Level 2 – To Be – Collections Process

Operating Assumption
Action processing will be setup in PeopleSoft to allow for Action List notification to the Central or SFR Collector when open items reach a certain number of days past due (e.g., 180 days).

NOTE: Policy regarding referral of University of Minnesota customer accounts to an outside collection agency is in process.

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**Central Service Center or SFR**

1. **Analyze Receivables**
   - Review Owner Action List (1)
   - Review Customer Account (2)

2. **Continue Collection Effort**
   - Collector continues collection effort through direct communication with customer.

3. **Perform Action in Action List**
   - Perform action to remove item from Action List.

4. **Notify Selling Department**
   - Item Paid?

5. **Mark Customer as INT Collections**
   - Create an ARHOLD customer message to denote that no new sales should be made to the customer. Mark Customer Collection Status as INT to denote internal collections.

6. **Refer Customer to Collection Agency**
   - After internal collection efforts have proven insufficient, provide an Excel download of open items for customer from Item List to external collection agency.

7. **Mark Customer as EXT Collections**
   - Create an ARHOLD customer message to denote that no new sales should be made to the customer. Mark Customer Collection Status as EXT to denote external collections.

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**Cluster or Department**

1. **Review Owner Action List**
   - An Action List item for the Collector will be created when receivables reach a certain age. This will initiate account review to determine what internal or external collection actions should be taken.

2. **Review Customer Account**
   - When notification is received, the Collector will analyze the customer account, including reviewing documented conversations, statements, and dunning letters sent.

3. **Refer Customer to Collection Agency**
   - Collector continues collection effort through direct communication with customer.

4. **Refer Customer to Collection Agency**
   - An email will be sent from the Collector to the department AR Specialist to notify of account referral to an outside collection agency.

5. **Notify Selling Department**
   - Notification to selling department is informational; no action is required.

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**AR/BI Team**

Collector

AR Specialist (Cluster or Department)

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