

A/R Customer Account Types

CAM32's Accounts Receivable module offers a simple, effective way to manage and collect payments from those customers you've chosen to extend Store Charge privileges to in your store.

When setting up an A/R customer account for the first time, you need to choose 1 of 2 available Account Types:

- (B)alance Forward
- (O)pen Item

What type makes most sense for your business?

Balance Forward

Think of how most consumer credit cards work. You receive a statement each month showing any previous balance carried forward from the last statement (hence the term "Balance Forward), plus an itemized detail of your charges for the current period. You remit payment based on total balance due. This is exactly how a Balance Forward account works in CAM32.

Advantage: Accepting payments from a Balance Forward customer is a simple one-step process that can be completed at POS. You simply choose the option for Customer Payment, enter the amount, and choose a tender (tender options are limited to Cash, Check, or Credit Card). The customer's balance shown at POS is immediately reduced by that amount, and the payment detail will show on the A/R account after End of Day is processed.

Open Item

Rather than each month's statement simply carrying the previous month's balance forward as one line item, an Open Item account statement will carry one line per transaction until that charge is specifically paid in full. It will also include an itemized detail of charges for the current period, as does the Balance Forward statement.

This means that accepting payments on an Open Item account is a two-step process. The first-step is completed at POS just as described above for a Balance Forward customer. Once End of Day is processed and that payment detail is reflected on the A/R account, step-two is required. Step-two is accessing that account from the A/R Post Receivables Transactions menu, and applying that payment to specific Open Items (invoices) on the account.

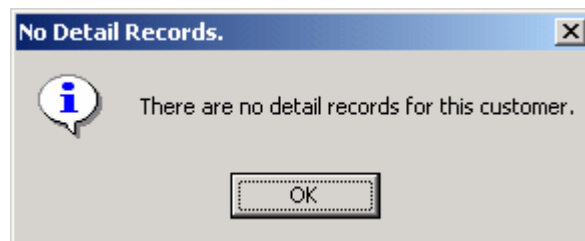
Once an item is paid in full, it will be shown as such on that month's statement, and then dropped completely the following month.

Advantage: This account type gives you more control over tracking payments because they are applied to specifically chosen invoices. This account type is usually used when your customers are entities (rather than individuals) that remit payment for specific invoices only, and not necessarily in chronological order either. For example, many of your customers may have their own Accounts Payable departments/personnel that authorize and remit payments per invoice, after matching up your bill with their records.

Recommendations and Cautions

Most retailers find it most practical to choose one type for all their A/R customers based on what would suit the majority. This helps avoid mistakes and allows you to have a consistent procedure in place for creating new customer records and processing payments. If you choose to maintain a mix of Balance Forward and Open Item account customers, you will need to work out how the staff member creating the customer record will know what type to choose.

Because of the significant differences in the way that activity is tracked and payments processed between the two types, the **Account Type should not be changed once the customer record is created.** If this is necessary, it should only be changed once the customer has no A/R detail records and no account balance (note that an account may still have detail records present even if the current balance is \$0). The easiest way to check this is to do an A/R Customer Account Inquiry. If there is no detail on the account you should get a message similar to the following:



This should also mean their account balance is zero, and only at this point would it be OK to change their account type in Customer File Maintenance.

Multi-Store A/R

In a multi-store environment, the Store Charges and Customer Payments processed through POS at each remote are sent to the main location, which maintains a consolidated account record for each customer. For Open Item accounts, step-two of payment processing (applying the payment) is then completed at main.