



Collection Notices Blueprint

What is this document | Accounting Seed is a flexible accounting platform where you can add, build and layer your own customizations on top of the platform. Accounting Seed Blueprints provide an example of a specific use case that can serve as a template to implement a feature for your organization, but also can be tweaked or modified in any way you need to achieve your exact requirements. Blueprints serve as a design template or starting spot for your own feature.



What is the feature?

Collection Notices are notifications sent to customers requesting payment for past due billings. This feature automates both the collection notification process based on the age of the past due billing and the verification of the customer Billing Contact based on when bills are issued.

When is this feature set used?

This feature is used when customer bills have not been paid in full by the due date, and also to verify the Billing Contact periodically so billings and notifications are received timely.

What terms or definitions do I need to understand?

Billing Contact	Manages accounting functions for the company, related to approving and processing billings for payments
Billing	A document detailing out what the customer owes for the sale of your services or products
Customer	A business or an individual that purchases products or services in return for payment
Current Receivable	A Billing not past due for payment
Past Due Receivable	A Billing not paid by the due date
Collections Notices	Reminders sent to customers requesting payment for past due billings
Days before Cancellation	Number of days allowed before customer's account is suspended
Collection Agency	Third Party service hired to collect past due payment

Can you give me an overview of how this works?

Collection Notices are typically sent out when a customer bill has not been paid by the due date. This means identifying the past due bill and sending out a series of automated collection notifications until the bill is paid. If the bill is not paid within a designated time the service provided to the customer may be disrupted.

The first step in this process is to verify the Billing Contact to ensure bills and notifications are received correctly. Bills may be sent to customers annually, monthly or on a recurring basis so notifications requesting this information can be sent periodically to coincide with the billing frequency.

The process to send out automated collection notices begins when a bill has not been paid in full by the due date. A series of collection notices will be sent to the customer over a designated period of time.

Let's demonstrate the specific steps in this example:

This company's customers are sent billings throughout the year, and the Billing Contact is confirmed periodically. To confirm the Billing Contact an email is sent every 180 days. A script will run to send an email "Please confirm your billing contact" to the current Billing Contact.

- If the Billing Contact is confirmed, the "Contact Confirmed Date" field on the Account will be updated
- If no response is received within 14 days, an email is sent to all Contacts on the Account. If the Billing Contact is confirmed, the "Contact Confirmed Date" field will be updated
- If no Billing Contact is confirmed, future bills and notifications will be sent to all Contacts on the Account.

A customer is sent a bill and does not pay by the due date. Seven days past the due date, a script will run and update the Account "Collection Status" to "Past due".

Several additional scripts will run during the next 28 day time period. If the customer pays the bill or makes contact within this time, the "Collection Status" will be updated to "Current" or "Contacted". If the customer does not make contact or pay the bill within the 28 days, the Account "Collection Status" will be set to "Suspended".

The following notifications will be sent when the collection status is "Past due".

Invoice days past due	Collection Status	Collection Email Templates	Recipients
7	Past due	Your invoice is now past due	Billing Contact
14	Past due	Your Invoice is past due - Second Notice	All contacts
21	Past due	Your Invoice is past due - Service Disruption Warning	All contacts
25	Past due	Your account will be suspended in 72 hours	All contacts
28	Suspended	Account suspended	All contacts

What object model changes are required?

Object model changes are additional data objects or fields that you would add to Accounting Seed to achieve the customization. We suggest the creation of the following fields on the Account object:

Object	Field Label	Data Type	Description
Account	Notification Email sent	Date	The date the email to confirm Billing Contact is sent
Account	Contact Confirmed Date	Date	The date the customer's Billing Contact is confirmed
Account	Notification Type	Pick List	Description of email sent "180 day" or "194 day"
Account	Collection Status	Pick List	Current Past due Suspended
Account	Account Suspended	Date	Date of Account is Suspended if no response has been received after final notification

Account
Hockey School

Billing Discount Days Due	Activity Statement Format Billing Activity Statements ATS
Billing Discount %	Collection Status Past Due
Statement Needed Yes	Date Suspended
Last Statement Sent	

Payable Information

Payable Days Due	Default Expense GL Account
Payable Discount Days Due	1099 Vendor <input type="checkbox"/>
Payable Discount %	Default 1099 Box
File Import Match Name	Taxpayer Identification Number

Address Information

Billing Contact Tom Jones	Shipping Contact Tom Jones
Contact Confirmed 11/1/2019	Shipping Address 5555 Route 108 Columbia, MD 21045
Notification Type 180	
Notification Email Sent 5/1/2020	
Billing Address 5555 Route 108	

Custom Email Template - Examples

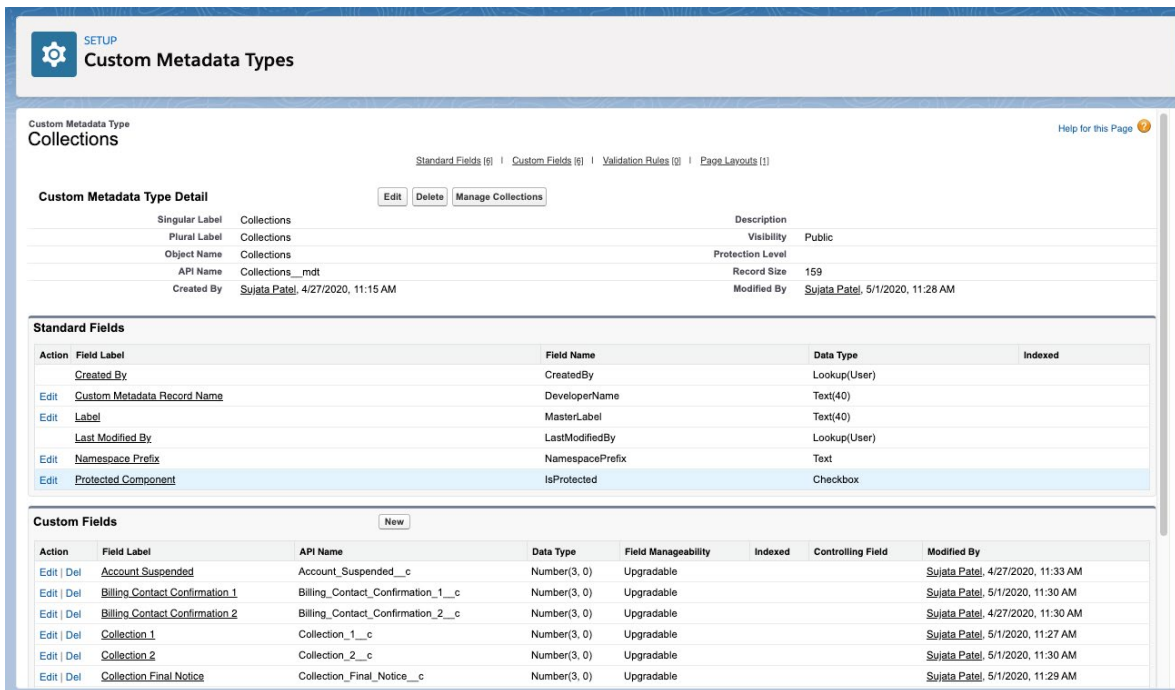
Template Name	Subject Line	Email Body
Confirm Billing Contact	Please confirm your Billing Contact	Please confirm your Billing Contact or provide us with updated information
Collection 1st Notice	Your Bill is now past due	Bill is now past due - please pay immediately or contact us. [Sent to the Billing Contact]
Collection 2nd Notice	Your Bill is now past due - Second Notice	Second notice - Bill is severely past due, please pay immediately and contact us [Sent to all contacts]
Collection 3rd Notice	Your Account is severely past due Service Disruption Warning	Third notice - Bill is severely past due, please pay immediately and contact us to avoid service disruption [Sent to all contacts]
Collection Final Notice	Your Account will be suspended in 3 days	We have not received payment or had contact. Please contact us or the service will be suspended in 3 days. [Sent to all contacts]
Account Suspended	Your Account has been suspended	We have suspended your Account due to your failure to respond to multiple notices. Please contact us to make payment and re-activate your Account. [Sent to all contacts]

Custom Metadata Type

Custom Metadata Types are used to set Confirmation and Notification assumptions. Create a Custom Metadata type called “Collection” and add the following custom fields:

Field Label	Data Type
Billing Contact Confirmation 1	Number (3,0)
Billing Contact Confirmation 2	Number (3,0)
Collection Notice 1	Number (3,0)
Collection Notice 2	Number (3,0)
Collection Final Notice	Number (3,0)
Account Suspended	Number (3,0)

Here’s a snippet of how this should look after configuration:



Custom Metadata Type Detail

Singular Label: Collections
 Plural Label: Collections
 Object Name: Collections
 API Name: Collections_mdt
 Created By: Sujata Patel, 4/27/2020, 11:15 AM
 Description:
 Visibility: Public
 Protection Level:
 Record Size: 159
 Modified By: Sujata Patel, 5/1/2020, 11:28 AM

Standard Fields

Action	Field Label	Field Name	Data Type	Indexed
	Created By	CreatedBy	Lookup(User)	
Edit	Custom Metadata Record Name	DeveloperName	Text(40)	
Edit	Label	MasterLabel	Text(40)	
	Last Modified By	LastModifiedBy	Lookup(User)	
Edit	Namespace Prefix	NamespacePrefix	Text	
Edit	Protected Component	IsProtected	Checkbox	

Custom Fields

Action	Field Label	API Name	Data Type	Field Manageability	Indexed	Controlling Field	Modified By
Edit Del	Account Suspended	Account_Suspended__c	Number(3, 0)	Upgradable			Sujata Patel, 4/27/2020, 11:33 AM
Edit Del	Billing Contact Confirmation 1	Billing_Contact_Confirmation_1__c	Number(3, 0)	Upgradable			Sujata Patel, 5/1/2020, 11:30 AM
Edit Del	Billing Contact Confirmation 2	Billing_Contact_Confirmation_2__c	Number(3, 0)	Upgradable			Sujata Patel, 4/27/2020, 11:30 AM
Edit Del	Collection 1	Collection_1__c	Number(3, 0)	Upgradable			Sujata Patel, 5/1/2020, 11:27 AM
Edit Del	Collection 2	Collection_2__c	Number(3, 0)	Upgradable			Sujata Patel, 5/1/2020, 11:30 AM
Edit Del	Collection Final Notice	Collection_Final_Notice__c	Number(3, 0)	Upgradable			Sujata Patel, 5/1/2020, 11:29 AM

What code is needed for this process?

Accounting Seed recommends an asynchronous script that runs daily. The script tests against certain fields and date-related formulas. Results of the script will determine if and when a notification will be sent. The logic for this script is presented below.

Billing Contact Confirmation

The first part of this script runs a query on Account records that are “Customer” or “Customer and Vendor” to identify which Accounts require the Billing Contact to be confirmed.

The existing Billing Contact will then be sent the Confirmation email, if there is no Billing Contact on the Account the Confirmation email will be sent to all Account Contacts and the Notification date field will be updated with the date sent.

If no verification is received within 14 days another notification will be sent to all Account Contacts. When confirmation is received the Billing Contact field will be updated manually.

Below is sample code that can be used for the logic:

Verify Account Type

Account Type = “Customer” or “Customer and Vendor”

Send Confirmation

IF

(Billing Contact Confirmed is BLANK) AND (Notification Email Sent is BLANK)

Else IF

(Billing Contact Confirmed is BLANK) AND (TODAY – Notification Email Sent > 180)

Else IF

(TODAY - Billing Contact Confirmed > 180) AND (Notification Email Sent is BLANK)

Else IF

(TODAY - Billing Contact Confirmed > 180) AND (TODAY – Notification Email Sent > 180)

IF “Billing Contact” is not BLANK send “180 day” email to Billing Contact and set Notification Email Sent to TODAY

Else IF

Billing Contact is BLANK send “180 day” email to All Contacts and set Notification Email Sent to TODAY

Else IF

(TODAY – Notification Email Sent is = 14) AND (TODAY – Billing Contact Confirmed is BLANK OR >= 194)

Send “194-day” email to All Contacts and set Notification Email Sent to TODAY

The “Billing Contact Confirmed” Field will be updated manually

If no response is received after 194 day Notification, manual follow will be required.,

Collection Notification

The first part of this script runs a query to identify Billing records that are past due and will then set the Account “Collection Status” to past due.

The next step is to identify which Collection Notification will be sent based on the aging of the past due Billing.

If payment is received the Account Status will be updated to “Current”. If payment is not received by the end of the defined collection period the Account Status will be updated to “suspended” and the Accounting department will be notified to take further action.

Below is sample code that can be used for the logic:

Send Collection Notices

The Script runs a query on Billing records WHERE Billing Status = Posted AND Billing balance >0
IF (TODAY - Due Date) = 7 THEN send the email template “Collection 1st Notice” to Billing Contact AND set “Collection Status” = “Past Due”
ELSE IF (TODAY - Due Date) = 14 THEN send the email template “Collection 2nd Notice” to all Contacts
ELSE IF (TODAY - Due Date) = 21 THEN send the email template “Collection 3rd Notice” to all Contacts
ELSE IF (TODAY - Due Date) = 25 THEN send the email template “Collection Final Notice” to all Contacts
ELSE IF (TODAY - Due Date) = 28 THEN send the email template “Account Suspended” to all Contacts AND set “Collection Status” = “Suspended” AND send Internal notification to Accounting to deactivate the Account and contact the customer.

The Script runs a query on Billing records WHERE “Collection Status” = “Past Due”, Billing Status = Posted AND Billing balance = 0 THEN set “Collection Status” = Current

The Script runs a query on Billing records WHERE “Collection Status” = “Suspended”, Billing Status = Posted AND Billing balance = 0 THEN send Internal notification to Accounting to manually update “Collection Status” to current and reactivate the Account

What does a successful outcome look like?

A successful outcome will streamline and automate both the verification of the Customer Billing Contact and the Collection Notification process, this will result in billings and notifications being received accurately and on time.

What process or policy changes should I consider with implementing this solution?

According to your accounting policies and procedures

1. Determine the content of the notification email templates.
2. Decide how often the Billing Contact needs to be verified.
3. Establish the number of days past the “due date” that begin the Collection process.
4. Establish the number of days that elapse between each notification during the Collection period.

Determine the process of updating the **Contact Confirmed Date**, the **Billing Contact** and the **Collection Status** fields upon hearing back from the customer. This process can be managed manually, or you can design and build a workflow to update the records directly.

About Accounting Seed

Accounting Seed is a modern, robust accounting platform powered by the Salesforce platform. We’re committed to breaking down silos and building connections in order to take your business to the next level. Schedule a free demo [here](#) or [contact us](#) today to begin our conversation.





410.995.8406
accountingseed.com