

AN OVERVIEW OF THE ACCOUNTS RECEIVABLE PROCESS AT UOFT

Monthly Lunch & Learn Series presented by the **FAST Team**

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UNIVERSITY OF
TORONTO

Financial Services

PRESENTER

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AGENDA

- Identify your departmental Accounts Receivable (A/R) financial management and accounting responsibilities
- Understand the Benefits, Costs and Risks of Invoicing External Customers
- Generate the Open Item Aging Report using required and optional Selection Criteria
- Locate overdue A/R invoices posted to your departmental accounts
- Ensure that invoices are paid in a timely manner and prevent chargebacks



LEARNING OBJECTIVE



This session will provide an overview of how Accounts Receivable is processed at the University, and the essential report for managing external income and recoveries.

EXTERNAL VS. INTERNAL CUSTOMERS

INTERNAL

The **proceeds from the sale** of services or goods to a department **within the University is considered internal revenue (i.e. *internal*)**.

These transactions result in a transfer of funds **between** departments, resulting in no cash is generated for the University.

EXTERNAL

The proceeds from the sale of goods or services to a group or individual **outside of the University** that generates cash deposited to the University bank accounts.

This is considered an external transaction.

GTFM Policy links:



- [External Revenues & External Expense Recoveries](#)
- [Internal Revenues & Expense Recoveries](#)

COMMON TYPES OF EXTERNAL REVENUES/RECOVERIES

It is important to distinguish between “internal” and “external” revenues for:

- University external financial reporting
- Faculties and divisions (i.e. revenues vs. reallocations)

Common External Revenues

- Government Operating Grants
- Donations (DUA)
- Research Awards
- Student Fees
- Sales of Goods and/or Services (A/R)
- Sponsorship

Common External Recoveries

- Payroll
- Equipment
- Supplies

PAYMENT TERMS

Payment Terms for External Revenue:

Payment Upon Delivery

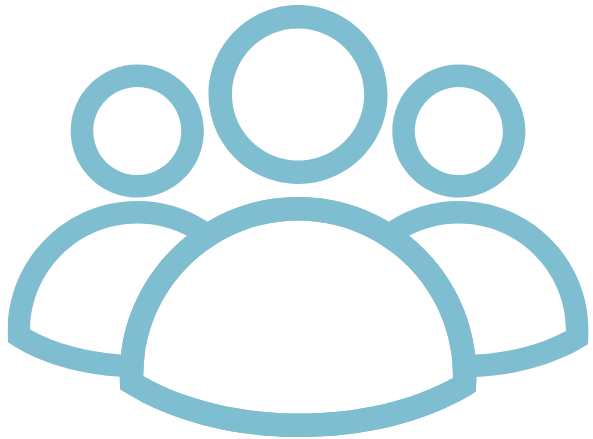
- Cash
- Debit Cards or Credit Cards

Granting Credit:

- Payment due upon receipt of U of T Invoice



WHY INVOICE TO EXTERNAL CUSTOMERS?



- By invoicing you are granting credit to your customers
- Standard payment terms are ***due upon receipt of invoice.***
- Invoices are not used for internal billing. Internal billing is done using an internal revenue/expense recovery transaction.
- There are costs and risks associated with granting customer's credit

NOTE: When the value of the goods/services are expected to exceed \$50,000, contact the Accounts Receivable Supervisor.

BENEFITS OF INVOICING

Processing a proper U of T invoice through A/R provides the following advantages:

- Your account is credited with the revenue immediately upon processing. You do not have to wait for the payment to be received.
- FIS aging reports are available.
- Chances of collection are significantly increased.
- A proper audit trail is maintained.

NOTE: Financial Services has developed e-Statements, which have replaced paper statements that are sent to customers.



[Click here for the GTFM policy](#) on The Decision to Invoice.

THE COST OF INVOICING



Until a payment is received, the University is financing the expenditure related to the services provided – this is a cost of invoicing.

How to reduce the costs:

- Issue invoices promptly.
- Actively pursue collections
- Issue instalment invoices over the year where an on-going contract is in place (e.g., salary recoveries)



[Click here to learn more](#) about The Decision to Invoice.

PROCESSING UOFT INVOICES

The Form

The form is available for download on the Financial Services website.

Note: All U of T Invoices are to be sent to Accounts Receivable within Financial Services for entry into FIS.

IMPORTANT: Please inform all customers of the new address to be used for cheque payments.

**150 College St. 3rd floor,
room 350**

Invoice <input type="radio"/> Credit Invoice <input type="radio"/>		CURRENCY	COMPANY CODE	BUSINESS AREA	DOCUMENT #
Customer #: []		CAD	UOFT	1000	[]
Description: []					
Add New Line					
G/L Account	Amount	Tax Code	Cost Center	Internal Order	Funds Center
		[]			
Total					
UNIVERSITY OF TORONTO		INVOICE		Invoice Date: []	
		HST # 108162330		Purchase Order #: []	
Customer Information:			For Goods and Services Rendered By:		
Customer:	[]		Departmental Contact:	[]	
Company/Dept.:	[]		Department/Division:	[]	
Address:	[]		Telephone #:	[]	
Telephone #:	[]		Fax #:	[]	
Fax #:	[]		Email:	[]	
Email:	[]				
Item	Description	Tax %	Quantity	Unit Price	Amount
		[]			
+	Payment is due upon receipt of this invoice		Invoice Total (in Canadian currency)		
Please make cheques payable to <u>The University of Toronto</u> and remit Payment and Invoice Copy to:			Remit Wire Payment and Direct Deposits to: Beneficiary: Governing Council of the University of Toronto		
University of Toronto Accounts Receivable 215 Huron Street, 2nd Floor Toronto, Ontario, M5S 1A2			CIBC 268 College Street Branch (at Spadina) Toronto, Ontario, M5T 1S1 Bank Code: 0010 Transit: 00402 Account # 0967408 Wires Originating Outside of Canada (in CAD\$), use Swift Code: CIBCCATT		
			Email payment advice to: ar.financialservices@utoronto.ca		
ORIGINAL	<input type="checkbox"/>	REMITTANCE COPY (Return with Payment)	<input type="checkbox"/>	FINANCIAL SERVICES DEPARTMENT	<input type="checkbox"/>
DEPARTMENT COPY	<input type="checkbox"/>				<input type="checkbox"/>
Reset Form		Toggle Accounts Receivable Section Visibility		Print Form	

THE COST OF INVOICING



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[Click here to learn more](#) about The Decision to Invoice.

THE OPEN ITEM AGING REPORT

The ZFRR007 – Dept: A/R Open Item Aging Report is used to monitor aging of outstanding and cleared Accounts Receivable (A/R) invoices.

Run by Cost Center/Cost Center Group	✓
Run by Customer Account	✓
Drilldown to Original A/R Invoice Document	✓
Run by Funds Center/Fund	✓
Include/Exclude Funds Center Hierarchy	✓
Run by Internal Order/Internal Order Group	✓
Flexible Aging Buckets	✓
Include/Exclude Cleared Items	✓
Line-Item Functionality	✓
SAP Office Integration	✓
	✓



Click her to view the reference guide for the [ZFRR007 – Dept. A/R Open Item Aging report](#).

THE OPEN ITEM AGING REPORT

SAP Easy Access University of Toronto Menu

Icons: User, Desktop, Download, Star, Star with trash, Edit, Down Arrow, Up Arrow

- > Favorites
- ▼ SAP Menu
 - > Office
 - > Logistics
 - ▼ Accounting
 - ▼ Financial Accounting
 - > Financial Accounting Section (Central Finance)
 - > General Ledger
 - ▼ Accounts Receivable
 - > Document entry
 - > Document
 - > Account
 - > Master records
 - > Periodic processing
 - > Withholding Tax
 - ▼ Information system
 - ▼ Reports for Accounts Receivable Accounting
 - ▼ Accounts Receivable (U of T)
 - > Salary Recoveries Reports
 - ▼ Adequacy and documentation
 - ▼ Customer Open Item Analysis
 - ZFRR007 - Dept: A/R Open Item Aging Report**
 - ZFRR002 - Customer Open Item Analysis
 - ZFRR002A - Customer Open Item Analysis by Sales Area



Click her to view the reference guide for the [ZFRR007 – Dept. A/R Open Item Aging report.](#)

THE OPEN ITEM AGING REPORT

Dept: A/R Open Item Aging Report



Funds Management Account Assignment

Funds Center

and all subordinate

Fund = to

Selection groups

Cost Center Group

Or Cost Center Value(s) to

Order Group =

Or Order Value(s) = to

Customer selection

Customer account to

Company code UOFT to

Line item selection

Open items at key date 28.10.2025

Line item selection

Open items at key date 28.10.2025

Cleared items

Cleared items at key date 28.10.2025

(show last 3 years)

Output control

Due date sorted list 30 60 90 180

AN OVERVIEW OF THE ACCOUNTS RECEIVABLE PROCESS AT UOFT

Funds Center (REQUIRED):

- Enter single, multiple or a range
- If including subordinate FCs, the FC entered should be **parent**

Include/exclude **subordinate Fund Centers**

Fund:

- Enter **single, multiple** or a range
- If "**and all subordinates**" is checked, will include data for all Funds associated with FCs subordinate to parent FC

Cost Center:

- **Single, multiple** or a range

Internal Order:

- **Single, multiple** or a range

Customer Account

Cleared Items

(check to view both overdue and cleared invoices)

Note: This will only display cleared items from the last 3 years.

Due Date Sorted List

Enables you to create your own aging buckets to sort overdue invoices based on how long they've been overdue

THE OPEN ITEM AGING REPORT

Line Item Functionality

View Report in Excel Office Integration View
(📄)

Open Items (OI):
receivables that are still outstanding.

Aging Buckets: outstanding receivables are organized by the number of days from the Doc. Date

Dept: AR Open Item Aging Report

Aged Trial Balance as at 11.03.2014

User/Program: PARAMRAM / ZFRR007
Date/Time: 11.03.2014 / 16:34:52

Funds Center: 100305
Subordinate: X

Customer #	Customer Name	Cleared Amount	Ol total	From 0 to 30	From 31 to 60	From 61 to ...	From 91 to 180	From 181
100396	Victoria University	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100448	UCS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100777	Medium	0.00	11.31	0.00	11.31	0.00	0.00	0.00
100835	Univ. of Toronto at Mississauga	0.00	6,371.52	1,621.19	4,224.46	0.00	0.00	525.87
100837	University of Toronto at Scarborough	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100838	UTM Conference	0.00	55,858.30	2,736.00	892.39	220.35	6,819.55	45,190.01
100860	Bell Mobility	0.00	5,546.88	0.00	1,695.47	0.00	2,349.83	1,501.58
100861	Roger Cantel Inc.	0.00	3,533.16	0.00	3,533.16	0.00	0.00	0.00
100862	Toronto Argonauts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
101312	Erindale Women's Centre	0.00	0.00	0.00	0.00	0.00	0.00	0.00
101314	Chartwells Food Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00
101341	Erindale Bookstore	0.00	0.00	0.00	0.00	0.00	0.00	0.00
101773	Faculty Club	0.00	0.00	0.00	0.00	0.00	0.00	0.00
101853	UTM Sex Education Counselling	0.00	0.00	0.00	0.00	0.00	0.00	0.00
102216	Univ. of Toronto at Mississauga	0.00	1,772.00	0.00	0.00	0.00	62.00	1,710.00
102358	Sheridan Coll. of App. Arts & Tech.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
102498	UTM - ESCpeRT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
102513	UTM Parking Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00
102643	Harbridge & Cross Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00
102898	Globalive Wireless Mgmt. Corp.	0.00	293.77	0.00	293.77	0.00	0.00	0.00
102973	UofT Mississauga Library	0.00	0.00	0.00	0.00	0.00	0.00	0.00
103008	Hospitality, Retail Operations	0.00	49,117.74	14,601.93	34,450.63	65.18	0.00	0.00
103098	The Sports Clinic at UTM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
230000	Accounts Receivable temporary Accts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B911266690	Christina Falkner	0.00	50.00	0.00	0.00	0.00	0.00	50.00
TOTAL			124,221.00	18,959.12	45,101.19	285.53	9,231.38	50,644.10

Header (from Selection Criteria)

Sorted by Customer Account #

Line Item drill down:

- View all A/R invoices related to a specific Customer Account #

Cell specific drill down:

- View all A/R invoices related to a specific total within an aging bucket

THE OPEN ITEM AGING REPORT

**Line Item
Functionality**

Account Details:

- Funds Center
- Fund
- Cost Center
- Internal Order

Dept: A/R Open Item Aging Report

Aged Trial Balance as at 28.01.2014

User/Program: PARAMRAM / ZFRR007 Date: 28.01.2014
 Funds Center: 100000 Subordinate: X

From column: From 0 to 30
 Customer: 100017 - Hospital for Sick Children
 Attn:Lily Phillips
 555 University Avenue
 TORONTO ON M5G 1X8

Days Overdue	Doc.no.	Posting Date	Doc.date	Transn Type	Assignment	Text	Σ D/C amount in LCB/...	Σ D/C amount in FC	CURR	C.Co	Cost Ctr	Bus.Area	Fis.yr	Order#	Funds Center	Funds
11	1800262149	17.01.2014	17.01.2014	Invoice	c110363	c110363 ...	1,683.00	0.00	CAD	UOFT	19249	1000	2014		104780	
11	1800262152			Invoice	y261006	y261006 ...	62,604.54	0.00	CAD	UOFT	11122	1000	2014		100409	
11	1800262155			Invoice	z940476	z940476 ...	16,216.36	0.00	CAD	UOFT	19016	1000	2014		104020	
11	1800262158			Invoice	m900725	m900725 ...	6,775.00	0.00	CAD	UOFT	15943	1000	2014		103960	
11	1800262158			Invoice	m900726	m900726 ...	4,830.00	0.00	CAD	UOFT	15943	1000	2014		103960	
11	1800262165			Invoice	c210576	c210576 ...	360.00	0.00	CAD	UOFT	21955	1000	2014		106420	
11	1800262176			Invoice	c110367	c110367 ...	832.92	0.00	CAD	UOFT	19245	1000	2014		104188	
18	1800261966	10.01.2014	10.01.2014	Invoice	z840318	z840318 ...	3,500.00	0.00	CAD	UOFT	10875	1000	2014		103389	
							96,001.82	0.00								

**Customer
Details**

Line Item drill down:
 Double click to view specific **A/R invoices** in the Document Overview screen

Days Overdue

A/R Invoice Document #
 (double click to view document details)

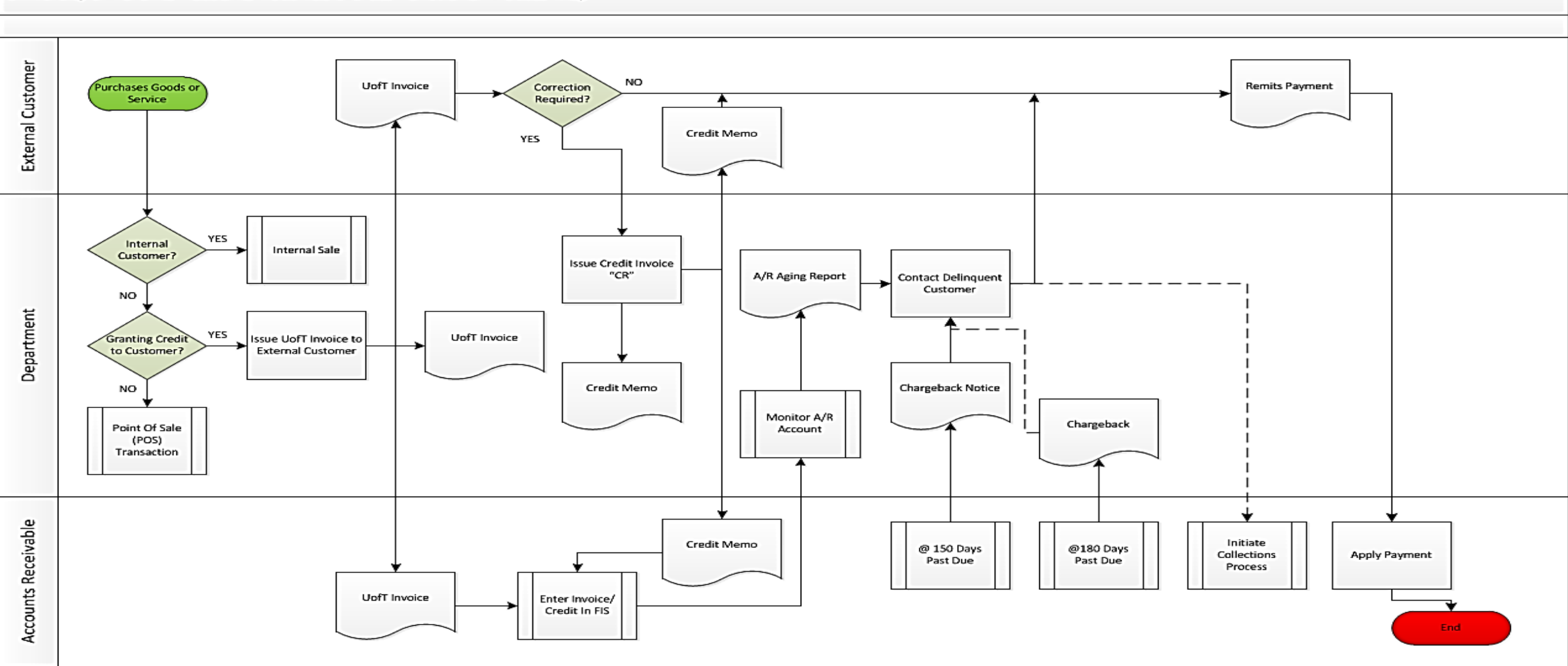
Document Date

Amount in Local Currency (LC)

Amount in Foreign Currency (LC)

MAP OF THE A/R PROCESS

University of Toronto Accounts Receivable Cross Functional Process Map



WHO DO I CONTACT?



FAST Team

For question regarding **processing Purchase Orders and invoices in AMS**, please contact your **FAST Team representative**.

Accounts Receivable

Please see **contacts in Financial Services**.





THANK YOU!