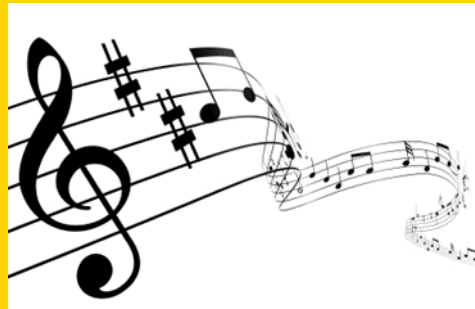


MacBill – Managing Mac's Receivables

An Overture



*Financial Forum
November 2017*



MacBill

Business Need
Analysis
Recommendation
Plan for Implementation
Wrap Up

Business Need

Why is McMaster doing this?



2017

- Almost \$200 million research revenue earned annually.
- 'Other Income' one of highest dollar value of U15
- No consistency in invoicing, revenue recognition, follow up, and collection
- Large number of unknown payments rec'd
- External research/finance review recommendation

Desired Outcomes

Expected Benefits



MacBill

- Ability for faculties and support units to generate invoices from templates
- Customer receives official invoice from McMaster
- Database of customers with tax rules
- Integration of billings with Research Grants module
- Ability to implement reminder letters and consistent policy for follow up
- Improved cash flow/reduced duplicate billings/improved accuracy of billings

Analysis

Estimated current volumes

19.3k

Non research
invoices issued
each year

1.3k

Research
invoices
issued each
year

\$84m

Non research
invoices issued

\$30m

Research
invoices issued
each year


Recommendation

Use Mosaic
Billing and
AR Module
fully

- Implement the Billing section of the AR module already in use by all cash receipt users
- Impact to users will be less than purchasing new system
- Benefit from lessons learned at other universities in developing processes and policies
- Provide training for pilot areas, and continuous training as roll out progresses
- Use expert help from Deloitte for integration of modules (Grants/contracts/Non Student Billing and AR)

Plan

For implementation



Pilot and
phase in.

- Pilot where volume is sufficient and interest is high
- Phase in over time
- Plan to implement with soft go live
- Write and seek approval for university wide 'Accounts Receivable' policy
- Take baseline measure and have targets for % invoiced through MacBill for next 3 years

Anticipated Impacts

What will be impacted

- No further customization anticipated
- No Moneris impact
- No integration with external billing systems
- Revenue recognized when billed, no system deferrals
- No netting
- Not to be used for internal billings
- Will be exceptions, approved by Enterprise Administrative Technology Committee



New policy
being created

Complete Policy Title: Accounts Receivable and Billing (Non Student)	Policy Number (if applicable):
Approved by:	Date of Most Recent Approval:
Date of Original Approval(s): TBD – Target 2018	Supersedes/Amends Policy dated:
Responsible Executive: Director of Finance	Enquiries: Accounts Receivable Inquiries
DISCLAIMER: <i>If there is a Discrepancy between this electronic policy and the written copy held by the policy owner, the written copy prevails</i>	

SCOPE

This Policy applies to billing and accounts receivable of the University (including research) except for fees and miscellaneous charges associated with students. Internal billings are not covered by this policy, as they are handled by Journal Entry and addressed in that policy.

http://www.mcmaster.ca/bms/BMS_Policies_Procedures.htm

POLICY OBJECTIVES

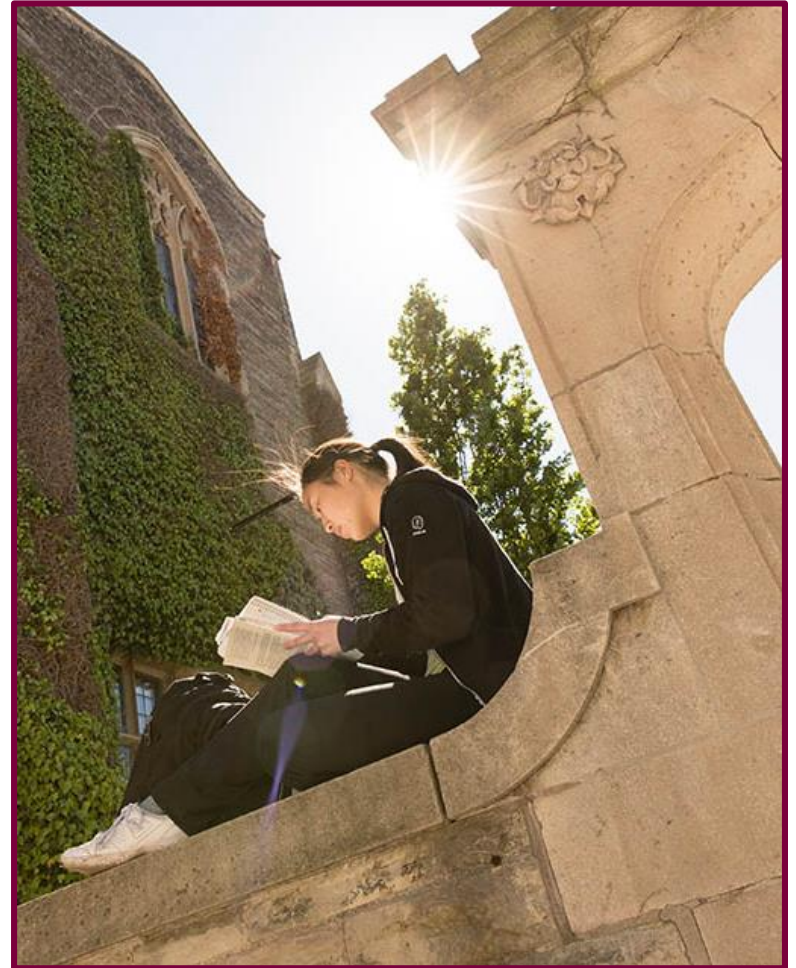
The objectives of this policy are:

- To document guidelines by which credit is extended to customers of the university;
- To manage the extension of credit within the various departments of the university
- To outline the policy for invoicing, revenue recognition, and balancing
- To outline the responsibilities for collection of accounts receivable
- To document the responsibilities for uncollectible accounts

Resource Team

And Stakeholders

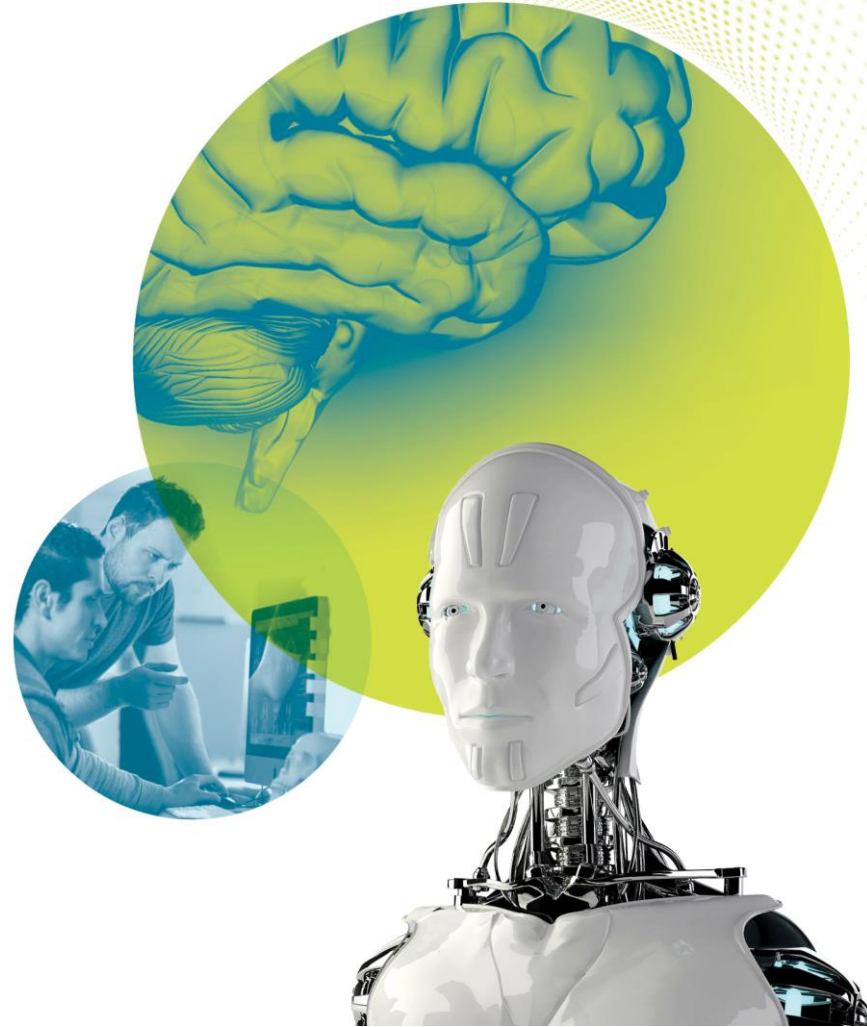
- Faculty representatives
- Student Accounts and Cashiers
- Financial Services
- Financial Systems Support
- Research representatives
- UTS
- Pilot departments
- IRA
- Communications
- Deloitte consultant



Timeline

Tentative monthly schedule

- November/December - plan.
- January 2018- consultant on site full time, team working in BSB
- February – finish build.
- March - testing
- April – training
- May – soft launch for pilots
- Thereafter – add other faculties and support units each month



More on the Pilot

Proposed Plan- let's discuss

See
handout

- Phase 1 – this spring
- Phase 2 – during 18/19 fiscal
- Phase 3 – 19/20 fiscal
- Exceptions?


Row Labels	Sum of Est. Annual \$ value of invoices	Sum of Est. Annual # of invoices	Cumulative % of \$ invoiced by phase
1	\$ 55,308,020	3772	48%
2	\$ 41,374,722	6203	84%
3	\$ 8,212,184	725	92%
4	\$ 9,700,000	9930	
x	\$ -	0	
Grand Total	\$ 114,594,926	20630	

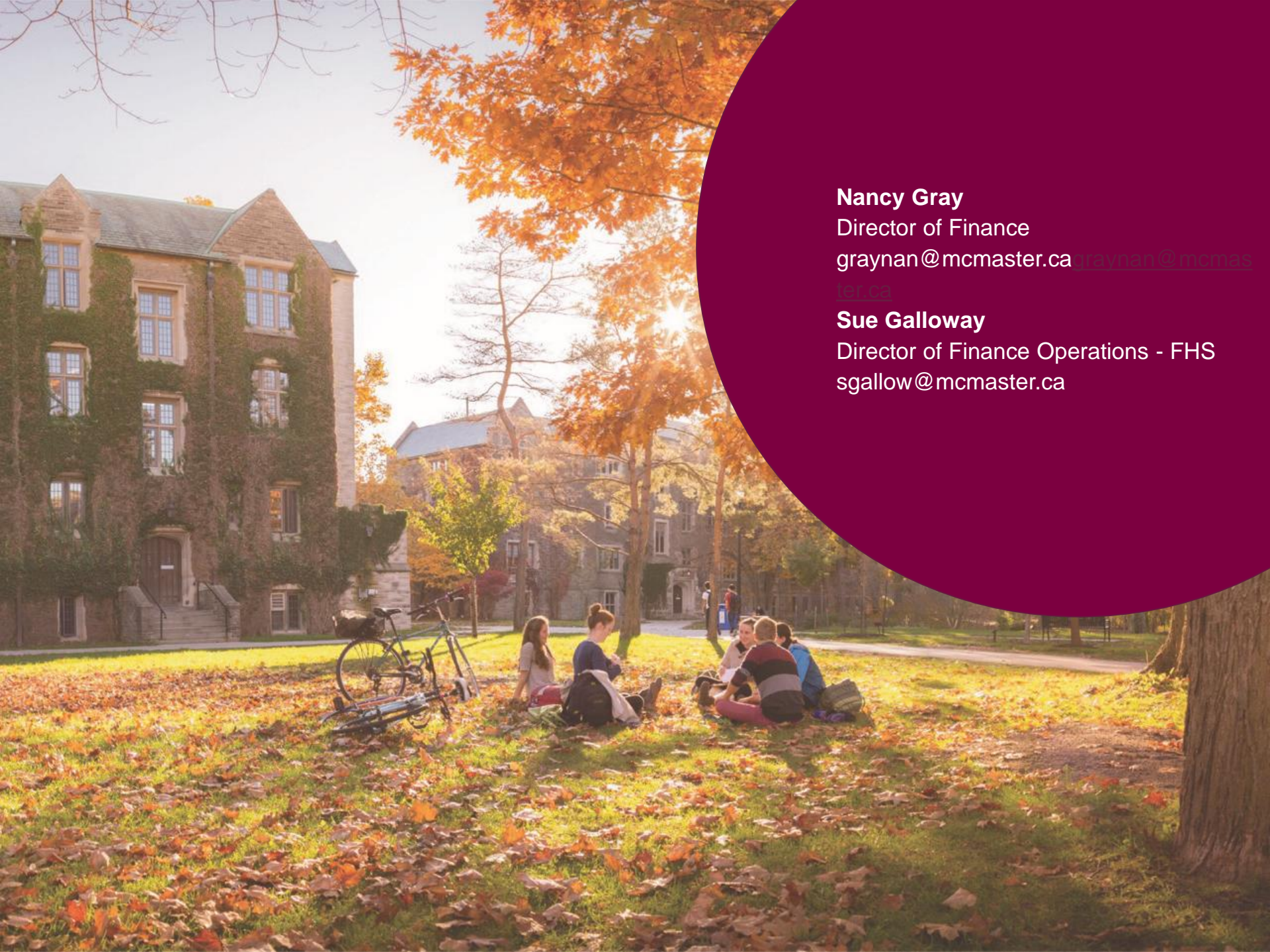
Wrap up

Closing bars of the overture



MacBill

- There is a business need, Mac owns this module
- If you are processing cash receipts, you are already using this Peoplesoft module
- EATC has approved funding and some staff assigned to project for next six months
- Policy written, procedures o/s
- Roll out will be over next three years with pilots going in April/May 2018
- Stay tuned  for updates



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