalty A/R Class:** (dropdown menu)
- Link to Discount A/R Class:** (dropdown menu)
- Link to MCR Group:** (dropdown menu)
- Category/Group/Revenue Code:** (text field)
- Default Amount:** (text field)
- GL Distribution:** (checkbox)
- A/R Method:** (text field)
- Payable In Installment:** (checkbox, checked)
- External GL Distribution:** (checkbox)
- Not Subject to Abatements:** (checkbox)
- Priority (Highest Number = Highest Priority):**
 - 90
 - ☒ Apply Before Installment
 - ☐ Apply Before Date
- Discount On:**
 - Before Date: (text field)
 - Or Number of days: (text field)
 - Percentage: (text field)

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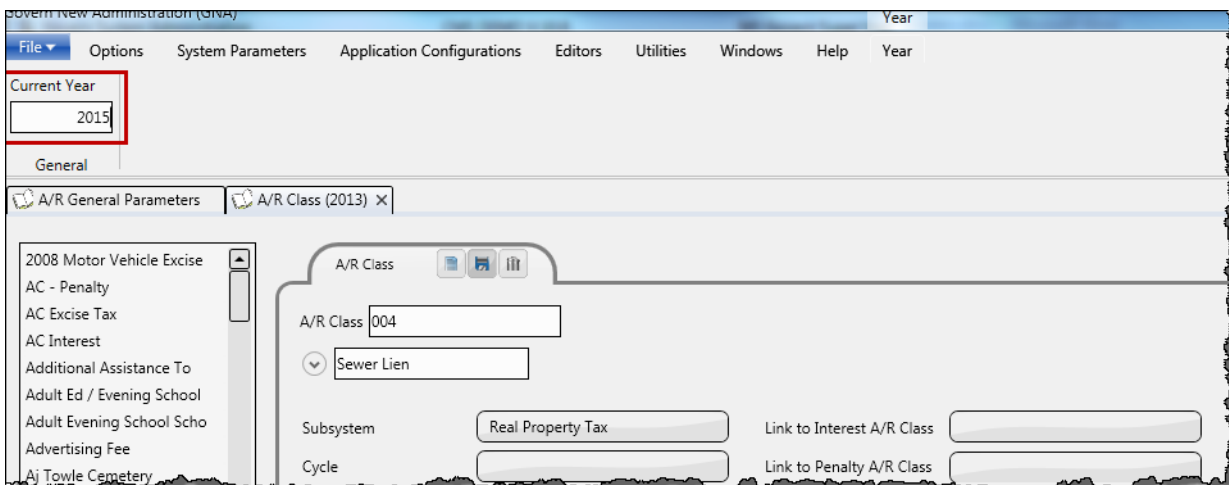
Accessing A/R Class Code Parameters from Another Fiscal Year

A/R Class Codes are saved by fiscal year. By default, the A/R Class Parameters form opens to the year most recently set in GNA. This is the Current Year. You can change the year to create, view, and modify parameters in another year. You can open A/R Class Codes in multiple years at the same time.

Note that you copy A/R Class Codes from the current year to a year in the future. See *Copy to Year* on page 96.

To access A/R Class Codes from another fiscal year:

1. Launch Govern New Administration (GNA).
2. Select **Application Configurations > Accounts Receivable > A/R Class**.



3. Select the **Year** menu in the title bar at the top of interface.
The **Current Year** text box is displayed.
4. Enter the year in the **Current Year** text box
5. Open the form.
6. Repeat steps 3 to 5 to open another second A/R Class Codes form..

Note: GNA remains set in the year that you define as the current year.

A/R Class Parameters Command Buttons

Creating a New Accounts Receivable Class Parameter: Click **New** to reset the form and create a new A/R class.

Saving a Class Parameter: Click **Save** to save a new A/R Class or any modification to an existing one (Table: VT_USR_AR_CLASS).

Deleting a Class Parameter: Click **Delete** to remove the current A/R Class from the database (Table: VT_USR_AR_CLASS).

Note: An error message is displayed under the following conditions:

You select the **Use G/L Validation** setting on the *A/R General Parameters* form after creating A/R Class Codes. A/R Class Codes without G/L distribution.

If this setting is enabled, you must set up a G/L distribution for all A/R Class Codes.

This error message could be generated if you are looking at A/R Class Codes from a previous year when this setting was disabled. A/R Class Codes are saved by year. General Parameters are not.

A/R Class Code Parameters

A/R Class: Enter a name for the A/R Class (Table: VT_USR_AR_CLASS).

Name: Expand the drop-down list beside the name field to display the Short and Long French and English Descriptions.

When you enter text in the **Name** field, it is automatically entered in all short and long description text boxes. You can modify these as required.

Short Description: Update the text for the short description. This is used for fast data entry and look-ups on forms where space is limited.

Long Description: Update the text for the long description. This is displayed for look-ups, on forms and reports.

Subsystem: Select the subsystem from the drop-down list. This list displays the subsystems that have associated billing, such as the Tax sub-systems, Land Management, Land Management2, Miscellaneous Billing, Special Assessment, and Utility Billing (Table: VT_SY_SUBSYS).

Note that two sub-systems are provided for Land Management. This provides a second classification for A/R transactions. Separate security can be set for Land Management 2. All other parameters are the same.

Cycle: Select an *A/R Cycle* from the drop-down list (Table: VT_USR_ARCYCLE). This field is required for the Govern Real Property Tax, Personal Property Tax, and all tax subsystems.

A/R Cycles are used for billing purposes. Typically, a municipality has two A/R cycles for real property, one for municipal tax and another for school tax. When configuring a tax levy, an administrator can select A/R Class Codes according to the A/R Cycles that are associated with them.

Transaction Type: Select a Transaction Type from the drop-down list (Table: VT_SY_ARTRTYPE).

Refer to the A/R G/L Transaction Rules document for details on the transaction types, including the transaction types for which A/R Class Codes are required and those for which they are optional.

If you leave the Transaction Type field blank on the A/R Class Code form, the user can select a transaction type when completing the transaction. Otherwise, if you fill in the Transaction Type, it cannot be modified on the Govern form.



Specifying a G/L Account for Refund Transaction Types

By default, Refund Transaction Types are debited from a *Revenue* and credited to a *Cash* account. Use the following procedure if you have an external *Accounts Payable* (A/P) system for refunds.


To specify an external G/L account for refund transaction types:

1. Launch GNA.
2. Open the A/R Class Parameters form.
3. Create a new A/R Class code or select an existing one.

Accounts Receivable

A/R Class  

A/R Class



English Short Description	English Long Description
<input type="text" value="Refund"/>	<input type="text" value="Refund"/>
French Short Description	French Long Description
<input type="text" value="Refund"/>	<input type="text" value="Refund"/>

Subsystem	<input type="text" value="Real Property Tax"/>	Link to Interest A/R Class	<input type="text"/>	<input type="checkbox"/> Payable In Installment
Cycle	<input type="text" value="School"/>	Link to Penalty A/R Class	<input type="text"/>	<input type="checkbox"/> External GL Distribution
Transaction Type	<input type="text" value="Refund"/>	Link to Discount A/R Class	<input type="text"/>	<input type="checkbox"/> Not Subject to Abatements
Interest/Penalty Method	<input type="text"/>	Link to MCR Group	<input type="text"/>	
Tax Title/Lien A/R Class	<input type="text"/>			
Tax Deferral A/R Class	<input type="text"/>			
Link to Reason A/R Class	<input type="text"/>			

Category/Group/Revenue Code Default Amount

Priority (Highest Number = Highest Priority)




<input type="checkbox"/> Apply Before Installment
<input type="checkbox"/> Apply Before Date

Discount On



Before Date Or Number of days

Percentage



4. Ensure that **Refund** is selected in the **Transaction Type** parameter.
5. Click **GL Distr.** to open the *G/L Distribution Parameters* form.

Govern New Administration (GNA)   

File Options System Parameters Application Configurations Editors Utilities Windows Help Year

 A/R Class (2015)  (#RETAX#) G/L Distribution Parameters (2015) X

#RE_TAX# - 2015

GL Distribution  

Year

A/R Class

Sequence

Percentage

Cash

Accounts Receivable Penalty Accounts Receivable

Revenue Penalty Revenue

Deferred Revenue Penalty Deferred Revenue

Discount

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6. Select a G/L account for **Cash**.

This is the account to be credited with the refund by Govern. The Refund Payable parameter is used to specify the external G/L account.

7. Select the account for the refund from the Refund Payable list. This is the G/L Account in the external A/P system for settling the refund.

Note: If G/L accounts are defined for both **Cash** and **Refund Payable**, the **Refund Payable** account has priority.

A/R Penalty and Interest Methods

A/R Method: Click **A/R Method** to open the *Penalty / Interest Additional Parameters* form for the A/R Method that was selected in the **Interest/Penalty Method** drop-down list.

Interest / Penalty Method: Select a penalty method from the drop-down list (Table: VT_SY_PENALTY).

See A/R Method on page 48 for definitions of the available interest and penalty method types.

G/L Distribution

G/L Distribution Link: Click **G/L Distribution** to open the *G/L Distribution* form and select the applicable accounts. *See G/L Distribution Parameters on page 41.*

This option is disabled if the **External G/L Distribution** option is selected.

External G/L Distribution: Select this option if you are using an external G/L distribution system. The data are saved to either the AR_GL_DISTRIBUTION or the AR_GL_TRANSACTIONS table. G/L accounts can be entered on the A/R Refund, Adjustment, and Reversal forms.

Note: External G/L Distribution is enabled only for the Land Management and Special Assessment subsystems.

Blank G/L Account: A blank General Ledger (GL) account has been added so that all payments are calculated. If, for example, an A/R Class Code was not linked to a General Ledger account number, by error, the amounts classified under this code are still added to the GL.

Accounts Receivable

To view amounts classified as blank, open the AR_GL_DISTRIBUTION table. Under the field GL_CASH these amounts are entered as /Blank.

Tax Liens, Deferrals and Penalties

Tax Title / Lien A/R Class: Select the Tax Title or Lien A/R Class from the drop-down list (Table: VT_USR_AR_CLASS). This class is used during the batch *Tax Title Transfer* process.

Tax Deferral A/R Class: Select the Tax Deferral A/R Class from the drop-down list (Table: VT_USR_AR_CLASS). This class is used during the batch *Tax Deferral Transfer* process.

Link to Tax Levy No. Select the Tax Levy Number from the drop-down list (Table: VT_USR_LEVYCODE). This is used during the *Water Lien*, the *Special Assessment Lien*, and the *Miscellaneous Billing Lien Transfer* process.

Link to Tax Penalty Levy No. Select this option if you are linking the A/R Class to a levy code for Utility Billing late charges (Table: VT_USR_LEVYCODE). *Refer to the Utility Billing documentation for further details.*

Note: This option is displayed for the Utility Billing subsystem only.

Default Amount: Enter a default amount to be displayed on the *Payment Data Entry* form when the associated A/R Class Code is selected.

Note: The Default Amount works only in combination with the Transaction Types: Blank, Miscellaneous Cash Receipt or Charge. In these two scenarios, the Payment Data Entry will display the Default Amounts. The **Payable in Installment** field must be deselected. If you use one of these transaction types, then you must enter a default amount.

Payable in Installments: This option is available for the Aircraft, Boat, Motor Vehicle, Personal Property and Real Estate subsystems. Select this option if the A/R is payable in more than one installment. The number of installments is set in the General Parameter screen of these tax subsystems.

About Adjustments and Abatements

Not Subject to Abatements: Select this option to exclude the current A/R Class, when applying abatements.

Both the *Adjustment* and *Abatement* transaction types are used to modify account balances.

- **Adjustments** can be used to either increase or decrease the balance due.
- **Abatements** are applied to reduce a payment or to exempt a taxpayer from a full or partial payment. Typically, they are used to decrease property taxes and are applied after the assessment and levies are calculated.

Difference Between Adjustments and Abatements

Note the following differences between adjustment and abatements:

- **Balance Due**

When you enter an adjustment, a positive value increases the balance due and a negative value decreases the balance due.

When you enter an abatement, a positive value credits the account or decreases the balance due.

- **Application:**

Adjustments are applied to the A/R Class Code selected for the transaction.

Abatements are applied, as follows:

- If a specific A/R Class Code is selected for the transaction, the abatement is applied on that code.
- If no specific code is selected, the abatement is applied on all A/R Class Codes.
- Typically, if the **Not Subject to Abatements** option is selected for an A/R Class Code, no abatement is applied
- However, if the **Not Subject to Abatements** option is selected for all A/R Class Codes, it is no longer valid and the abatement is distributed over all the A/R Class Codes.

General Ledger:

Adjustments are made on the General Ledger entries assigned to the selected A/R Class Code.

Abatements create additional General/Ledger entries for the A/R Class Codes to which they are applied.

Priority

Priority (Highest Number = Highest Priority): Enter a priority number for the A/R Class code. The Class Code with the highest number is processed first; i.e., priority number 2 is processed before priority number 1.

Accounts Receivable

Apply Before Installment/Apply Before Date: If two class codes have the same priority number, they are processed according to the entries for these fields. The following table lists the possible combinations:

Process Order	Apply Before Installment	Apply Before Date
1st	√	√
2nd	√	
3rd		√
4th		

Discount

Discount On: Enter data in the **Before Date** or the **Nb Days** and **Percentage** fields:

- **Before Date:** Double-click in the field and select the last day the discount is applicable.
- **Nb Days:** Enter the number of days to be added to the Bill Issue Date in calculating the discount. The value entered in the Percentage field will be applied.
- **Percentage:** Enter the value (discount percentage) to apply on the charges if the above payment conditions are respected.

Apply Abatement on Same Billed A/R Class

You can apply an abatement to a specific A/R Class Code. This can be useful, if, for example, you use separate G/L accounts for each tax account. With the convention, the abatement is credited on the same Real Property A/R Class Code using the same G/L account. In Release 10.6 and lower, *Abatements* are applied to any A/R Class with a balance.

To use this convention, create a new A/R Class Code with the same code name as the code to which you are applying the abatement, but add the pound delimiter (#) to the beginning and the end of the code name. You need to select **Abatement / Exemption** as the transaction type for the new A/R Class Code. This is illustrated in the following scenario.

When the transaction is posted, the abatement is applied to the Class Code with the corresponding code name; i.e., the same code name as the abatement class code without the pound delimiter (#).

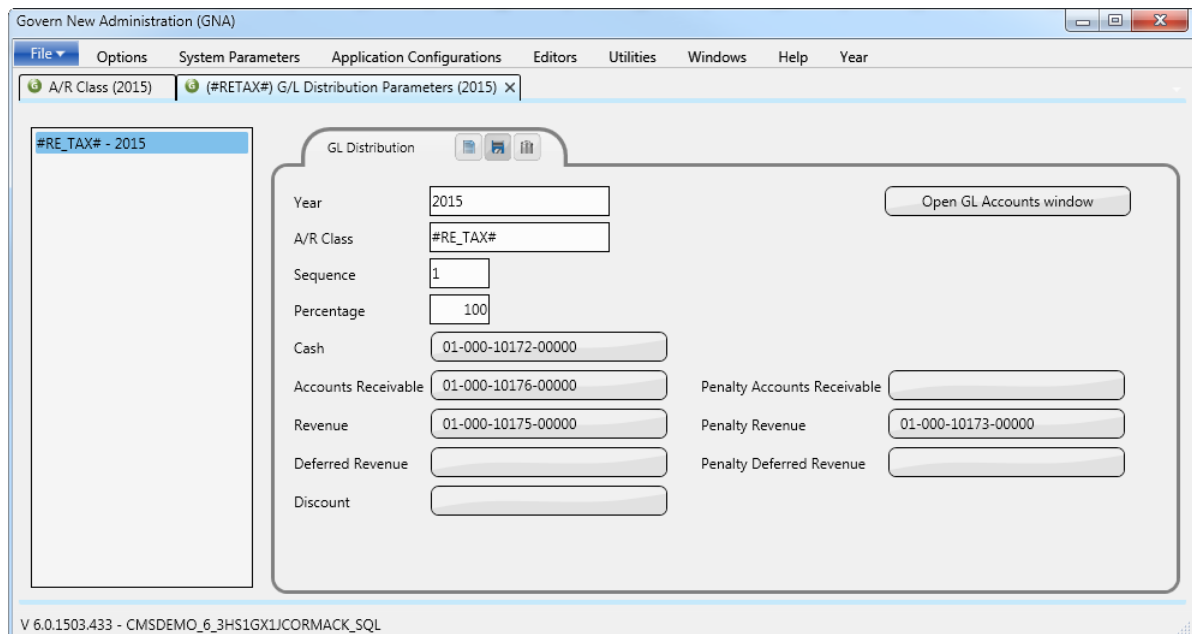
If a corresponding A/R Class Code is not found, the abatement is applied to any Real Property A/R Class Code, as in previous versions. *Refer to About Adjustments and Abatements on page 36 for details.*

Scenario: Setting Up an A/R Class for Same Billing

In this scenario, an A/R Class for same billing is created for the Real Property A/R Class RE_TAX.

To create the A/R Class code for same billing:

1. Launch GNA.
2. Select **Application Configurations > Accounts Receivable > A/R Class Codes**.



The screenshot shows the 'A/R Class (2015)' configuration window in the GNA application. The window has a menu bar with 'File', 'Options', 'System Parameters', 'Application Configurations', 'Editors', 'Utilities', 'Windows', 'Help', and 'Year'. Below the menu bar, there are two tabs: 'A/R Class (2015)' and '(#RETAX#) G/L Distribution Parameters (2015)'. The 'A/R Class (2015)' tab is active, showing a list of A/R Class codes on the left and a configuration form on the right. The configuration form is titled 'GL Distribution' and contains the following fields:

- Year: 2015
- A/R Class: #RE_TAX#
- Sequence: 1
- Percentage: 100
- Cash: 01-000-10172-00000
- Accounts Receivable: 01-000-10176-00000
- Revenue: 01-000-10175-00000
- Deferred Revenue: (empty)
- Discount: (empty)
- Penalty Accounts Receivable: (empty)
- Penalty Revenue: 01-000-10173-00000
- Penalty Deferred Revenue: (empty)

At the bottom of the window, there is a status bar with the text: 'V 6.0.1503.433 - CMSDEMO_6_3HS1GX1JCORMACK_SQL'.

3. Click **New** to create a new A/R Class Code.
 4. Enter **#RE_TAX#** in the **A/R Class** field.
- This is the A/R Class Code for the abatement.

Accounts Receivable

5. Select **Real Property Tax** from the **Subsystem** drop-down list.
6. Select **Abatement / Exemption** from the **Transaction Type** drop-down list.
7. Complete the other parameters, as required.
8. Click **Save**.