Accounts Receivable: Invoicing

What is Themis Financials?

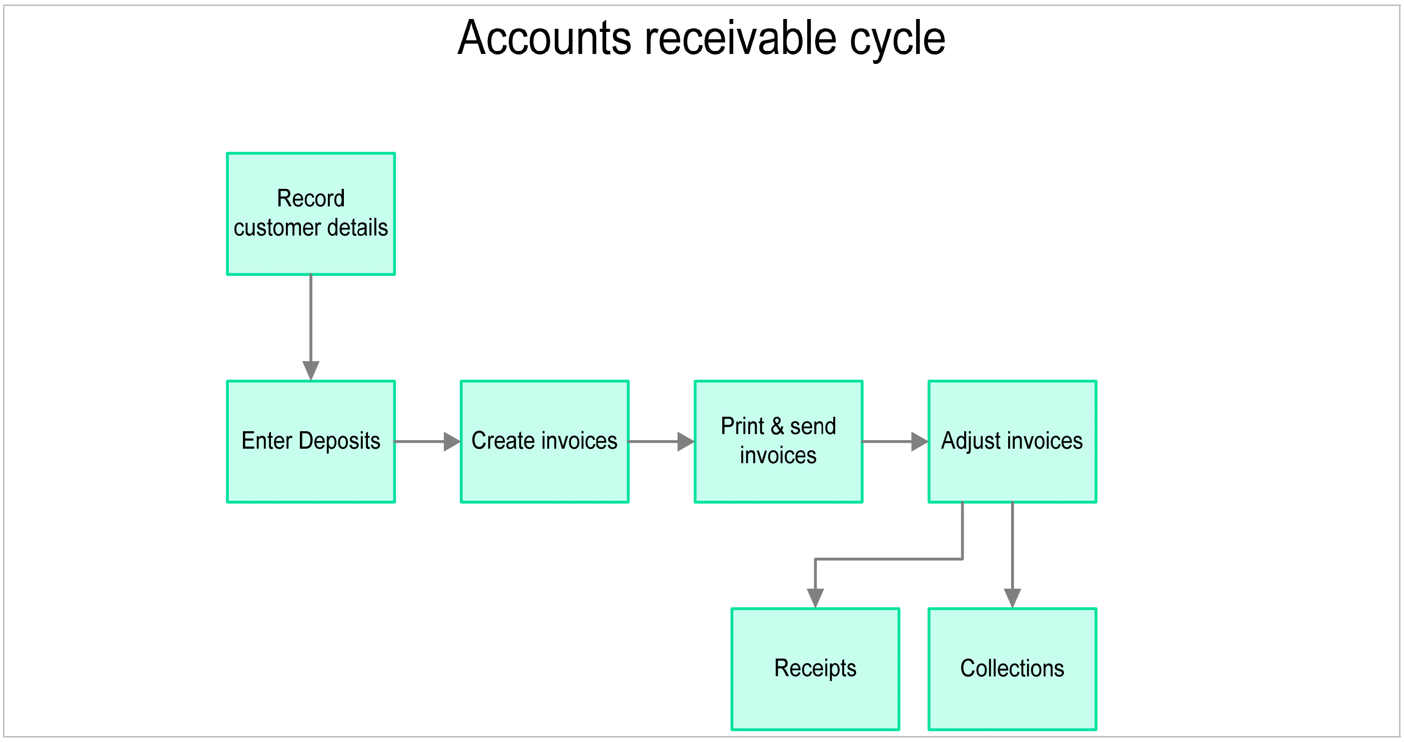
Themis Financials forms part of the integrated administration system used by the University of Melbourne. Themis Financials is comprised of individual modules which interact with the University's General Ledger database to provide accounting, reporting and financial management functions.

Themis Financials – accounts receivable

The Accounts Receivable module deals with the collection of revenue and the management of debt. Invoicing and Cash Receipting are separate functions that combine to make the Accounts Receivable (AR) module. AR allows department users to:

- Record customer information (debtors)
- Raise invoices
- Record information about payments received (receipting)
- Track unpaid debt

The flowchart below outlines the Accounts Receivable cycle at the University of Melbourne.

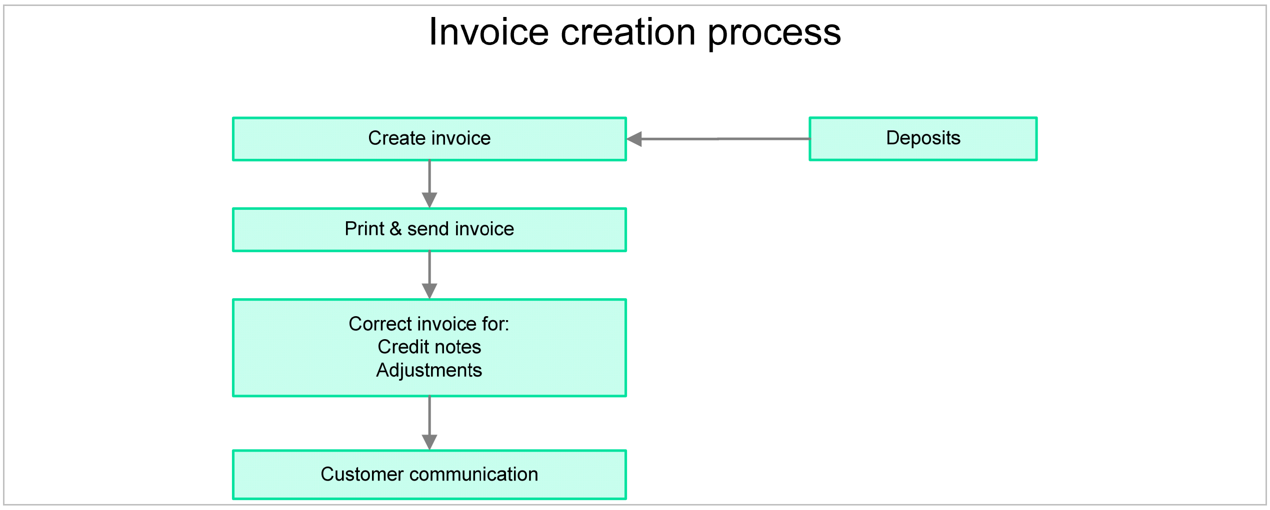


Accounts receivable invoicing

This information sheet will focus on the Invoicing process. For more information on the Receipting process refer to the *Introduction to Themis Accounts Receivable: Receipting* information sheet.

Create an invoice process overview

The flowchart below outlines the steps required to process an invoice in the Themis Accounts Receivable module.



Themis Accounts Receivable document types

The Themis Accounts Receivable module enables you to create and process a number of documents. These are outlined in the table below.

Term	Definition
Invoice	A bill given to customers who have received a product or service.
Credit note/Credit memo	Details of credit related to a specific invoice.
Adjustment	In the University of Melbourne's accounts receivable process, an adjustment refers to the write-off of a doubtful debt. While debt write-off is the responsibility of Financial Operations, departments may submit a request to write-off a debt.

When do I create an invoice?

An invoice should be created when requesting payment for goods and/or services provided by your department/faculty to an external organisation or company.

Before creating an invoice in Themis, you should consider the implications of granting credit:

- Is the debtor likely to pay?
- How long are you likely to have to wait for the money?
- Can the department afford to lose the money if it is not recoverable?
- Are there other, more suitable, methods of upfront payment available (e.g.: electronic funds transfer (EFT), credit card, etc)?

Structure of an invoice document in Themis

Invoice documents in Themis are made up of four main components or screens:

- Main **Transactions** screen - contains general information on the type of document (e.g.: invoice) and customer details.
- The **Line item/s** screen - contains detailed data about the product or service that is being invoiced (including description, quantity and unit price and tax treatment).
- The **Distributions** screen - contains data about the chart of accounts code/s that the invoice line item/s payment will be directed to.
- The **Tax** screen - contains the taxation information relating to the invoice transaction/s. **Note:** Themis automatically calculates the required tax and adds this information to the transaction total.

Creating an invoice for an existing customer

If you are creating an invoice for a customer that already exists in the Themis Accounts Receivable Customer Database (e.g.: regular or recommended customer) you may select them from the list of values available in the *Bill To* field on the Transactions screen.

Refer to the *Raising a tax invoice for an existing customer* reference card for step by step guidance on how to complete the required transactions, line/s and distribution/s details:
http://www.themis.unimelb.edu.au/resources/RC_Create_Invoice.pdf

Creating an invoice for a new customer

If a customer does not exists in the Themis Accounts Receivable Customer Database (i.e.: not available in the list of values in the *Bill To* field on the Transactions screen), an additional step is required to create the invoice.

You will need to submit a request to Financial Operations for the creation of a new customer record (**note:** new customer details must be entered in CAPITALS). This process takes approximately 24 hours. Once the new customer record has been created, you will be able to complete your invoice then print and send it to the customer.

Refer to the *Raising a tax invoice for a new customer* reference card for step by step guidance on how to request new customer record and complete required transactions, line/s and distribution/s details:
http://www.themis.unimelb.edu.au/resources/RC_Create_Invoice_New_Customer.pdf

Correcting invoice errors

If you have made an error in your invoice, it is possible to amend it if the invoice:

- has not been printed, and
- was completed within the last 30 minutes (after this time the invoice will be posted to the General Ledger and you will be unable to alter it).

However, if you have either printed the invoice or completed it over 30 minutes before, you will need to cancel the invoice (or create a credit note) to correct the error. Refer to the *Using credit notes* section below for further details.

Using credit notes

Credit notes/memos may be used to correct any billing errors made when issuing an invoice, or to make allowance for the cancellation or return of goods.

A credit note may be raised to either fully or partially reduce the value of an invoice you have issued, and when applied to an original invoice, will automatically create the account reversal entries in Themis.

For further details on creating credit notes refer to the *Creating an invoice-related credit note* reference card.

Printing an invoice document

Accounts receivable invoices will not print automatically when completed, you must manually print your invoice.

Staff with UOM Data Entry responsibility can only print invoices that they have created. Staff with UOM Manager Dept/Faculty responsibility can print all invoices for the department/faculty that they have access to.

There are two options for print an invoice:

- print via the Transaction screen
- print via the Requests screen

Note: credit notes and invoices generated in relation to an agreement deliverable may only be printed via the Requests screen.
For further details on printing an invoice refer to the *Printing a tax invoice in Themis* reference card: http://www.themis.unimelb.edu.au/resources/

Copying a previously created invoice

If you provide goods and/or services to a customer on a regular basis (e.g.: billing a customer for services provided once a month for two years, etc) you may wish to copy the appropriate invoice instead of manually creating a new invoice for each transaction.

Advantages of copying an invoice include:

- All dates on the copied invoices (e.g.: invoice date, General Ledger date, due dates, etc) are determined using the copy rule you specify.
- The amount for all copied invoices is equal to the original invoice amount, even if the model invoice has been credited, adjusted or paid.
- You can copy invoices as often as you want and create copies from any existing invoice, even if it is closed.
- You can create, review, and update copied invoices in the Transaction screen.

For further details on copying an invoice refer to the *Copying a previously created invoice* reference card.

Create an outstanding debtor report

A monthly statement indicating the balance owed by a debtor is generated for all invoices raised by University of Melbourne (both departments/faculties and Financial Operations).

It is the responsibility of departments/faculties to secure payment of overdue invoices with a value of less than $5,000 (Financial Operations has responsibility for invoices over $5,000). Department may use the Past Due Invoices report to check for debtors within invoices greater than 30 days old.

For further details on running an outstanding debtor report refer to the *Running the Past Due Invoices report* reference card.

Other reports available in Themis Accounts Receivable

A number of reports are available within Themis to help you manage Accounts Receivable within your department. These include:

- **Incomplete Invoices report:** identify and review all invoices or credit notes within your department that are not complete.
- **Customer Listing – Details:** view detailed information recorded for your customers.
- **Customer Listing – Summary:** view a summary of information recorded for your customers (including: customer name and number, status and any address and site details entered).

Themis invoicing rules and troubleshooting

Currency

All invoices *must* be created for Australian dollars (AUD). If your customer requires the invoice in foreign currency, the amount should still be entered in AUD and the amount in foreign currency should be entered in the description field.

Only agreement deliverable invoices (i.e.: invoices generated by the system when payment is due from a funding body for a research agreement deliverable) can be issued in a foreign currency. Refer to the *Research Administrators - deliverables management* reference cards for further details http://www.themis.unimelb.edu.au/support/ref_research_admin.html#grants.

Invoice corrections

Alterations or corrections to invoice records must be made within 30 minutes of completion and before you print the invoice. After this time, invoice details are posted to the General Ledger and cannot be altered. To alter an invoice after 30 minutes (or if you have printed a copy) you will need to create a credit note (refer to the *Using credit notes* section above) or cancel the invoice and reissue a correct one.

Printing

Accounts Receivable invoices are not printed automatically once completed, you must manually print them. **Note:** you may only print one original invoice, and subsequent prints of an invoice will contain a *Copy* watermark. For this reason it is handy to retain an electronic original (in .pdf format) on your local computer or network until the invoice has been paid For further details on printing an invoice or saving a .pdf version of the invoice refer to the *Printing a tax invoice in Themis* reference card: http://www.themis.unimelb.edu.au/resources/.

Complete/Incomplete status

The **Complete** button is an action button; it does not display the current status of the record. Once a transaction has been completed the button changes to **Incomplete**.

If you wish to update an invoice, you will need to click on the **Incomplete** button, this will then allow you to reopen the record and alter details before completing the process again.

Taxation

Goods and Services Tax (GST) will always default to *Exclusive* on an invoice. This will occur even if an invoice is completed, incompleted and completed again. You may change this tax code if circumstances require.

Problems with GL account code

If a Receivables GL account code has not populated correctly, notify the AR team at Financial Operations. The invoice will need to be voided by Financial Operations and re-entered.

Incorrect salesperson

If you have selected the incorrect department number in the Salesperson field, you will be unable to enter your account details in the Distributions screen. If this occurs, exit the invoice and return to your Navigator screen without saving the invoice record. You may then re-enter the invoice using the correct department number.

University of Melbourne Invoicing Policy

Refer to the Finance Policy and Procedure guide, section 7. Debtors for further details.

Goods and services sold on credit are provided to the customer prior to payment being received. The sales invoice records the customer's indebtedness to the University.

Consideration of the risk associated with credit sales is required before supplying goods and/or services on a credit basis. Factors to consider include the:

- value of the transaction
- credit worthiness of the customer
- impact on the Department's financial position if the debt is not paid

The requirements of the Goods and Services Tax (GST) must be taken into account when charging for goods or services provided by the University. The diverse nature of the University's activities means that the GST will apply differently to the various goods and services supplied.

The University of Melbourne, Finance Policy and Procedure can be located at:
http://www.unimelb.edu.au/FinPPM/FPP0home.htm

Getting Help

The Themis website (www.themis.unimelb.edu.au) provides written support in a variety of formats:

- Reference cards (step-by-step instructions for specific tasks)
  http://www.themis.unimelb.edu.au/support/ref_cards.html
- Information sheets (overview of specific module, function or responsibility)
  http://www.themis.unimelb.edu.au/support/documentation/info_sheets.html
- Frequently Asked Questions http://www.themis.unimelb.edu.au/support/faq.html

Themis Service Desk

The Themis Service Desk team provides technical assistance from 9am to 5pm, Monday to Friday. You may lodge Themis queries:

- Online: http://servicedesk.unimelb.edu.au/itsc/themis
- By email: ea-help@unimelb.edu.au
- By phone: 8344 9500