# Table of Contents

1 Introduction ......................................................... 2  
   1.1 Objective ......................................................... 2  
   1.2 What is Student Billing? ................................. 2  
2 Recordkeeping ....................................................... 3  
   2.1 Maintaining Student Records ............................. 3  
   2.2 Processing New Students and Withdrawals .......... 6  
3 Tuition Billing ....................................................... 7  
   3.1 Billing Schedules .............................................. 7  
   3.2 Generating Transactions Automatically .............. 8  
   3.3 Bill by Course and Bill by Credit Options .......... 9  
   3.4 Financial Aid .................................................. 10  
   3.5 Discounts other than Financial Aid ................. 12  
4 Incidental Billing .................................................... 13  
   4.1 Adding Transactions to a Group ....................... 13  
   4.2 Importing Transactions ................................... 13  
   4.3 Utilizing FAST! Functionality ......................... 14  
5 Collections ........................................................... 17  
   5.1 Statements ..................................................... 17  
   5.2 Payment Processing ........................................ 20  
   5.3 Dunning Letters .............................................. 21  
   5.4 Finance and Late Charges ................................. 22  
6 Reporting .............................................................. 24  
   6.1 Open Item Report ........................................... 24  
   6.2 Aging Report .................................................. 24  
   6.3 Account Balance Report .................................. 25  
7 Reconciliation ........................................................ 26  
   7.1 Posting to the General Ledger ......................... 27  
   7.2 Using a Single Accounts Receivable Account vs. Multiple Accounts Receivable Accounts ............................. 27  
8 End-of-Year Processes ............................................ 28  
   8.1 Re-Enrollment ................................................ 28  
   8.2 Advanced Deposits .......................................... 29  
   8.3 Promoting Students ........................................ 30  
9 Internal Controls .................................................... 32  
   9.1 Security ........................................................ 32  
10 Appendix A: Electronic Billing ............................... 33  
11 Appendix B: Tuition Refund Plan (TRP) ................... 33  
12 Appendix C: Open Item and Balance Forward Accounting .................................................. 34  
13 Appendix D: Knowledgebase Solutions ................... 35
1. Introduction

1.1 OBJECTIVE

This document provides best practice recommendations for utilizing Student Billing. The purpose of this document is to enhance tracking, reporting, and data-entry capabilities within Blackbaud’s solutions. This document offers effective methods to manage the following functions:

- Recordkeeping
- Tuition Billing
- Incidental Billing
- Collections
- Reporting
- Reconciliation
- End-of-Year Processes
- Internal Controls

1.2 WHAT IS STUDENT BILLING?

Student Billing is a system within The Financial Edge which handles the receivables function for a school. Student Billing allows a school to maintain student and parent records, add charges to their records, send them statements, and receive payments. An efficient Student Billing system integrates fully with General Ledger, so any transaction in Student Billing can be recorded in General Ledger through posting.
2. Recordkeeping

Recordkeeping refers to managing students, individuals, and organizations. These records consist of biographical, demographic, and relationship information. Your organization should keep records up-to-date to ensure the accuracy of data in reports, queries, and statistics. You can set internal controls to maintain the integrity of data and enforce one point of data entry. These controls will assist with maintaining the integrity of record data.

Each person or organization should only have one record in the database. To avoid creating duplicate records, you can search for existing records before adding new records. Also, you can set business rules to warn the user if a duplicate is created. We recommend searching for duplicates on a regular basis and merging duplicate records, as needed.

Recordkeeping procedures include the following tasks:

- Maintaining Student Records
  - Addresses
  - Relationships
- Processing New Students and Withdrawals

Best practices for these processes reduce data entry time and improve data accuracy.

2.1 MAINTAINING STUDENT RECORDS

Maintaining student records is an important part of an effective Student Billing system. Student records contain data that affect various aspects of recordkeeping. For example, student records consist of enrollment and status information, billing activity, and grade level.

Enrollment information should be coordinated with Registrar's Office procedures, such as enrolling or withdrawing a student. The Billing Status field on the Bio 1 tab in Student Billing is independent of the “Applicant/Student Status” located on the Bio 2 tab of the Student’s record. These separate fields allow you to manage a student’s enrollment status without affecting billing procedures. For example, a student’s enrollment status may be “Graduated”, but if the student still has an outstanding balance, the billing status should be “Active”.

![Student Billing Interface](image)
Billing activity is based on billing options: payer centric or student centric. For either billing option, this setting should not be changed on student records. Instead, set one option for all records to ensure consistent data entry practices and reporting results, including queries, reports and statements. Billing options are defined on the Bio1 tab of records, and a business rule can be set to default this option for all new records.

In a payer centric system, you have a student and a payer record. When you add charges to a student record, the system assigns responsibility for paying those charges to the payer. When you enter a payment, you add the payment on the payer record, and distribute the payment to the student’s balance. If a student has two payers splitting payer responsibilities, you can distribute charges to the payers and send statements just for what they owe, not the entire balance. Utilize this option, to manage payer responsibility and distribute charges on statements. A payer can be responsible for multiple records. Responsibility for student charges may be distributed to multiple payers in instances such as divorced families or split billing.

In a student centric system, all activity displays on the student record and you do not assign payer records. With this option, you add charges and payment directly to the student, regardless of who actually made the payment. You can address statements to the payer, but all activity falls on the student record. The total statement is sent to each interested party. Utilize this option if you do not need to manage payer responsibility and to maintain all activity on the student’s record.

**Student Billing, Admissions Office, and Registrar’s Office** share the grade level field on student records. Therefore, student promotion can affect billing procedures. For example, the billing office may need to generate grade based charges for the upcoming academic year before the **Registrar’s office** is ready to promote students. Set internal controls to manage promotion schedules and grade based billing. In **Student Billing**, you can generate charges based on the student’s grade on a specific date. To bill students based on their next grade level, select a date in the upcoming academic year after the **Registrar’s Office** has created student progression entries for that year, which create the link between the student, grade level and academic year.

Maintaining student records includes the following items:

- Addresses
- Relationships

Best practices for managing this information reduce data entry time and improve data accuracy.
2.1.1 Addresses
Student records can contain one or more addresses. You can select specific addresses to include on statements and mailings based on address type. Therefore, each address should have a unique and clearly defined address type, such as “Home” or “Billing.” Address information also includes contact types, such as phone numbers and email addresses. Again, contact information should have a unique and clearly defined phone types.

Set internal business rules to define the use of each address type and phone type. Since Student Billing, Admissions Office, and Registrar’s Office share these tables, be certain that each office understands the purpose of each table entry. In addition, establish data entry standard to ensure the consistency and accuracy of contact information to avoid duplicates.

Assign phone numbers only to applicable records, rather than storing all contact information on the student record. For example, track relationship phone numbers on relationship records, rather than the student's record. This practice reduces phone type table values and allows for integration with The Raiser’s Edge.

Also, you can share addresses between related records. For example, you can share the home address and phone number between family records. This practice reduces data entry because updating the address or phone number on one shared record will update all associated records. Monitor and restrict address changes to ensure the accuracy of address and phone number data.

2.1.2 Relationships
Student records can contain relationship information. Relationships can include any individual related to the student, such as parents, payer’s, and funding organizations. As with student records, each relationship should only have one record in the database. For example, a parent with more than one student at the school should have one record that the siblings share.

In a payer centric system, assign relationships as payers. This billing option assigns students' charges to a payer for payment responsibility. Also, you can assign relations as statement recipients. Utilize this option if someone other than the student is to receive statements. Assign relationship and reciprocal relationship types for each relation record. Relationships types should be unique and clearly defined. For example, use “mother” or “father” relationship types, not “parent”.
2.2 PROCESSING NEW STUDENTS AND WITHDRAWALS

Processing new students and withdrawals refers to updating student status and/or grade levels. Records should contain up-to-date information to maintain accurate reports and rosters. If a new student enrolls or an existing student withdraws, update the enrollment status and billing status on the student’s record. To promote a new student for the upcoming academic year, update the student’s grade level to the current grade. Withdrawn students should retain the current grade level to track the grade left.

Processing these students may require reconciliation of billing activity. For example, new students may require an advance deposit payment or withdrawn students may require a refund. Update the student’s billing activity to reconcile any outstanding balances.
3. Tuition Billing

Tuition billing processes include adding tuition charges to student records. You can add other scheduled fees, such as a graduation fee, freshman orientation fee, and activity charges. In addition, you can generate financial aid or discount credits. These transactions are predictable and can be scheduled. Tuition billing involves generating charges and credits for a group of students, usually based on grade levels, as opposed to charging individual students.

For tuition billing, you can utilize charges and/or invoices. Charges are common within K–12 schools where tuition amounts are standard. You can generate charges automatically for a group of students based on bill codes, links between student records and their tuition billing items. Alternatively, higher education institutions often generate invoices to bill per course credit. You can generate invoices automatically based on Registrar’s Office enrollment data.

Set up unique, automatic billing items for tuition billing, with defined amounts, schedules, and General Ledger distributions. For example, create billing items for each billing schedule and/or account distribution.

As with all transactions, tuition transaction dates should equal the transaction post date. This practice allows for easier reconciliation of Student Billing with the General Ledger. Best practices include setting a business rule to not allow transaction dates to be different from post dates.

Tuition Billing offers the following features to manage this type of transaction:

- Billing Schedules
- Generating Transactions Automatically
- Bill by Course and Bill by Credit Options
- Financial Aid
- Discounts Other than Financial Aid

Utilizing these methods reduces data entry time and improves accuracy.

3.1 BILLING SCHEDULES

Billing schedules refer automatic fees which contain a schedule of charges over a period of time. Billing schedules should follow payment plan options, such as annual, semi-annual, and monthly distributions. For example, a parent elects to pay their annual tuition over a period of 10 months, 10% per month. Assign bill codes to tuition items, and then to students to match appropriate billing schedules.
Then, generate automatic billing schedules for the total amount of tuition. Transactions do not appear on the student’s record until you generate one or more scheduled charges. After generating, the system adds transactions to the student’s the activity tab, and creates journal entries for that period’s fees when the transactions are posted to the General Ledger.

In addition, you can manually add or edit a billing schedule for a single student, as needed. If a student changes a payment plan selection, modify billing schedules to reflect the updated payment plan amount or schedule dates. Create standard schedules to load dates on billing schedules. Standard schedules ensure date accuracy and save data entry time.

3.2 Generating Transactions Automatically

Generating Transactions Automatically is a feature that allows you to create charges and credits for groups of students. This functionality works with automatic billing items and bill codes, advance deposit and financial aid credits, determination tables, and Tuition Refund Plan transactions.

For grade based billing, define the grade level as of a specific date within the appropriate academic year. Otherwise, this process will refer to the student's current grade.

As with all transactions, tuition billing dates should equal the transaction post date. This practice allows for easier reconciliation of Student Billing with the General Ledger. Best practices include setting a business rule to not allow transaction dates to be different from post dates. The transaction date is based on the schedule date defined on the billing item. Also, set transaction due dates accordingly to determine accurate aging balances.
Prior to generating transactions, review a pre-generation report. Make any necessary corrections on student records before generating transactions. Generate billing for a group of students using the Generate Transactions Automatically feature in Administration. To generate charges for one student, you can generate transactions from the student’s activity tab.

### 3.3 BILL BY COURSE AND BILL BY CREDIT OPTIONS

Bill by course and bill by credit options allow you to bill students based on course enrollment. This functionality works with Registrar’s Office enrollment information. Utilize this functionality if you bill students according to enrolled credits or course fees.

The bill by credit option refers to billing students based on credits assign to each enrolled course. This option requires per usage billing items. With uniform tuition billing, assign a default rate to the billing item. For varying tuition rates, assign amounts to specific courses. For course fees, create and assign flat rate items to courses.

Define these billing options in Determination tables using default billing items, as well as billing items for enrollment exceptions. For example, use a default per credit billing item for regular tuition invoices. For billing exceptions based on enrollment status (i.e. audit) and degree information (i.e. undergraduate vs. graduate), assign specific billing items on the Determination table. In addition, establish credit overload rates to bill a different tuition rate for students that exceed a certain number of enrolled credits.
To automatically generate tuition credits for student that drops a class, define a Reversal Schedule. The reversal schedule should include credit percentages based on the date and time the student dropped the class.

![Reversal Schedule](image1)

You must enroll students in courses in **Registrar's Office** to utilize bill by course or credit options. Generate tuition invoices and reversal credits for a group of students using the Generate Transactions Automatically feature in Administration. To generate charges for one student, you can generate transactions from the student’s record.

![Generate Transactions](image2)

As with all transactions, tuition billing dates should equal the transaction post date. This practice allows for easier reconciliation of **Student Billing** with the **General Ledger**. Best practices include setting a business rule to not allow transaction dates to be different from post dates. Assign a transaction date to invoices when generating the transactions. Also, set transactions due dates accordingly to determine accurate aging balances.

Prior to generating transactions, review a pre-generation report. Make any necessary corrections on student records, and then generate transactions.

### 3.4 FINANCIAL AID

Financial aid refers to a set of credits which are scheduled and generated over a period of time. Financial aid items allow you to present credits on statements to reduce student balances, rather than reducing tuition amounts. Create a separate financial aid billing item for each **General Ledger** distribution.

Financial aid schedules should follow payment plans and billing schedules. For example, a student that opts for a 10 month payment plan should receive financial aid credits according to a 10 month billing schedule.
To restrict financial aid credits to specific charges, assign application restrictions. This feature ensures that financial aid credits are applied to selected billing items. Otherwise, the system will apply financial aid credits according to automatic application business rules. For more information on automatic applications, see Appendix C: Open Item and Balance Forward Accounting.

The financial aid process includes the following items:

- Add Financial Aid Schedule
- Generate Financial Aid Credits

Best practices for managing financial aid reduce data entry time and improve data accuracy.

3.4.1 Add Financial Aid Schedules

With The Education Edge, best practices include generating financial aid credits from financial aid application information. Admissions and Registrar’s Office share financial aid application information with Student Billing. This process allows multiple offices to integrate and manage financial aid processes. Set system security to restrict access to financial aid information, as needed.

On each student’s record, track requested and awarded financial aid amounts. Assign financial aid billing items for different types of credits. Then, generate scheduled credits using the Create Financial Aid Schedules feature in Administration.

If you do not record financial aid applications, add a financial aid credit to a group of selected students, using the Add Transactions to a Group of Records feature. This functionality requires a query to select the group of records to receive credit. Utilize this billing method if you can easily create a query for a group of students. In the preview screen, enter the award financial aid amount for each student.
### 3.4.2 Generate Financial Aid Credits

Generate scheduled financial aid credits for a group of students using the Generate Transactions Automatically feature in Administration. To generate credits for one student, you can generate transactions from the student's record.

As with all transactions, tuition billing dates should equal the transaction post date. This practice allows for easier reconciliation of Student Billing with the General Ledger. Best practices include setting a business rule to not allow transaction dates to be different from post dates. The transaction date is based on the schedule date defined on the billing item.

Prior to generating transactions, review a pre-generation report. Make any necessary corrections on student records, and then generate transactions.

### 3.5 Discounts Other Than Financial Aid

You can schedule and generate credits for discounts, other than financial aid. For example, you can offer credits for scholarships, awards, and faculty discounts. Discounts allow you to present credits on statements to reduce student balances, rather than reducing tuition amounts. Create a separate discount item for each General Ledger distribution.

Discount schedules should follow payment plans and billing schedules. For example, a student that opts for a 10 month payment plan should receive financial aid credits according to a 10 month billing schedule.

To restrict discount credits to specific charges, assign application restrictions. This feature ensures that financial aid credits are applied to selected billing items. Otherwise, the system will apply discounts according to automatic application business rules. For more information on automatic applications, see Appendix C: Open Item and Balance Forward Accounting.

If the discount includes a standard amount for all applicable students, create a negative amount automatic billing item. This method utilizes bill codes and billing schedules similar to generating transactions automatically. Assign bill codes to students to match appropriate discount schedules. Alternatively, if discount amounts vary per student, create a financial aid billing item. With this method, add discounts amounts to each student manually.

Generate discount credits for a group of students using the Generate Transactions Automatically feature in Administration. To generate credits for one student, you can generate transactions from the student’s record.

As with all transactions, tuition billing dates should equal the transaction post date. This practice allows for easier reconciliation of Student Billing with the General Ledger. Best practices include setting a business rule to not allow transaction dates to be different from post dates. The transaction date is based on the schedule date defined on the billing item.

Prior to generating transactions, review a pre-generation report. Make any necessary corrections on student records, and then generate transactions.
4. Incidental Billing

Incidental billing refers to unscheduled or variable transactions that students incur throughout the school year. For example, after school care and bookstore transactions are not always predictable; such charges are often billed using flat rate billing items.

As with all transactions, incidental billing dates should equal the transaction post date. This practice allows for easier reconciliation of Student Billing with the General Ledger. Best practices include setting a business rule to not allow transaction dates to be different from post dates.

Student Billing offers the following methods to manage this type of transaction:

- Adding Transactions to a Group
- Importing Transactions
- Utilizing FAST! Functionality

Utilizing these methods reduces data entry time and improves accuracy.

4.1 ADDING TRANSACTIONS TO A GROUP

Adding transactions to a group of records allows you to quickly add a charge or credit a group of selected students. For example, you can add a field trip charge to a group of students in a specific grade level or a uniform fee to a group of students that participate in a certain activity. You can add charges or credits to a group of students using any type of billing item.

To start this process, create and save a student query grouping together the desired records. This billing method requires a query to select the group of records to charge or credit. Utilize this billing method if you can easily create a query for a group of students. Then, add a new charge or a new credit for one of the students in the query. From the Transaction menu, select the option to add this transaction to a group of students. You can preview a list of students prior to generating charges. This feature allows you to exclude students or change charge amounts, as needed.

4.2 IMPORTING TRANSACTIONS

Importing allows you to prepare transactions in other programs and import these transactions into Student Billing. Importing automatically creates new transactions or updates existing transactions. For example, you can import a group of charges for after school care or a list of credits for employee discounts.
This billing method requires a text or comma separated values file in a specific format created in Excel. Utilize this billing method if you currently track **Student Billing** transaction in other programs or if you can easily prepare an import file using other programs.

To import transactions, start by creating an import file following the file format requirements. Prepare an import parameter file to map data in the import file to fields on the transaction record. You can validate and then import these transactions into the system.

In addition, Blackbaud offers integration functionality with some 3rd party systems. For example, you can import payments from a tuition management service or bookstore transactions from a retail management system. With this billing method, you can utilize another system to manage automatic payments or retail transactions and then transfer the activity to a student's account. To import tuition management payments, you must assign a student ID for each record in the 3rd party system that matches the student ID in **Student Billing**. The link between the **Student Billing** and RMS records is created using the EA7Records ID found on the student record under File, Properties, and in RMS on the Additional tab of the customer account.

### 4.3 Utilizing Fast! Functionality

Using **Fast!**, you can quickly create a large volume of transactions at one time. You can enter transactions for multiple records in a customized grid format datasheet, rather than adding transaction records individually. You can create datasheets in **Student Billing** for charge and payment records.
Utilize this billing option if you need to enter a miscellaneous group of charges or payments with similar values. If you cannot create a query for a group of students or do not track transactions in another system, Fast! is a good alternative to entering incidental transactions. For example, you can quickly enter exam or lab fees for students enrolled in certain classes. In addition, you can efficiently create a deposit and enter payments. You can add students to the datasheet individually or load students using a query. Transaction information such as Post date and Billing Item entered in the first row of the datasheet applies to all transactions subsequently entered, speeding data entry.

To create records in Fast!, follow these three steps:

- Designing Datasheets
- Using Datasheets
- Committing Records

### 4.3.1 Designing Datasheets

The first step in the Fast! process is to design the datasheet. Using the Design View, you select the fields you need to create transactions. You can create and save a datasheet to reuse each time you enter charges or payments. Therefore, set up the datasheet with generic information as you will reuse this datasheet for all types of transactions.

![Designing Datasheets](image)

Required fields for charges include:

- Record Name
- Transaction Date
- Post Status
- Post Date
- Due Date
- Billing Item ID/Product ID
- Amount
Required fields for payments include:

- Deposit ID
- Record Name
- Payment Date
- Amount
- Receipt Status
- Payment method

Optional fields include, but are not limited to:

- Record ID
- Comment
- GL Distribution

4.3.2 Using Datasheets

After you design the datasheet in the Design View, you can enter data for new records in the Datasheet View. You can switch views by selecting Design View or Datasheet View on the View menu, or by clicking the buttons on the toolbar. You must save the design before viewing the datasheet.

Rows on the datasheet represent new records and columns represent fields in the record. Columns appear in the order in which fields were selected in the Add these fields to the datasheet box in the Design View.

The first row in the datasheet is the Default row. Fill in this row with information that is consist on most or all of the charges. For example, if all of the charges to enter have the same transaction date, billing item, or amount, enter these values in the default row. Then, each row you enter in the datasheet will contain the values from the default row. The default row feature can reduce data entry and improve accuracy when entering charges.

4.3.3 Committing Records

After entering the information in the datasheet, you can use Commit Records to create new Student Billing payments and charges. Committing records allows you to save a static query of the charges in the datasheet. Save this query if you need to retain this list of charges for future use. Upon committing the records, the system will remove the charges in the datasheet. Therefore, you can reuse the datasheet to enter new charges.
5. Collections

Collections refer to the process of requesting and recording receipts. A payment request, such as a statement or invoice, represents a notice of an outstanding balance. When you receive a payment, enter the payment in a deposit in Student Billing. If a payer has not made timely payments, send a dunning letter as notification of the outstanding balance and applicable penalties. In addition, you can charge finance and late charges for unpaid balances.

Collection procedures include the following items:

- Statements
- Payment Processing
- Dunning Letters
- Finance and Late Charges

5.1 STATEMENTS

Statements serve to notify a payer of a current balance, including debit, credit, and zero balances. Statements can display all transactions, including invoices, for a selected date range. You must assign one or more statement recipients to each student. K–12 schools generally send statements to student relationships, while high education institutions usually send statements to students directly.

To print statements for a group of students, utilize the statements in Mail. Alternatively, you can print a single statement from a student’s record.
If a payer receives statements for more than one student, you can combine records onto one statement. Otherwise, you can print one statement per record.

Best practices include providing full disclosure of activity on statements, so do not hide transactions on statements. Otherwise, you risk creating out of balance statements.

All activity on the records with transaction dates between the Transaction cutoff date defined on the General tab of the statement, and the summary date defined on the Details tab will print on the statement. Use this to limit which activity to show. For example if printing a statement for August transactions, select a transaction cutoff date of 08/31/09, and summarize activity as of 08/01/09.
A common practice is to show payments as one transaction line, as opposed to showing payments with related charges. This option displays the payment as one line on the statement, rather than distributing the payment to multiple lines for each applied charge. This option offers a clearer understanding of billing activity.

On statements, you can select the address type to print. Utilize a billing address if applicable; otherwise, select the primary address type.

In addition, statements allow you to generate variable automatic payment plans. To generate payments based on a student's current balance, define an automatic payment plan to the student's record. Then, print a statement with the Auto Pay option enabled. This process creates a payment for each student into a deposit record.

Blackbaud Forms sells both versions of our preprinted Student Billing statements. The F240 has charge/credit and the F907 has amount/balance column headings. These forms are designed by our programmers, so they're fully compatible with our software. Blackbaud Forms can also be customized and enhanced to meet your branding requirements. Please contact the Blackbaud Forms team at 866.422.3676 for more information, free samples, or to place an order.
5.2 PAYMENT PROCESSING

Payment processing involves recording and applying receipts. For recordkeeping, you can print receipts from payments and deposit reports from deposits. Payments must be added to a deposit record manually, by importing payments, or by generating automatic payments.

With automatic payments, you can schedule and generate fixed amount — based on a schedule — and variable amount — based on amount due on statement — payments. Utilize this feature when a payer agrees to scheduled and pre-defined payments. Set up fixed amount payments to create payments for a pre-defined amount, on demand or based on a schedule. You can generate fixed amount payments in Administration using the Generate Fixed Amount Payments feature. Alternatively, define variable amount payments to create payments for the record’s outstanding balance. Generate variable amount payments by printing statements using the Auto Pay option.

In addition, you can import 3rd party payments. Utilize this option if you employee a tuition management service to draft payers’ bank accounts. Student Billing accepts import files from common tuition management services, as well as a default file format.
Add payments for students or assigned payers to apply payments to open charges. You can apply payments using an open item or balance forward method. Open item refers to the fact that a payment can be manually applied to a specific charge or charges. Balance forward implies that a payment lowers the overall total balance and is automatically applied to the oldest charge or charges.

With a balance forward system, you can restrict payment applications to specific charges by assigning application restrictions. This feature ensures that payments are applied to selected billing items.

5.3 Dunning Letters

Dunning letters are a request for payment on a past due account. You can track students that are eligible for a dunning letter by marking the option Send dunning letters to this student on the Bio 2 tab. Create a student query to group together records with this option marked. While Student Billing does not contain a dunning mailing, you can create a word merge document based on the student query to generate customized letters. These letters should contain the record’s name, address, and past due balance.
5.4 FINANCE AND LATE CHARGES

Finance and late charges are fees that penalize payers for unpaid balances and late payments. These transactions are a type of charge that increases the payer’s balance. Finance charges are calculated based on a percentage of the payer’s overall or transaction balance of overdue charges. Late charges are a flat rate fee that is added to payers with an overdue balance.

To set up Student Billing for finance and late charges, create a billing item in Configuration. The billing item must be a finance charge type billing item. Also, to calculate finance charges based on the balance of overdue charges, mark the option Item is subject to finance and late charges on the billing items to be included in the finance charge calculation. This setting allows you to select which charges should be assessed for finance charges. For example, if you want to calculate finance charges for late payments on tuition, but not registration fees, only mark the tuition billing item(s) to be included in finance charge calculations.

In addition, you must mark records to be included in finance and late charge calculations on their Bio 2 tab. This setting allows you to select which students should be assessed for finance charges. For example, if you only want to assess finance and late charges for 12th grade students, only mark 12th grade students to be included in finance charge calculations.
To generate finance and late charges, utilize the Calculate Finance and Late Charges feature from the Tools menu. This feature allows you to calculate finance charges and/or late charges for all students included in the calculation. You can select a date to assess balances, required days past due, a minimum finance charges, and an annual finance charge percentage. Finance charge options include calculating based on the overall balance, loan balance, and/or transaction balance. This process reduces data entry time and improves accuracy for finance and late charges. Alternatively, manually calculating finance and late charges can be time consuming and result in errors.
6. Reporting

Reporting allows you to produce and view Student Billing data. Reports serve as tools to monitor and evaluate billing activity. For example, you can run reports to identify past due balances or credit balances. Also, utilize reports to reconcile Student Billing data with the General Ledger.

Define each report using a selected date range and specific filters. Best practices include setting dynamic dates so you do not have to change dates each time you run the report. For example, set the date range to last month to run reports for the previous month. In addition, you should report by student with a student centric system or by payer with a payer centric system. Once you customize a report, save the report to retain the report parameters and run report, as needed.

Utilize the following reports in Student Billing:

- Open Item Report
- Aging Report
- Account Balance Report

6.1 OPEN ITEM REPORT

An open item report displays charges with an unpaid balance for a specific date. This report is useful for reconciling to the General Ledger. An open item report is not based on a date range of activity and does not include credit balances. Run this report in detail to identify charges that contribute to the outstanding balance.

6.2 AGING REPORT

An aging report displays record balances with a breakdown by aging period. This report is useful for reconciling to the General Ledger. Utilize an aging report to compare current and past due balances. Set an aging date to determine the appropriate aging period for transactions. Set a transaction date range to exclude activity that occurs after the aging date. These date parameters ensure the accuracy of aged accounts receivable balances. This report can be run for records with balances over a specific amount. Balances can be reduced by unapplied payments or credits, or ungenerated advance deposits and financial aid.
6.3 ACCOUNT BALANCE REPORT

An account balance report displays record balances without aging information. Utilize this report to view debit, credit and zero balances. In addition, an account balance report can include ungenerated financial aid and advance deposit credits. Set a specific date or date range of activity to calculate balance as of that date.
7. Reconciliation

Reconciliation refers to the process of balancing Student Billing activity to General Ledger transactions. Specifically, reconciliation considers transactions posted to the accounts receivable account.

When reconciling Student Billing activity, discrepancies may result from “Do Not Post” transactions, manually posted journal entries, and inconsistent post dates. Transactions marked as “Do Not Post” exist in Student Billing, but not in the General Ledger. Best practices include excluding “Do Not Post” as a post status on transaction. This business rule ensures all Student Billing activity is eligible to post to the General Ledger.

Manually posted journal entries exist in the General Ledger, but not in Student Billing. Best practices include excluding the accounts receivable summary account from manual journal entries. Also, you should restrict the Student Billing journal code from manual journal entries.

In addition, post dates may differ from transaction dates. General Ledger activity is based on post dates, while Student Billing activity includes transaction dates as well as post dates. When reviewing Student Billing reports, select date ranges based on post dates. Best practices include setting a business rule to not allow transaction date to be different from post dates. This setting ensures transaction dates always match post dates.

These best practices improve the following reconciliation procedures:

- Posting to the General Ledger
- Using a Single Accounts Receivable Account vs. Multiple Accounts Receivable Accounts
7.1 POSTING TO THE GENERAL LEDGER

Posting transfers **Student Billing** activity to the **General Ledger**. The following best practices ensure all transactions are accurately posted to the **General Ledger**:

- Do not set any filters on the post parameters
- Post transactions on a regular basis
- Post directly to the **General Ledger**, not an external file
- Set security restrictions to manage access to posting functionality
- Validate and review validation report before posting

7.2 USING A SINGLE ACCOUNTS RECEIVABLE ACCOUNT VS. MULTIPLE ACCOUNTS RECEIVABLE ACCOUNTS

**Student Billing** offers the options of using a single accounts receivable summary account or multiple accounts receivable summary accounts. Determine which option best meets your receivable tracking needs.

Utilize a single accounts receivable account if you meet the following requirements:

- You consolidate receivables for one or more school
- Reporting functionality effectively segments data using billing items or other criteria
- You require transaction characteristic, such as class and project, to balance

Utilize multiple accounts receivable accounts if you meet the following requirements:

- You manage multiple schools and track separate receivable balances for each school
- Reporting functionality does not effectively segment data by billing item or other criteria
- You do not have balancing requirements for transaction requirements, such as class and project

With multiple accounts receivable accounts, you must assign the appropriate receivables account to billing items or students. In addition, this option requires unapplied payment account as a clearing account for payments which have not yet been applied.
8. End-of-Year Processes

End-of-year processes refer to annual tasks to close out the current academic year and prepare for the upcoming academic year. These tasks are critical to maintaining up-to-date records and managing account balances. As students progress from one year to the next, you must update students’ statuses and grade levels. In addition, you must track returning and withdrawing students. You should record any deferred revenue, as well. When processing end-of-year tasks, consider Registrar’s Office and Admissions Office information, such as updating students’ enrollment status.

End-of-year processes include the following tasks:
- Re-enrollment
- Advance Deposits
- Promoting Students

8.1 RE-ENROLLMENT

Re-enrollment procedures involve preparing students for the upcoming school year. Best practices include tracking returning students and withdrawn students. You may assign a new status to the student to monitor enrollment changes. Update student records upon receipt or denial of an enrollment contract. Re-enrollment tracking is critical to producing accurate reports, queries, and statistics.

In addition, you should prepare returning students for billing activity in the upcoming year. Assign bill codes for automatic fees and add financial aid schedules, as needed.
With Registrar’s Office, utilize the mark for re-enrollment wizard. This process adds a progression entry to the student’s record to indicate the student’s grade level in the upcoming year. Students must have a progression entry to be promoted to next grade level. This progression entry can be used for grade based billing for the upcoming year, if students have not yet been promoted. To promote students in Registrar’s Office, run the End of year processing wizard.

8.2 ADVANCED DEPOSITS

Advance deposits refer to payments made in advance of the upcoming academic year. You may require these payments to hold a student’s place for the upcoming year. In addition, you can utilize advance deposits to record tuition payments for future billings.

To bill for an advance deposit, create advance deposit charges and send statements to potential returning students. If you do not bill for deposits, you can send an enrollment contract to request an advance deposit payment. With this option, create advance deposits from payment records upon receipt of a payment. In other words, you add the advance deposit “charge” at the same time you add the payment — that is, when the payer actually sends in the check.
Advance deposit billing items must have a valid date range that represents when you will create advance deposit transactions. For example, if you record advance deposits during the spring semester, the corresponding billing item should have a valid date range of January 1 through June 30.

Advance deposits represent a liability to your organization. Therefore, these payments post to a deferred revenue account, rather than an accounts receivable summary account. Utilize these transactions to manage deferred revenue in the current academic year and recognize receivables in the upcoming academic year.

Once the new academic year has begun, generate an advance deposit credit to apply to the student’s balance. Advance deposit credits reverse the deferred revenue balance and post to the accounts receivable summary account. For a group of students, generate credits automatically using the Generate Transactions Automatically in Administration.

To restrict advance deposit credits to specific charges, assign application restrictions. This feature ensures that advance deposit credits are applied to selected billing items.

### 8.3 Promoting Students

Promoting students is the process of updating students’ current grade, according to a promotion schedule. Promote students once the current academic year procedures are complete. For instance, mail any final statements or transcripts before promoting students.

You can generate billing schedules for the upcoming school year prior to promoting students. If needed, generate transactions using the students’ grade level as of a specific date in the upcoming year. Therefore, Registrar’s Office users can postpone promoting students, without delaying tuition billing.
Upon promoting students, you may update the students’ status. For example, “Enrolled” students can become “Current Students”.

Graduating students may proceed to another school or leave the current school. When graduating students, assign graduation information, such as graduation date.

With Registrar’s Office, use the end of year processing wizard. This process updates students’ grade level based on progression entries for the upcoming academic year. Without Registrar’s Office, promote students in Student Billing. This process updates the student’s grade level based on the promotion schedule in Configuration.
9. Internal Controls

Internal controls refer to database settings and policies that maintain the integrity and accuracy of Student Billing data. Most importantly, consider shared components of the database, including records, tables, and bank accounts. For example, you can access student records from Student Billing, Registrar's Office, and Admissions Office. When multiple offices utilize the same record, you should standardize data entry procedures and business rules.

Student Billing offers the following components to manage internal controls:

- Security
- Receipting Cash Policy

9.1 SECURITY

Security features allow you to assign and limit functions that are available to each database user. By establishing security rights for your users, you can ensure the validity, consistency, and confidentiality of your data. In addition, by limiting viewing rights, you can control who sees sensitive information.

Assign a unique user name for each person that can access the database. Identify the records and functions users access by creating a group and assigning users to that group. Create security groups based on roles and responsibilities, not people, to better accommodate personnel changes. Set up windows authentication or a password for each user to log in. When a user logs into a program, the records and functions to which the user has rights are accessible and all other records and functions are unavailable.

Best practices include reviewing the components and privileges of each program to determine the best security configuration for your organization. When security is properly set up, you are ensured that users are accessing only the areas you allow. Establish protocols to ensure the right users manage these shared tables:

<table>
<thead>
<tr>
<th>ADMISSIONS AND REGISTRAR’S OFFICE</th>
<th>STUDENT BILLING</th>
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<tbody>
<tr>
<td>Address Types</td>
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<td>Ethnicities</td>
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<td>Grade Level</td>
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<td>Room Types</td>
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<td>Student/Applicant Status</td>
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10. Appendix A: Electronic Billing

Electronic billing refers to drafting payments from payers’ bank accounts. This feature is an alternative option to manually entering or import payments. The Electronic Funds Transfer (EFT) option allows you to create a bank file to draft payments electronically. To utilize this option, you must define bank information on records and specify a source deposit. In addition, you must define file options that meet your bank’s requirements. Send the EFT file to your bank to prompt drafting payments from payers.

Electronic billing works well with automatic payment plans. With automatic payments, you can schedule and generate fixed amount and variable amount payments. Utilize this feature when a payer agrees to scheduled and pre-defined payments. Set up fixed amount payments to create payments for a pre-defined amount, on demand or based on a schedule. You can generate fixed amount payments in Administration using the Generate Fixed Amount Payments feature. Alternatively, define variable amount payments to create payments for the record’s outstanding balance. Generate variable amount payments by printing statement using the Auto Pay option.

11. Appendix B: Tuition Refund Plan (TRP)

The Tuition Refund Plan (TRP) is a feature that allows you to charge students a fee for insurance on tuition in the event the student withdraws. Utilize this option if you offer a TRP fee in exchange for a tuition refund upon withdrawal. On student records, indicate whether or not the student opted for the TRP fee. Also, you can mark which students have paid for the TRP fee. Set up a TRP billing item to define the tuition refund plan percentage charge and general ledger account to use for posting this type of transaction. In addition, mark other billing items that should be included in the TRP calculation, such as tuition. Use the Generate Transactions Automatically utility in Administration to calculate TRP amounts for a group of students.
12. Appendix C: Open Item and Balance Forward Accounting

An Open Item Accounting is the process of using payments to pay off specific transactions through “applications”. Student Billing is driven by applications, but has tools that provide the user the ability to automate the application process, employ controls over the automatic application process and also report on applications to ensure data entry is clean.

If you run a true Open Item system and you are paying down specific fees, you will have separate billing items for your different fees that are broken out to different revenue accounts. These fees will be clearly stated on your statements and allows the parents to see exactly what they need to pay.

By fully utilizing Open Item, you can then use the reporting functions (specifically the aging report) to determine what fees are still unpaid, how aged they are, and what fees you need to concentrate your collection efforts on. You could then take the reports of certain unpaid fees, pull a query of records from the report, and build an export for a collection letter.

If you use a “Balance Forward” system, you are only concerned with paying off the total balance from oldest to newest. Naturally, the system has the tools to automate oldest to newest. Choosing a true oldest to newest method is easier for data entry purposes and ideally should be used if you build your incidental fees into tuition costs. However, this means you are not interested in aging transactions, or determining cash flow success for fees you have billed. It has limitations, but is best if you do not want to manage the application process and want a simple set up.

You can easily set the rules to apply oldest to newest and all the transactions will apply based on the open balances. Open item vs. Balance forward is a classic debate. Open Item provides you with so much more analytical ability. However, with more power comes more responsibility as explained below.

The challenges of having more granular control of your applications are that you need to pay more attention to how you are applying. Automated transactions like Tuition, Financial Aid, and Advance Deposits are created in mass through our Generate Transactions Automatically. Since that turns into thousands of transactions, manually applying those transactions to ensure they apply according to your needs would be unmanageable.

This is where Application Restrictions functionality comes in that can make sure Financial Aid and Advance Deposit credits only apply to tuition charges. Ideally, Financial Aid, and Advance Deposits are set to distribute on the same schedule as Tuition. You need to make sure these transactions apply based on date. This ties the need to have granular control of your applications with the need to have applications automated.
From there, the only applications that should happen are for new payments or credits that come in the system. Here is where you have a strong grasp of what you pay off. You as the user determine what specifically you want to pay off (ex. If a check comes in with a memo for a senior trip, you would want to ensure the payment applies against that so when you run reports you can accurately see who paid for the fees they were supposed to). Then you can easily find out who you need to reach out to again. All balance forward cares about is the oldest transaction and if that senior trip wasn't the oldest transaction, it wouldn't pay it off.

From a reporting standpoint, the best report to determine what transactions you can apply right now is the Unapplied Credit Report. You should run it for only records with a balance over $0 (by filtering on query for records with balance over $0). This will only show the records that have open charges and open payments and credits that should be applied to each other. Whether you are balance forward or open item, you should run this report periodically to ensure everything that can be applied, is applied.

You can then run aging reports for only records with balances over a certain period, output queries, add fields to the queries and then use them for mail merges (see our Dunning Letter section). You can get creative here as well. Example, if you need to send out a letter to all kids that are headed on a senior trip to request payment by a certain date along with permission, you can charge the students, run a report for anyone billed and then create the letter from that group.

13 Appendix D: Knowledgebase Solutions

How to add a record - BB329846

How to identify and merge duplicate records - BB198656

How to choose between student-centric and payer-centric - BB169443

How to share addresses - BB140102

How to create Products and Billing Items - BB202965

What Billing Items can be scheduled or generated? - BB408116

How to generate transactions automatically - BB203516

How to set up Bill by Course Fee - BB359282

How to Generate Bill by Course Fee Automatically - BB343580

How to Generate Bill by Credits Fee Automatically - BB356462

What is the Financial Aid workflow process or lifecycle? - BB212157

How to set up application restrictions - BB217946

How to add transactions to a group - BB203392

How to use Fast! to add charges or payments - BB273218

How to add payments - BB273470

How to import payments - BB116870

How to import Tuition Management Service Transactions - BB207404
How to add automatic payment plans - BB237290
Dunning letters - BB157064
How to calculate Finance Charges - BB264800
How to run an Open Item report - BB319088
How to run and print an Aged Accounts Receivable Report - BB320246
How to run an Account Balance Report - BB256982
How to reconcile Student Billing to the General Ledger - BB3358
How to post to General Ledger - BB51849
What are the Student Billing end-of-year procedures? - BB221777
How to run the Mark for Reenrollment wizard - BB184652
How to run End of Year Processing - BB140968
How to add and use an advance deposit - BB210506
How to create business rules - BB257342
How to add a new user - BB138513
Does Student Billing 7 have Open Item and Balance Forward options? - BB169442