

Reviewing RAS Award Revenue, Billing and Payments in Weblinks

This communication is intended for department RSAs, post-award administrators, financial managers, and MSOs who are managing or monitoring sponsored projects funds. The objective of this communication is to provide a job aid for navigating existing Weblinks summary and detail reports to understand RAS revenue, billing and payments on your awards.

The first part (page 1) simply provides navigation tips to find revenue cycle information:

1. Weblinks summary billing and payment information
2. Weblinks detailed revenue, billing, and payment transactions

The second part of this document, starting on page 2, provides a more detailed explanation of the revenue cycle transactions you can see on the Weblinks GL Detail report. This section incorporates annotated Weblinks report examples to highlight relevant transactions. Contents of this section include:

1. Understanding cost reimbursable revenue cycle transactions
2. Understanding prepaid revenue cycle transactions
3. Upcoming RAS revenue cycle training and reporting

Weblinks Summary Billing and Payment Information

At the bottom of the Weblinks Budget Status Report (BSR), you will find two rows:

- **Billing** – This provides a monthly summary of RAS accounts receivable (AR) for an award that is generated via billing for cost reimbursable awards or the activation of prepaid lines for prepaid awards.
- **Payment** – This provides a monthly summary of payments applied to the RAS AR for an award.

These rows do not report billings and payments prior to the RAS go-live in 4/2006, nor do they report AR adjustment journals (if any).

Weblinks Detailed Revenue, Billings and Payments Information

You will first need to create and save two Weblinks lists to limit your GL detail report results to see the different types of RAS revenue cycle transactions. The lists are:

- RAS revenue NCAs, to include: 330030, 330050, 330051, 331020, 331021, 331030, 331031, 331032, 332030, 332040, and 332041.
- RAS AR NCAs, to include: 111205, 111506, 111507, 111508, 111509, 111666, 112608, 112625, 112641, 112642, and 112643.

You may review RAS revenue and balance sheet transactions related to your awards by using the GL detail report, selecting a start date of 4/2006, and narrowing your search as follows:

- To view entries related to **billing, prepaid AR, and payment application**, use account type 'All' and source code 516. The total of these lines will equal to the total of all payments on this award's BSR.
- To view **billing entries only**, select account type 'Balance Sheet', journal ID 'A10*', and your RAS AR NCA list. The total of these entries will equal the total billings on the award's BSR.

- To view **revenue recognition transactions** (the process of recognizing revenue nightly on sponsored project expenses), use account type 'Revenue', source code 533, and your RAS Revenue NCA list.

You may also review revenue transactions over the life of the award or the budget period by using the GL detail report, selecting appropriate start and end dates, selecting account type 'Revenue', limiting source codes to the range 130 – CNV, and using your RAS Revenue NCA list.

Understanding Cost Reimbursable RAS Revenue Cycle Transactions



For cost reimbursable awards (pay method = 10, 20, 50, or 90), the above steps consistently occur in the order stated. Budget appropriation occurs at the time of award. Revenue is recognized nightly on the direct and F&A expenses that have been charged to a RAS award. Please refer to the example below. One revenue recognition journal is highlighted in yellow. The journal dated 7/1/2006 shows:

- a credit to revenue (\$4,251.53 in NCA 332040) based on processed expenses and F&A
- an offsetting debit to unbilled accounts receivable (UAR) NCA 332045, reflecting that billing has not yet occurred.

FundFY -			HEMOPHILA		
DPA -	628032	MEDICINE RESIDENT-PED			
NCA Group -	200000	REVENUE NCA BUDGET GROUP			
533	332040	Recognized Revenue	0.00	4,251.53-	0.00
FPROD					G800066176 07/01/2006
533	332045	Recognized Revenue	0.00	4,251.53	0.00
SFPROD					G800066176 07/01/2006
533	332045	Recognized Revenue	0.00	3.71	0.00
SFPROD					G800065755 07/17/2006

When the scheduled cost-reimbursable billing is completed and approved, UAR is cleared and a debit to AR is generated (representing an unpaid bill). Refer to the example below. One billing journal is highlighted in pink. The billing journal dated 6/15/06 shows:

- a debit to AR (\$18,565.47 in NCA 112642) for the total amount billed
- an offsetting credit to UAR NCA 332045, reflecting that billing has occurred.

When a payment is received, it is applied to an award's AR. On the example below, one payment journal is highlighted in yellow. The payment application journal dated 8/1/2006 shows an \$18,565.46 credit to AR NCA 112642 on the balance sheet.

FundFY - ██████████ ██████████ HEMOPHILA						
DPA - DPA NOT USED						
NCA Group - 100000 BALANCE SHEET NCA BUDGET GROUP						
516	112643	Payment Applied To AR	0.00	21,260.67-	0.00	A300067940 08/01/2006
PPROD						
516	112643	Payment Applied To AR	0.00	19,401.00-	0.00	A300058699 05/11/2006
PPROD						
Total:			0.00	40,661.67-	0.00	
Total:			0.00	40,661.67-	0.00	
DPA - 628032 MEDICINE RESIDENT-PED						
NCA Group - 100000 BALANCE SHEET NCA BUDGET GROUP						
516	112643	Payment Applied To AR	0.00	18,565.46-	0.00	A300067940 08/01/2006
PPROD						
516	112643	System Generated Billing Entry	0.00	11,303.00	0.00	A100068601 09/30/2006
PPROD						
516	112643		0.00	0.01-	0.00	A400071508 10/13/2006
PPROD						
516	112643	System Generated Billing Entry	0.00	18,565.47	0.00	A100061414 06/15/2006
PPROD						
Total:			0.00	11,303.00	0.00	
NCA Group - 200000 REVENUE NCA BUDGET GROUP						
516	332045	System Generated Billing Entry	0.00	11,303.00-	0.00	A100068601 09/30/2006
PPROD						
516	332045	System Generated Billing Entry	0.00	18,565.47-	0.00	A100061414 06/15/2006
PPROD						

Understanding Prepaid RAS Revenue Cycle Transactions



For prepaid awards (pay method = 60 or 80), AR is not created through billing. AR is created via the activation of a prepaid line. The revenue cycle for prepaid awards is above. However, unlike cost reimbursement funds, the order of the steps above is not fixed. For example, revenue is still recognized nightly on expenses charged to the award. Yet, because the timing of payments is not related to the generation of expenses, revenue recognition may occur before or after payment receipt. In another example, industry clinical trials are only appropriated upon payment. Hence, expenses and revenue recognition (#4 -6 above) will precede the budget appropriation, prepaid line, and payment (#1 – 3 above).

The prepaid example below does follow the order of the steps above. Note that whenever the prepaid line (AR) exceeds the amount of expenses, deferred revenue is generated. In this case, future revenue recognition will utilize the deferred revenue, create offsetting billing utilization entries (necessary accounting entries, but netting to one or more \$0.00 entries on your GL Detail), and result in a credit to revenue. On the example, the AR journal resulting from the activation of the prepaid line is highlighted in pink. The journal dated 7/31/2006 shows:

1. a debit to AR (\$50,000 in NCA 112642) on the balance sheet
2. an offsetting credit to deferred revenue (NCA 118472), also on the balance sheet

One revenue recognition journal is highlighted in yellow on the example below. The journal dated 8/31/2006 shows:

1. a debit to deferred revenue (\$1,736.30 in NCA 118472)
2. a credit to revenue (\$1,736.30 in NCA 332030)

Regardless of the timing of expenses and AR creation, payments to prepaid awards will liquidate AR on the balance sheet. Also on the example below, the payment application journal is highlighted in green. The journal dated 8/1/2006 shows a \$50,000 credit to AR, effectively closing out all AR on this award.

FundFY - [REDACTED] THE DANA FOUNDATION								
DPA - DPA NOT USED								
NCA Group - 200000 REVENUE NCA BUDGET GROUP								
135	332030	Apprpr	07/06 - 06/07	50,000.00	0.00	0.00	12LDH0284	06/30/2006
Total:				50,000.00	0.00	0.00		
Total:				50,000.00	0.00	0.00		
DPA - 444951 MED RES-RADIOLOGY								
NCA Group - 100000 BALANCE SHEET NCA BUDGET GROUP								
516	112642	System Generated Billing Entry		0.00	50,000.00	0.00	A100066091	07/31/2006
FPROD								
516	112642	Payment Applied To AR		0.00	50,000.00-	0.00	A300067940	08/01/2006
FPROD								
516	112642	System Generated Billing Entry		0.00	0.00	0.00	A100067906	08/31/2006
FPROD								
516	112642	System Generated Billing Entry		0.00	0.00	0.00	A100070269	09/30/2006
FPROD								
516	112642	System Generated Billing Entry		0.00	0.00	0.00	A100072820	10/27/2006
FPROD								
516	118472	System Generated Billing Entry		0.00	50,000.00-	0.00	A100066091	07/31/2006
FPROD								
533	118472	Recognized Revenue		0.00	1,376.30	0.00	G800067902	08/31/2006
FPROD								
533	118472	Recognized Revenue		0.00	2,110.77	0.00	G800070268	09/30/2006
FPROD								
533	118472	Recognized Revenue		0.00	3,514.65	0.00	G800072817	10/27/2006
FPROD								
Total:				0.00	42,998.28-	0.00		
NCA Group - 200000 REVENUE NCA BUDGET GROUP								
533	332030	Recognized Revenue		0.00	1,376.30-	0.00	G800067902	08/31/2006
FPROD								

Upcoming RAS Revenue Cycle Training and Reporting

While these instructions are intended to assist you in navigating existing Weblinks summary and detail reports to understand RAS billings and payments on your awards, please note that we are currently working to develop and implement new summary and detail reports that will allow simplified access to this information. In addition, town halls will be delivered in early February to provide more detailed training on the RAS revenue cycle.

In the meantime, if you need assistance with the contents of this document, please contact the Peoplesoft Help Desk at 514-4100, Option 3. If you would like assistance with the activity on a particular award, please contact your EMF service team.