

CURRENT PROCESS QUESTIONNAIRE

Client:	Contra Costa Transportation Authority	Functional Area:	Accounts Receivable
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1. *Is there a single system that records all the Accounts Receivable (AR) activities? If not, please identify all the different AR systems and the departments that are using them.*

The Authority uses Microsoft Excel to track Accounts Receivables. A manual log is maintained by the Finance Department in order to track the following details associated with each receivable:

- Date amount was accrued
- Project number
- Project title
- Reimbursement amount
- Reimbursement funding source
- Received from
- Date deposited
- FY in which revenue is recognized
- Account number
- JV number
- Invoice
- Hyperlink to the reimbursement request file

Receivables are only recorded in the General Ledger at year end.

2. *Describe the purpose/functionality of each AR system.*

All receivable and billing activities are performed on a manual basis. A summary of these activities is presented below:

- **Grant Receivables/Billing**

The majority of the Authority's receivables are related to projects with either one or multiple grant funding sources. Each month, grant reimbursement requests are prepared from a Minotaur report that lists invoices paid during the period. This report starts the reimbursement process, but the final numbers are also verified against the County-produced General Ledger reports.

In addition to contractor invoices, internal labor costs may also be included in the reimbursement requests. The Authority uses a combination of direct labor information extracted from ADP's Easy Labor report, which can be downloaded to an Excel file, and budgeted labor cost by percent (i.e.: not direct labor, but rather a percentage of the labor cost for a certain organization unit.)

Once the reimbursement requests are prepared, an electronic copy of the entire package, including all the supporting documents, is forwarded to the Accounting staff. Information from the reimbursement package is used to update the AR Log mentioned above.

Congestion Management Billing:

Receivables are also generated in association with the Congestion Management Program. The Authority bills the local agencies (i.e.: cities) that provide a local match to the Congestion Management Program. This billing occurs on an annual basis.

The planning costs associated with the Congestion Management Program are billed to the Metropolitan Transportation Commission on a monthly basis. Currently, all grant revenues are recorded as Miscellaneous Revenue in the General Ledger; however, they are recorded to the specific project in Minotaur. Eventually, it is the Authority's goal to be able to tie the expenditures to the revenues in the Financial Management System.

3. Is there a centralized customer database, or do different locations utilize their own customer listings?

The Authority does not maintain a centralized customer database. This does not pose a problem, as only a handful of cities and funding agencies make up the Authority's customer pool.

4. Does the Client track aging?

The Authority tracks aging manually using both the AR Log and the Reimbursement Log, which is another Excel spreadsheet that is maintained by the Grants Consultant.

5. Identify the unmet AR needs within the organization?

The following unmet needs were identified during the AR workshop:

1. The current system does not have an AR module. As a result, AR is tracked completely outside of the system using Excel.
2. The Authority does not record its receivables during the year. Accruals are only booked at year end.
3. Aging is tracked manually.
4. All AR related reports are generated outside of the financial system.

6. Determine how new technology might be able to address these unmet needs.

The Authority could benefit from the following:

1. The ability to link the expenditures (specific paid invoices) to the grant reimbursement requests.
2. An Accounts Receivable module that integrates with General Ledger, Projects, and Grants. This will ensure the integrity of data, provide real time cash and revenue information and eliminate duplicate data entry.
3. The system should provide a flexible report writer that allows users to develop customized accounts receivable reports.
4. The system should provide the ability to perform aging based on user-defined intervals.

