

DEPARTMENT OF THE ARMY
MOBILE DISTRICT, Corps of Engineers
P. O. Box 2288
Mobile, Alabama 36628-0001

Standard Operating Procedure
No. 37-1-5

1 June 1999

Resource Management
MANAGEMENT & RECONCILIATION OF ACCOUNTS RECEIVABLE

1. Purpose. This Standard Operating Procedure (SOP) prescribes policies and outlines procedures to effectively manage and reduce delinquent accounts receivable and defines debt collection procedures in the Mobile District.
2. Applicability. This SOP is applicable to all Mobile District employees having responsibility for issuing and collecting bills and those having responsibility for managing the Accounts Receivable Program.
3. References.
 - a. ER 11-1-320– Civil Works Emergency Management Programs.
 - b. ER 37-2-10, Accounting and Reporting – Civil Works Activities.
 - c. Public Law 93-288 as amended by Public Law 100-707 and retitled as the Robert T. Stafford Disaster Relief and Emergency Assistance Act
 - d. Public Law 97-365, Debt Collection Act of 1982.
 - e. Public Law 97-258, Paragraph 1535.
 - f. DFAS-IN 37-1, Finance and Accounting Policy Implementation.
 - g. CEFC-AO Memorandum, 8 December 1997, Subject: Updating/Creating CEFMS Work Items with Command Indicator Codes
 - h. CEFC-AO SOP No. UFC-02, Accounts Receivable/Payment of Government Orders.
 - i. CEFC-AO SOP No. UFC-04, Huntsville Training Billings.
 - j. CEFC-AO SOP No. UFC-06, TFO/TBO/Interfund.

k. CEFC-QR SOP No. UFC-09, FEMA Customer Order & Billing.

l. CEFC-AO SOP No. UFC-10, Delinquent Accounts Receivable Follow-Up.

4. Definitions.

a. Account Receivable – a bill or any outstanding indebtedness to the United States Government.

b. Debtor – a person or organization owing payment to the United States Government.

c. UFC – United States Army Corps of Engineers Finance Center located in Millington, TN.

5. Responsibilities.

a. Resource Management Office. The Resource Management Officer (RMO) and staff are responsible for:

(1) Establishing customer orders in CEFMS properly to reflect the billed activity's order or obligation number, complete accounting classification, mailing address, TFO/Non-TFO status, etc.

(2) Performing monthly reconciliation of accounts receivable general and subsidiary ledgers.

(3) Assigning one primary individual to serve as liaison to other offices within the District for resolution of problems.

(4) Taking corrective action for any data base problems encountered by the UFC, which impede the generation of bills.

(5) Notifying the UFC in writing of any additional billing requirements not specifically identified in this SOP.

(6) Maintaining records in support of accounts receivable entered in CEFMS by the Customer Service Representative (CSR) and accounting staff.

(7) Determining the waiver status for administrative fees, interest and penalty charges.

(8) Determining and recording estimated and actual uncollectible public debt.

- (9) Taking action or overseeing action taken by other offices within the District to collect and/or resolve bills that are over 150 days delinquent.
 - (10) Taking action on delinquent bills in support of the UFC and offices within the District.
 - (11) Taking corrective action for any data base problems encountered by the UFC which impede the timely collection of debts.
 - (12) Initiating payroll deduction for delinquent debts as necessary.
 - (13) Preparing monthly reports on delinquent accounts receivable for the Commander and maintaining a file of those monthly reports.
 - (14) Maintaining records in accordance with the Modern Army Recordkeeping System (MARKS)/Corps of Engineers Electronic Recordkeeping Information System (CEERIS) requirements for follow-up action.
- b. Other offices within the District. Separate Office and Division Chiefs and billing POCs are responsible for:
- (1) Developing a written procedure for managing all bills and follow-up activity within their area of responsibility in coordination with RMO.
 - (2) Identifying orders, which have special billing requirements by the utilization in CEFMS of the Command Indicator Code (CIC).
 - (3) Appointing a primary point of contact(s) by position and incumbent for billing management and delinquent follow-up. Appropriate training and time shall be provided for this tasking.
 - (4) Verifying and validating source data.
 - (5) Accurately entering initial billing information into automated system.
 - (6) Maintaining informal customer contact.
 - (7) Providing supplemental billing information upon request.
 - (8) Offering debt cancellation recommendations.
 - (9) Determining necessity for agreement termination.
 - (10) Printing and Mailing FEMA/EPA billings.

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- (11) Attaching required supporting documentation to bills being mailed.
- (12) Taking follow-up action as set forth in local SOPs.
- (13) Maintaining records (includes follow-up documentation) in support of recorded receivables.
- (14) Appointing backups to ensure continuity of operation in the absence of key individuals.
- (15) Ensuring that billing and collection functions are addressed in the Total Army Performance Evaluation System (TAPES) performance plans for all managers, supervisors, and employees responsible for managing or performing these functions.

6. General.

- a. Resource Management Office. The Resource Management Officer (RMO) and staff will:
 - (1) Retain documentation for all manual bills produced and mailed in accordance with MARKS/CEERIS.
 - (2) Take prompt action necessary to address any problems encountered by the UFC, which require corrective measures by the supported activity.
 - (3) Record the entries in CEFMS that are required to write off administrative fees, interest and penalty charges when the decision to waive has been made by the supported site.
 - (4) Review open accounts receivable monthly. Refer all appropriate discrepancies, comments or questions to the Chief, Accounts Receivable/Debt Management Branch (CEFC-AO-R).
 - (5) Provide sufficient information to enable the UFC to make telephonic request for payment of bills that are delinquent more than 90 days and that exceed \$50,000.00. Needed information includes the name and telephone number of the activity being billed, usually taken from the customer order or Military Interdepartmental Purchase Request (MIPR).
 - (6) Take aggressive action to collect and/or resolve all outstanding accounts receivable over 150 days.
 - (7) Provide documentation for any salary offset initiated for accounts receivable.

- (8) Provide written request to UFC for the suspension of follow-up action where applicable for items that appear, as a delinquent accounts receivable.
 - (9) Provide monthly accounts receivable aging and delinquent receivable report (CEFMS AREC) to the activity commander or designee as required.
 - (10) Prepare counterpart follow-up letters for the District (+120 days) and the Division (+180 days) Commander's signature.
- b. Other District Offices. Separate Office and Division Chiefs will:
- (1) Monitor all customer order accounts that contain a CIC. Print bills, attach documentation, and affix proper signatures and mail to the customer. The UFC will not provide a printed copy of bills, which have a CIC code to the supported activity
 - (2) Perform follow-up and collection action on delinquent RGA accounts receivable and returned checks (accounts closed, non-sufficient funds) from the RGA lessee.
 - (3) Insure that emergency management bills are sent to the appropriate office for certification and back-up documentation.
 - (4) Insure that environmental bills are distributed to the appropriate office for certification and back-up documentation.
 - (5) Take prompt action necessary to address problems, which require corrective measures as requested by the UFC or the CESAM-RM.
 - (6) Retain documentation for all bills mailed in accordance with MARKS/CEERIS requirements.
 - (7) Add the following standard in the TAPES performance plans of all managers, supervisors, and employees responsible for billing and/or collection functions: "Promote and practice sound financial and costing stewardship in the administration of billing and collection functions."
In addition, add the following standard to the TAPES performance plan of all employees performing billing and collection functions: "Ensure accuracy and completeness of input to CEFMS and related systems (e.g. REMIS, APPMS, etc.). Standard includes showing comprehension of guidance and training."
- c. Delinquent Account Follow-up Responsibility Matrix

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	UFC	RM	Other
0-30 Days	X		
31-60 Days	X		X <u>1/</u>
61-90 Days	X		X <u>1/</u>
91-150 Days	X		X <u>1/</u>
151-180 Days		X	X <u>1/</u>
181 + Days		X	X <u>1/</u>

1/ Real Estate Division is responsible for Revenue Generating Agreements

J. DAVID NORWOOD
Colonel, Corps of Engineers
Commanding