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INVOICE STATEMENTS

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Executive Summary

Departments must generate notices to inform debtors of their obligations to the Commonwealth. Notices must be mailed within five days after the date a receivable event occurs. MMARS fully supports the automated generation of invoices and statements as well as the associated dunning notices.

Considerations

MMARS is the official record of the Commonwealth for receivable and customer information. Departments must take special care to ensure that the information that is entered into MMARS for any receivable is accurate and complete.

Policy

Invoice Generation

[815 CMR 9.00: Collection of Debts](#) outlines the minimum requirements that departments must follow when collecting a Commonwealth debt. One element of receivable collection requires that MMARS invoices must be generated to inform debtors of their obligations to the Commonwealth. Notices must be mailed within five days after the date a receivable event occurs and/or information necessary to record the receivable is available.

Upon approval from the Comptroller (CTR), departments may produce their own invoices. However, such invoices must meet the basic requirements of invoices generated by MMARS.

Invoice Date and Payment Due

The invoice date and payment due date will appear on each invoice. The dates are system generated as follows: Invoice date is equal to the acceptance date of the Receivable Event (RE) transaction. Payment due date is 30 days greater than the invoice date unless otherwise established by statute or contractual obligation. The document date may be different from the invoice date. The invoice date is equal to the billing cycle date.

Statement Generation

MMARS monthly customer statements must be generated to inform debtors of their obligations to the Commonwealth and be mailed within five days after the statement date. All receivable events occurring within the statement period must be included on the statement. Upon approval from CTR, departments

may produce their own statements. However, the invoices must meet the basic information requirements of statements generated by MMARS.

Statement Date and Payment Date

The statement date and payment due date will appear on each statement. The dates are system generated as follows:

- Statement date is the date the statement is printed.
- Payment due date is the date payment is due based on predefined parameters, unless empowered by statute or contractual obligation.

Billing Instructions Text (BINST)

In addition to the Line Description text (from the RE line) and Invoice Instructions (from the RE Vendor Line), departments can enter additional Billing Instructions text that will appear on the Original Invoice, Replacement Invoice or Statement. Departments requiring this additional Billing Instructions text must first create the text on the Billing Instructions (BINST) Table. The BINST value assigned to the Billing Instruction must then be added to the Billing Profile (BPRO) table in the Invoice Instruction or Statement Instruction fields.

Dunning Messages (2nd, 3rd, 4th Bills)

In accordance with [M.G.L. c. 7A, § 3](#), when a debt remains unpaid beyond the stated due date, Departments must send out, at a minimum, a notification with a dunning message at 1, 31, and 61 calendar days past the invoice or statement due date. Each consecutive invoice or statement will utilize progressively stronger dunning demands for payment. The language must also include the possibility that if the debt does not dispute the debt or request a hearing, that any state payment due to the customer may be intercepted and that late fees, interest charges, CTR and Department of Revenue (DOR) intercept processing fees may be applied to the debt; and referral to a debt collection agency or litigation by the Attorney General is possible.

Notification of Subsequent Collection Proceedings (120 days notices)

If, after generation of the initial bill and three consecutive dunning notices, a debtor has not paid or responded, departments are to provide the debtor with a thirty (30) day notification letter of their intention to take further action. This notification letter must document that:

- the debt exceeds 120 days, and
- reiterate the dunning language regarding:
 - o the debtor's right to dispute the debt
 - o a right to a hearing,
 - o intercept of state payments and/or tax refunds,
 - o the inclusion of referral to debt collection agencies or the Attorney General's Office for litigation;
 - o that late fines, fees, and interest penalties may be applied to the debt.

Electronic Signature and Department Head Authorization of MMARS documents

Electronic signatures are limited to MMARS documents. **Electronic signatures can not yet be used for contracts, amendments or underlying supporting documentation.** With the implementation of the MMARS accounting system the Office of the Comptroller is aligning Electronic Security with Department Head Signature Authorization (DHSA) in fiscal year 2005 in order to take advantage of electronic signatures for MMARS processing. Every MMARS action must be confirmed/authorized by the department head or an authorized signatory. Department head authorization can be accomplished in one of two ways:

- **Administrator Security With DHSA.** If the employee (Administrator - system processor) who submits a document to final status is a department head authorized signatory, the data in the MMARS system will be sufficient documentation. What appears in MMARS will be the record copy of the document.

- **Recording Doc Id on all supporting documentation.** Since there is no paper copy required for the MMARS document the department will be required to include the MMARS Document Identification number (Doc ID) on all supporting documentation to “match” the supporting documentation with the electronic record of the MMARS document which will reside on MMARS. Recording the doc id on all supporting documentation can be accomplished by entry of the MMARS doc id on the first page of the supporting documentation, or by entering the doc id on a [MMARS Document Records Management / Signature Authorization Form](#) which will act as the cover sheet to the supporting documentation for records management purposes.

- **Administrator Security Without DHSA.** If the employee (Administrator - system processor) who will be submitting a document to final status is not a department head authorized signatory, the Administrator must obtain a live (“wet”) signature from an authorized signatory approving the document **PRIOR** to submitting the document to final status in MMARS.

- **Review of document and supporting documentation.** Since a department head is required to authorize the official record of a MMARS document, which is what **actually appears in the MMARS system**, departments must ensure that whoever authorizes the document has reviewed the document and related supporting documentation prior to authorization.

- **Written authorization.** The written authorization may appear on a screen-print of the document as entered and validated, but prior to final submission, or on a [MMARS Document Authorization/Records Management Form](#) prescribed by CTR, to capture the prior authorization for documents.

- **Filing of authorization with supporting documentation.** Authorization documentation must be kept on file at the department along with the record copy of other supporting documentation related to the MMARS document. See Records Management below.

What does electronic signature of a MMARS document mean?

When a department electronically submits a document to final status in MMARS, the department head is certifying to the Comptroller that the individual, on behalf of the department head, understands that their UAID (universal access identification) is being recorded for any entries made in the MMARS system **and that** that individual certifies under the pains and penalties of perjury that:

- it is their intent to attach an electronic signature approval and date to the MMARS document, **and that**
- they are either an authorized signatory of the department head who is authorized to approve the MMARS document as part of the department Internal Control Plan, **OR**
- that the document they are processing and any supporting documentation have been approved by an authorized signatory of the department head, secretariat and any other required prior approval (including secretariat signoff if required) and a copy of these approvals are available at the department referencing the MMARS document number, **and that**
- any expenditure or other obligation is supported by sufficient available legislatively authorized funds and is in accordance with the department's enabling legislation and funding authority; **and that**
- the MMARS document and any underlying supporting documentation are accurate and complete and comply with all applicable general and special laws, regulations and policies including public record intention and disposal requirements.

Records Management

The department is the record keeper of the official record copy of all receivable information. MMARS is the official record of the receivables entered by the department and will supersede any paper copies of the same information. The department must maintain any supporting or back up documentation related to a receivable entered in MMARS. A department is responsible for retaining and archiving receivable records in accordance with the disposal schedules issued by the Secretary of State Records Conservation Board.

Internal Controls

Under construction

Information Sources

- Related Procedure – Under construction
- Related Policies
 - [Department Head Signature Authorization and Electronic Signatures for MMARS Transactions Policy](#)
 - [Vendor / Customer File And W-9s Policy](#)
 - [Cash Recognition And Reconciliation Policy](#)
 - [Receivable Recognition and Reconciliation Policy](#)
 - [Lockbox Policy](#)
 - [Electronic Payments Data Security Policy](#)
 - [Third Party and Multiple Third Party Billing Policy](#)
 - [Non-Accounts Receivable Renewals](#)
- Legal Authority - [M.G.L. c. 7A](#); [M.G.L. c. 29](#); [M.G.L. c. 30, §. 27](#); [M.G.L. c. 10, § 17B](#); [M.G.L. c. 29, § 29D](#); [M.G.L. c. 7A, § 3](#); Massachusetts Constitution [Article LXIII Section 1](#); [815 CMR 9.00: Collection of Debts](#); [M.G.L. c. 7A § 18](#).
- Attachments - [Receivable Modification Request Form](#)
- Links – None

- Contacts – [CTR Solution Desk](#)

Revisions

November 1, 2006 – Removed language referencing Knowledge Center and updated relevant links to Mass.gov portal site.