



PORTLAND MAINE

Strengthening a Remarkable City, Building a Community for Life • www.portlandmaine.gov

ACCOUNTS RECEIVABLE POLICY

Billing for Rents, Services and Sales

Revised: 12/2006

Purpose

The purpose of this policy is to outline a procedure to be used in billing charges for the use of city property, for services rendered, and for the sale of goods and materials and to outline the administrative and collection responsibilities of amounts billed.

Policy

Departments having responsibility for property rented to others, rendering chargeable services or selling city property shall be responsible for initiating invoices for such charges. The Finance Department shall be responsible for the follow-up and collection of unpaid items and shall maintain customer accounts receivable records for all charges prepared in accordance with this regulation. Access to customer charges, payment history and balances will be made available to the originating department.

Fees for permits and licenses must be collected when the permit or license is issued and may not be billed for subsequent payment. The only exception to this should be the street opening permits issued to public utility companies by Public Works. At the discretion of the Director of Public Works, the utility companies may be billed periodically for actual costs rather than pay estimated costs when the permit is issued.

All charges for services, sales and facility rentals are to be processed (using the HTE System's Accounts Receivable module) by originating departments during the accounting period in which the revenue is earned or at such time when the amount(s) owed to the City may reasonably be calculated. Departments that, because of the small volume of invoices being generated, do not have access to invoice entry should submit relevant documentation to the Financial Administrative Assistant in Treasury for invoice processing in the appropriate accounting period.

Procedures

A. General Instructions

Customer Master records and billing codes will be maintained by a Financial Administrative Assistant in Treasury and access to those records will be granted to departments by the assignment of customer type codes. Initiating departments are



PORTLAND MAINE

Strengthening a Remarkable City, Building a Community for Life • www.portlandmaine.gov

ACCOUNTS RECEIVABLE POLICY

Billing for Rents, Services and Sales

Revised: 12/2006

responsible for coordinating the set up of customer accounts¹, billing codes, and the assignment of customer type codes.

To assure proper and accurate billing, the initiating department must be certain that:

1. The person making a purchase, requesting the use of a city facility or requesting a service has the authority to do so;
2. The name, address, and telephone number of the authorized person who is given for billing purposes is the proper person, organization, etc., to be billed; and
3. That the charges billed are proper, clearly and correctly computed and stated, and are legally collectible.

B. Routing Remittance Received by a Department

Customer invoices provide remittance instructions directing all payments to the Treasury Division. Occasionally a remittance may be sent to the department preparing the invoice but this is specific to the following:

- Jet Port
- Ferry Terminal
- Fish Pier
- Ocean Gate

When this occurs, promptly forward the check and the remittance advice copy of the invoice directly to the Treasury Division. Do not report such a remittance as a cash collection on a Report of Receipts.

C. Collection of Delinquent Accounts

Departments have primary responsibility for collecting past due amounts. If accounts remain overdue for 90 days, however, the Treasurer may request assistance from Corporation Counsel or outside collection attorneys. Treasury will discuss this with the department before proceeding.

¹ Initiating departments are responsible for assigning account numbers and sending such documentation via email to the Financial Administrative Assistant (FAA). The FAA is responsible in assigning and maintaining customer accounts, billing codes, and type codes to the newly established account number/customer record.



PORTLAND MAINE

Strengthening a Remarkable City, Building a Community for Life • www.portlandmaine.gov

ACCOUNTS RECEIVABLE POLICY

Billing for Rents, Services and Sales

Revised: 12/2006

D. Correction of Errors

When an error has been made in an original invoice or it becomes necessary to adjust a customer's account, the originating department must send a memo to the Financial Administrative Assistant in Treasury indicating the nature and amount of the adjustment that needs to be made to a customer account.

The balance of this page was intentionally left blank.