

Accounts Receivable Lockbox

Lockbox services are provided by banking institutions as a means to streamline the process of receiving customer payments. The service is used primarily to process regular bill payments received by mail via the U.S. Postal Service. The bank will collect, process and deposit receivables directly from a post office box. All items collected during the business day are deposited on a same-day basis, and usually reported to you, the very same day. In most cases, electronic remittance data is transmitted to you for accounts receivable posting.

Import lockbox data transmissions from banks and update your Accounts Receivable and General Ledger records

Features Include:

Better availability of funds. Payments are deposited on the same day they are received, which gives you immediate access to your money. You don't have to worry about making it to the bank with your deposit by 2 p.m., and checks are securely in the bank rather than residing on a cash receipt clerk's desk.

Redirection of human resources. Using a lockbox will give you the opportunity to redirect your staff. Instead of using your office staff to move paper, you can have them focus on collections or handling those few payments that cannot be automatically applied.

Audit and control. A lockbox establishes an audit trail outside of your company for payments received, and isolates the function of opening mail and depositing checks from other accounts receivable functions.

The AR Lockbox module allows you to automate cash receipts from your bank lockbox and create cash transaction records electronically, saving significant data entry time.

Lockbox data is received as an electronic flat file from your bank or a check processing facility. The level of service and amount of detail will vary from one banking institution to another. Most banks provide, at minimum, the check number, check amount, and invoice number. You may also receive the MICR number, payee name, remittance detail, invoice amount, invoice date, or postmark date. The amount of detail transmitted depends upon your agreement with your bank and what they charge for each type of service.

AR Lockbox provides the ability to import lockbox data transmissions from banks and update your Accounts Receivable and General Ledger records with customer payment transactions. This module would be used to replace manual entry of lockbox data that you currently receive from your bank or if you are preparing to set up a lockbox service with a bank.

The AR Lockbox module provides functions that are used to import, update, inquire upon and report on lockbox transactions. You can:

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Set up and assign lockbox numbers to each customer who submits payments to the lockbox.

Enter, import, edit and maintain all lockbox data

Inquire and report on lockbox detail, check detail, transactions, batch header information, records set up in your AR module and the last date and time each record was updated

If you have purchased Infor's eBill application, you also use the AR Lockbox module to process incoming credit card or Automated Clearing House (ACH) payments your customers make online through eBill. The same AR Entry Lockbox Import function is performed, usually on a recurring basis, so that customer payments are being recorded within a short time of their online entry.

While some banking institutions will reconfigure their data to conform to their customers' accounts receivable system, that is often an expensive option. Fortunately, the AR Lockbox module is designed to receive and process electronically transmitted lockbox data, and update your AR and GL files automatically. Even with a minimal amount of data, AR Lockbox processing accepts your bank's data transmission, attempts to match it to existing invoice transactions, and depending upon the options you choose prior to processing, will automatically update account balances.

