



Frequent service requests in Accounts Receivable

Case: Monetra Pirkanmaa Oy

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ABSTRACT

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This thesis was commissioned by the case company Monetra Pirkanmaa Oy, which is a Finnish in-house organisation operating in the Pirkanmaa area as part of the Monetra Group. The company provides its municipal and publicly owned customers with financial and administrative services. The objective of the thesis was to identify frequently occurring group email service requests in Monetra Pirkanmaa Oy's accounts receivable that can be solved in the same or similar way each time by following a pattern, and provide the case company with a written manual on handling these tickets to support future orientation processes and common ways of working inside the invoicing, accounts receivable and transactions team.

Tickets fitting the description of repetitive nature and solving pattern were found both in invoicing and debt collection that are both handled in accounts receivable. The handling processes of these tickets were unravelled and described in two different ways and for two purposes; a detailed, step-by-step version for the manual, and more on-the-surface level description of the processes for this thesis.

The manual provided for the case company will be available for the whole invoicing, accounts receivable and transactions team to turn into in orientation and support related situations. The manual also includes some common practices agreed in the team together with the manager to ensure the even level of quality in customer service, such as common ways of working and sharing service request information by leaving notes in accounts receivable.

Key words: accounts receivable, invoicing, debt collection, service requests

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GLOSSARY

A/R	Accounts Receivable
API	Application Programming Interface
B2B	Business-to-Business
B2C	Business-to-Consumer
BIC	Business Identifier Code
IT	Information Technology
IBAN	International Bank Account Number
SFTP	Secure File Transfer Protocol
VAT	Value-added Tax

1 INTRODUCTION

Companies providing various different services in the field of finance and accounting often manage their operations by structuring customer service and support by sub-areas, which are then processed in respective groups. The most common way of this kind of service management is establishing group emails where service requests are handled as tickets by a group of employees – usually a team – specialised in a specific part of the company's operations. Every company defines the groups based on their own needs, but commonly these groups in financial management include bookkeeping, accounts payable and receivable, and salaries. This way, the service requests related to sub-categories of financial management and administration can be handled by the employees who really know the most about these subjects; the ones who professionally work with them daily, instead of centring all the aspects of customer service to a generic customer service team, who may often lack the deep knowledge, understanding and know-how needed for finance related questions.

The concept of multiple employees simultaneously handling service requests in a group email setting highlights the need for common policies and ways of working to ensure a high level of customer service and satisfaction. Despite the fact that tickets are handled case by case and each service request concerns a different customer, invoice, and case, repetition in work cannot be fully avoided even in this task; for instance, the customer and invoice number may change between requests, but the action needed to solve the ticket stays the same. New employees in a team which handles tickets in a group email setting are usually first taught the requests that occur often and can be solved the same way each time. Multiple companies have different written instructions for different tasks for their employees, especially new ones, to use to support their work, but rarely such manual exists for a task so versatile such as ticket handling, in spite of the fact that a pattern could be followed in the solving process of a number of different requests.

The purpose of this thesis was to identify commonly occurring service requests in the invoicing and accounts receivable team at Monetra Pirkanmaa Oy and objectively, provide the case company with written guidelines on how to handle these particular tickets. The guidelines would support the orientation process of new employees in the team to ticket handling as well as provide everyone in the team with a document where common practices could be found in a written form. The invoicing and accounts receivable team handles tickets in two separate group email inboxes; tickets in invoicing and debt collection, and requests of frequent occurrence were found from both of these categories. Therefore, this thesis aims to answer the research question;

“What are the frequently occurring tickets in the accounts receivable of Monetra Pirkanmaa Oy that can be handled by following a pattern?”

The need for such written guidelines at the case company was recognised in the orientation process of new employees in the invoicing, accounts receivable and transactions team during the summer 2020. Monetra Pirkanmaa Oy has faced a phase of intense growth during the year and as new customers centre their financial and administrative management for Monetra to handle, the recruiting of new personnel has been almost constantly ongoing for the majority of the year 2020. A lot of the tasks new employees start to work with have a written manual saved on the team’s joint network drive to support the orientation to work, and these guidebooks have been proven to be quite helpful to be turned into, especially in situations where the task in hand is still relatively new to the employee and a certain routine has not yet been established. Ticket handling in accounts receivable is one of the first tasks to be taught to a new employee in the team, but written guidelines for this job did not yet exist, even though the orientation was started with tickets that occur often and can be solved in one particular way each time and thus, the information could be available in a written form in addition to the orientation and teaching received from a colleague.

In this thesis, the purpose, background, and objective of the whole thesis process is being introduced together with information about the case company Monetra Pirkanmaa Oy, followed by some theory and concepts closely related to accounts receivable, invoicing and debt collection, that can be linked together and exploited

with the frequently occurring ticket cases. The processes of both invoicing and debt collection are presented and described, for the information about both of these phenomena are much needed in the handling of the service requests. The tickets and their handling processes following a certain pattern are described in this thesis on a general level, because the case company did not wish the exact manual provided to them, or as detailed description of the tickets and operations related to them, to be included in this publicly available document.

2 MONETRA GROUP AND MONETRA PIRKANMAA OY

Monetra is a municipally owned group established by the cities of Oulu, Tampere, Kuopio and Jyväskylä together with the four hospital districts, respectively. Monetra started as Monetra Oy in Oulu in 2012 as a result of a four-party municipal association combined with North Ostrobothnia hospital district incorporating their payroll and financial management into one together with the city of Oulu. In 2019, Monetra group as it is today, emerged when the rest three cities and hospital districts decided to establish regional units providing financial management, HR services and administration in the form of non-profit in-house organisations. In addition to the regional growth of the group, Monetra has increased the number and variety of their provided services, them now including human resources, payroll, accounting and reporting, invoicing, accounts receivable and accounts payable, transactions, travel services, recruiting, document and data protection, and translation and interpretation services. (Monetra Oy n.d.)

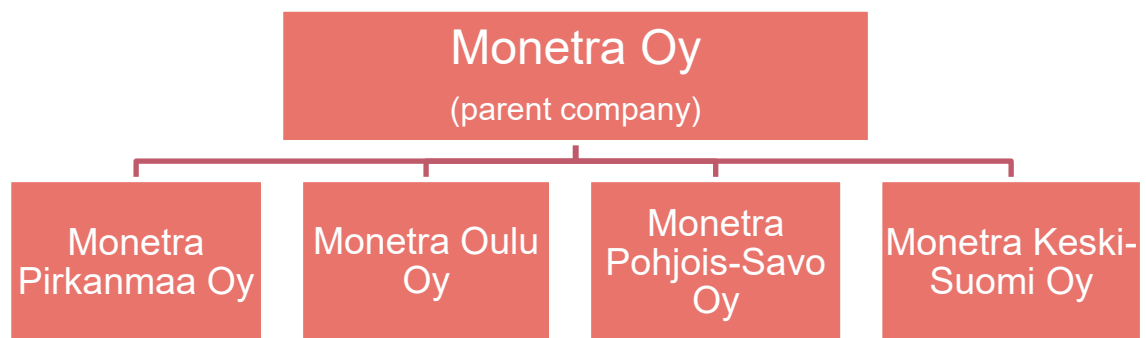


FIGURE 1. Monetra Group company

Monetra Pirkanmaa Oy is one of the four regional units of the group operating in the Pirkanmaa area. Established by the city of Tampere and Pirkanmaa hospital district in 2019, the unit now has more cities, municipalities and municipal associations, as well as publicly owned companies and foundations as their custom-

ers. Monetra Pirkanmaa Oy employs over 180 finance and administrative professionals working at three offices located in Tampere, Parkano and Sastamala, and the unit had a turnover of approximately 13 million euros in 2019, it being the first year of their operations. The employees work in seven different teams, focusing on customers and projects, human resources and salaries, accounting and bookkeeping, invoicing, accounts receivable and transactions, travel and development services, accounts payable, and recruiting. (Monetra Pirkanmaa Oy n.d.)

The invoicing, accounts receivable and transactions team at Monetra Pirkanmaa Oy currently has 26 employees and a manager taking care of their customers' operations in receivables and payment traffic. Inside the team, the employees have different responsibilities usually divided by the focus on a specific customer, software, or task; at the moment of writing this thesis, the team constructs of two accounts receivable specialists, three transactions specialists, three software specialists, nine accounts receivable clerks and nine payment traffic clerks. Additionally, Monetra Pirkanmaa Oy strives to always keep an intern working with the team, providing financial management and business students with hands-on opportunities to get familiar with working in an organisation providing financial support services to public sector customers.

3 ACCOUNTS RECEIVABLE

The concept of accounts receivable was created when businesses shifted from requiring immediate cash payment to selling their goods and services on credit. In comparison to directly exchanging a physical product for hard cash where the event is immediate and fast, selling on credit requires an entire process in order to register the debt, and track and collect the payment. This process is called accounts receivable, and it consists of the three previously mentioned main components while always accommodating and shaping to fit individual companies' entrepreneurial finance and management needs. (Mian & Smith, Jr. 1992.)

The three-component structure of accounts receivable process can be further broken down to encompass smaller parts of the operation – usually selling on credit is handled via two processes of invoicing and debt collection. In invoicing, registering the debt starts with creating a sales invoice; a document which indicates the items or services provided and the amount which the buyer now owes to the seller, as well as credit terms and payment information to both track and collect the payment (Law 2018, 46). In some cases, however, the invoicing process is not enough to actually collect the payment, but it needs to be enhanced with a separate debt collection process after the credit term has been exceeded. Because these two sub-processes of accounts receivable hold a great value in successful sales on credit, they are further studied in this chapter.

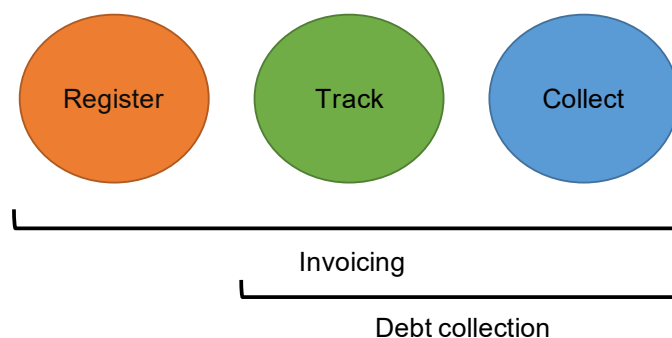


FIGURE 1. Accounts receivable processes

3.1 Invoicing

One of the most important tasks of accounts receivable is the process of creating sales invoices, which are used as outstanding balance on customer's accounts and thus start the whole process of registering the debt. The invoicing process usually starts with a sales order, based on which the actual invoice is created. (Eklund & Hakonen 2018, 59.) After the invoice is generated and sent to the customer, it is registered into customer's account as outstanding balance where the debt can be tracked all the way until paid or repealed with a credit note.

Depending on the size of the company, one person can take care of both invoicing and payment tracking and allocation, or there might be a whole team or department where one employee is handling one part of the process. Small retail businesses which only sell goods to private customers and accept cash and card payments usually do not have the need for accounts receivable or invoicing. The need for invoicing and payment tracking appears when selling goods or services on credit – usually in B2B sales, but credit sales can also be applied to private customers. (Eklund & Hakonen 2018, 56.)

Since today's invoicing is conducted in electronic invoicing systems consisting of large databases of versatile information, according to Eklund & Hakonen (2018, 56), one part of the invoicing process is maintaining these databases. Most common databases for invoicing include information on customers, products and services. For that invoices should ideally be generated and sent to the customer as soon as possible after the sales in order to pace the cashflow of the selling business, having these databases properly maintained and updated saves a lot of time in the actual process of generating and sending the invoice. The customer registry contains all the needed information about the customer, such as the name, business ID, address and billing information, behind a predefined identifier, this usually being a customer number. The product registry, on the other hand, is formed of the names, prices, tax rates and other relevant information of goods and services the business is selling. (Lumiaho & Rämänen 2011.) When this information can already be found in the invoicing system in a respective database and can be easily fetched when creating an invoice, rather than typed in

every time individual invoices are being generated, the process becomes faster and invoices can be sent out quicker to the customers after the sales on credit.

In the invoicing process it is also important to take into account how the customer wishes to receive their invoices; basically, this means whether they want to receive their bills as traditional paper invoices through mail or as e-invoices. In April 2020 a new EU directive on e-invoicing brought effective a law which indicates that businesses and public organisations have the right to receive e-invoices, if they so desire, in B2B sales. The purpose of the law is to make intra-EU sales more coherent and guide the invoicing process to become more and more electronic. However, the directive does not apply to businesses which have a turnover of 10 000 euros or below, or businesses which sell solely to private customers. (Directive 2014/55/EU.) Despite this, an increasing number of companies offer an e-invoice option to private customers as well, e.g. a possibility for customers to receive invoices in electronic format straight into their online bank accounts.

3.1.1 Invoices and credit notes

There are many different types of invoices all the way from standing orders to internal invoices, but they all can be divided into two main categories: (debit) invoices and credit notes. Debit invoice is the so-called “regular” invoice, where the amount to be paid is positive and thus creates a debt the customer has to pay to the business selling on credit. Credit notes, on the other hand, have a negative amount and are used to compensate debit invoices fully or partly in situations where the original invoice has been defective. (Law 2018, 102, 309.) These defects can include for example wrong products/services, wrong amounts or wrong billing information (Anson, Fabozzi, Choudhry & Chen 2004, 119). Since credit notes are reverse invoices, they basically create and register a debt the selling business needs to pay to the customer – however, credit notes can alternatively be used to compensate outstanding balance in accounts receivable. In cases where the original debit invoice has already been paid by the customer and they do not have other open invoices on their account, the amount of the credit note can be paid back to the customer.

Both invoices and credit notes need to contain certain things in order to be valid – inadequate invoices do not create or register a valid debt. According to the VAT Act (29.6.2012/399) invoices should contain the following information:

- Date of the invoice/credit note
- Number of the invoice/credit note
- VAT ID of the seller (country code, e.g. FI + business ID)
- Names and addresses of both the seller and buyer
- Descriptions and amounts of goods/services sold
- Delivery date of the goods/services
- Prices excluding VAT
- Tax rates
- Amount of tax
- Credit notes should include the number of the debit invoice concerned
- VAT ID of the buyer in EU trade cases or in reverse VAT cases

Additionally, if the product/service is sold tax-free, the reason for this must be stated on the invoice. However, if the seller is not VAT liable and is not registered to VAT registry, it is forbidden for them to state tax rates or the amount of tax on the invoice. (VAT Act 29.6.2012/399.) Some other factors have also established their place on invoices, even though any legislation does not obligate this information to be found on valid documents. These factors include, for example, payment terms, due date, payment information including the bank account number of the seller and a reference number, contact information, late payment interest rate, and buyer's reference, e.g. a purchase order number (Eklund & Hakonen 2018, 62).

The VAT Act (29.6.2012/399) also states that in some cases it is not mandatory to include all the information listed above on sales invoices. This relief is applicable if the total amount of the invoice including VAT is 400 euros or below, or if the business is selling solely to private customers. If one or both of these criteria is met, it is only mandatory to include the date of the invoice (or receipt), the name and VAT ID of the seller, descriptions and amounts of goods/services sold and either the amount of tax or the price without tax – this meaning that with the relief it is possible to state the prices including VAT.

3.1.2 Payment terms

Selling on credit means that the customer usually receives the product or service before the seller receives payment for it. With payment terms the parties agree on when the customer pays for their purchase, since these terms determine the due date of an invoice. Payment terms can be freely defined between the parties, but in B2B sales it is advisable to grant longer terms than 14 days, since the purchase invoice handling is a timely process especially in big corporations and thus, in the EU area and in B2B sales, the most common payment term is 30 days, and in B2C sales it is 14 days, which is the minimum term when selling on credit to private customers. Other commonly used payment terms include 7 days, 10 days, 21 days and so-called combination terms, e.g. 14 days -2 %, 30 days net, which means that if the customer pays the invoice within 14 days, they are allowed to deduct two percent from the invoice amount as a discount. If the invoice is paid after 14 days but within 30 days, the original amount must be paid to the seller. (Eklund & Hakonen 2018, 69.)

Due dates are calculated based on the payment term from the date of the invoice. For example, if the date of the invoice is January 2nd and the payment term is 10 days, the due date will be on January 12th. If the due date happens to be a Saturday, Sunday or a holiday, the invoice must be paid on the next regular weekday. Most invoicing systems calculate the due date automatically based on the selected payment term to be displayed on the invoice.

Since payment terms can be freely determined (except for the fact that the minimum payment term for private customers is 14 days), they can also be modified in the accounts receivable after the invoice has been created and sent to the customer. In practice this means that it is possible for the customer to change the due date of their invoice by extending the payment term upon request – but the selling company needs to approve the request. Most businesses grant longer payment terms at least to private customers if requested (Law 2018, 298.)

3.1.3 Transactions

The size of a company and the scope of their operations affect the requirements they have for payment traffic management (Eklund & Hakonen 2018, 85). A small retail business selling on credit may easily track incoming payments on their bank account and tell which customers have paid their invoices, if there is not that many transactions happening in a period of time. However, bigger corporations and organisations sending and receiving hundreds of invoices a day and having numerous entries on several different bank accounts, tracking payments directly from one's bank account statement is simply not possible anymore.

In many cases the payment traffic of businesses is organised either with banks and their programs, a financial management software, or an integrated combination of these two options, which is the most common case among big enterprises. Banks offer their corporate customers different solutions and service packages which can be moulded and adjusted based on the needs of the business. (Eklund & Hakonen 2018, 85.) The services include solutions for both receivables and payables of the business, since payment traffic works in both ways. In terms of accounts receivable and invoicing, the most important task the bank is responsible for is to provide the business with bank account statements that include reference transactions; these transactions are used to make allocations in accounts receivable. (Alanko 2020.)

Reference transactions can be transferred and allocated into accounts receivable either automatically or manually. As financial management is constantly becoming more and more digitalised, automatic allocation is the main way of transferring payment information and manual allocations are only used if necessary. (Eklund & Hakonen 2018, 87.) Basically, this comprises situations where customers have paid using wrong reference number (or no reference number at all), wrong amount, or the invoice they have paid is no longer open in their account – it may be so that a credit note has been made for that invoice, or the customer has accidentally paid the same invoice twice. Automatic allocation is done by fetching the bank-provided reference transactions and transferring the content to the system where accounts receivable is maintained. Based on this content, the software

automatically allocates payments to invoices that share the same reference number. On the contrary, manual allocations take place when an employee responsible for accounts receivable does the allocation by linking a payment to an open invoice one transaction at a time. Allocating an incoming payment transaction to an open invoice reduces open balance in the customer's account. (Alanko 2020.)

Despite the fact that invoicing is strongly linked to incoming payments, it often provokes outgoing payments too. Sometimes the amount of a credit note can be paid to the customer if they do not have open invoices in their account the note could be allocated to, or the customer may have accidentally paid too much and the excess amount needs to be refunded; in these cases the account has no due invoices but uncharacteristically has a negative balance. These payments can be made by gathering and forming payment material from accounts receivable and transferring the content either straight to the bank's program or to the financial management software the company may have had integrated to payment traffic management – contrariwise to how incoming payments are fetched into accounts receivable. After the negative balance, be it a credit note or an excessive payment the customer has made, has been paid from the accounts receivable, the account reverts back to its zilch or positive balance. (Mäkinen 2020.)

3.2 Debt collection

Selling on credit always includes the risk of the customer not paying their debt in accordance to what was agreed between the selling and buying parties. Payment terms are being set for the reason that the buyer has a certain period of time during which they can pay their invoice by their own preference. If the buyer still has not paid their debt after the term has ended and the invoice is due, a collection process begins where the seller, or a third party the seller has authorised, actively carries out certain procedures to collect the payment. (Lindström 2014, 172–173.)

The debt collection process can be divided into two separate parts; extrajudicial and judicial collection. In most cases, the process starts with extrajudicial collection procedures and if they do not induce payment from the customer, the creditor

proceeds to judicial collection. The nature of the debt also affects the way of collection – most debts require extrajudicial collection before it is legally possible to proceed to judicial collection, but debts under public law (e.g. taxes, municipal day care charges, health care fees), can be outright collected through judicial proceedings without indictment. The process is additionally affected by whether the debtor is a corporate or private customer. (Lindström 2014, 2, 291.) According to the Debt Collection Act (22.4.1999/513), extrajudicial procedures comprise letters of collection (i.e. reminders and claims), collection and negotiations via phone, payment plans, and other possible meetings, interactions and negotiations regarding the due payment. Judicial collection includes indictment, payment default entries, distraint, and bankruptcy cases.

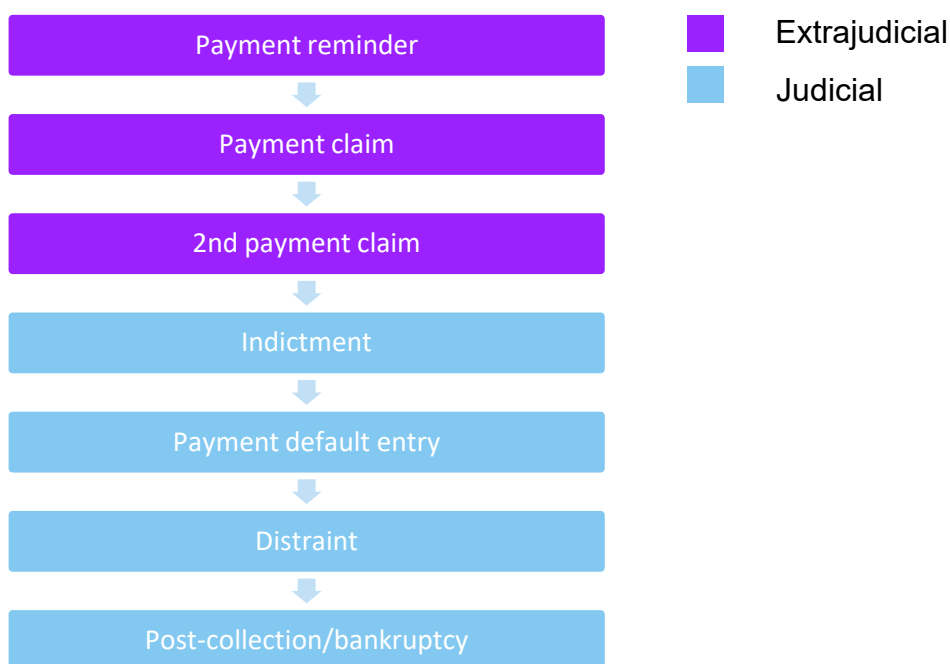


FIGURE 2. Characteristic flow of a debt collection process

Businesses can either handle their own debt collection by themselves or authorise a collection agency to take care of the process for them. It is also common for creditors to start the collection process themselves by sending payment reminders and claims from accounts receivable, and if these measures do not induce payment, the responsibility for the collection is moved to an agency – so two parties can share the responsibility of the collection process. (Eklund & Hakonen

2018, 92.) In Finland, practicing debt collection as a third party is subject to permission granted by the Regional State Administrative Agency of Southern Finland, which also supervises that good manners in collection are being followed. However, permission is not required for the creditor if they choose to carry out their collection by themselves nor is it required in judicial collection. Good collection manners and following them are still expected from everyone carrying out debt collection; in practice this means that the process must be handled appropriately and with discretion, and that it is strictly forbidden to provide the debtor with false information or to try and collect any unnecessary costs. The debtor's privacy must be protected too, excluding corporate customers and their debts which can be made public. (Debt Collection Act 22.4.1999/513.)

The basic rule of collection is to continue the practices until they induce payment, but sometimes debts can cause credit loss for the seller if there is no success in the collection process. Usually, if the collection proceeds to judicial proceedings, the payment can be collected through distraint if it is proven that the debtor has enough wealth, but if they are proven to be insolvent in court the payment cannot be forced. In case of insolvencies, post-collection begins where the debtor's wealth and state of solvency is being regularly checked. Post-collection continues until the debt is being paid or it expires. (Lindström 2014, 405–406.)

Debts under civil and public laws expire differently. Debts under civil law have two separate expiration limits; general and final expiry. The general expiration limit for these debts is three years but can be extended to five years if the collection has proceeded to judicial means. This general expiration limit can, however, be exceeded if the creditor regularly reminds the debtor of the debt; it is their or their collection agency's responsibility to make sure that the debt does not expire. The final expiration limit is calculated simultaneously with the general expiry. If the collection has included indictment and a court order, the final expiration limit is 15 years beginning from the date of the judgment – and if no judicial collection has been carried out, the debt expires in 20 years from the original due date of the debt. Debts under public law expire much faster, in five years. The limit is calculated from the beginning of the calendar year following the year the debt was debited. As the debt expires, so does the payment default entry, respectively. (Oikeus.fi 2018.)

3.2.1 Reminders

Giving a payment reminder is commonly the first step in the debt collection process (Lindström 2014, 271). Accounts receivable monitors due invoices and starts the process accordingly, either by giving a reminder by themselves or transferring the case to a collection agency, which then takes care of sending a letter of collection. Reminders can be given in many different ways and forms; it can be a phone call, an email, or a letter. There is no legislature regulating when free-of-charge reminders, such as phone calls, can be given to the customer, but actual payment reminder letters that add to the debtor's cost cannot be sent out immediately after the invoice is due; according to the Debt Collection Act (22.4.1999/513), it is only allowed to send these reminders with an additional cost 14 days after the due date of the debt, and if a second reminder is sent, it is only allowed 14 days after the first reminder was sent. The act also regulates that these reminder fees should not be more than five euros per one reminder for private customers, and for corporate customers the fee must not be exorbitant.

Reminding customers of their overdue invoices personally via phone or email is often an effective way to induce payment, and these ways are commonly used in the debt collection of small businesses. Because this way requires a lot of resources and time, it is not generally used in bigger enterprises and corporations, which instead tend to start collection straight with reminders and reminder fees after 14 days. It is highly dependent on the creditor or the collection agency they have authorised, how many times the debtor is being reminded before proceeding to the next stage of collection. (Lindström 2014, 271, 275, 277.)

Reminder letters include much of the same information the original invoice, that is now being collected, contained. Typical contents of a reminder include information about both the creditor and debtor (names, addresses, contact information), the amount of debt itemised (the original amount of the invoice and the reminder and collection fees must be presented separately), payment information (creditor's bank account information, the total amount to be paid including the collection fees, reference number, new due date indicating when the collection is going to proceed to the next stage), and a notice on what is going to happen next in the collection process if the debtor fails to pay their debt within the means of

the reminder. The reminders and their tone must be in accordance with good collection manners, and appropriate but assertive letters often bear the best results in inducing payments at this state of collection. (Lindström 2014, 271–274.)

Letters of collection, including reminders, often include late payment interest in addition to reminder fees, that the debtor needs to pay on top of the amount of the original debt. Late payment interest is used as a sanction for not following the payment term agreed between the selling and buying parties. (Eklund & Hakonen 2018, 88.) Late payment interest and its use is determined in the Interest Act (20.8.1982/633), and it starts to accrue from the due date of an invoice and is calculated up until the date of the payment. In Finland, the reference interest rate of seven percent determined by the Central Bank of Europe is used for late payments together with the common late payment interest rate determined by the Bank of Finland twice a year, on January 1st and July 1st. Accounts receivable or authorised collection agencies follow interest rate trends and adjust their reminders and late payment interest rates accordingly. (Eklund & Hakonen 2018, 88.)

3.2.2 Claims

Payment claims are typically the second phase of extrajudicial collection. Claims are in many ways similar to reminders, but instead of reminding the debtor about their debt and lacking payment, claims demand the payment to be done at the risk of judicial procedures. (Eklund & Hakonen 2018, 92.) Claims are in many cases used for both private and corporate debtors, although the Debt Collection Act (22.4.1999/513) only requires claims to be used in private customers' collection and in cases where the collection is being carried out by third party agencies.

The type and content of a claim depends on the nature of the debtor; whether the collection targets a private or corporate customer. Regular claims can be used on both types of debtors, but it is more common to demand payment from enterprises with a draft claim. Draft claims come with a risk of publicity, if the debtor fails to pay their debt – and since private customers' privacy must be protected during the collection, these claims can only be delivered to corporate customers. If the debtor does not pay the debt according to the draft claim, they get a protest

entry on their record, which is a type of payment default entry. Protest entries can be published in papers and other media, and thus they often make the debtor appear untrustworthy and can jeopardise their future businesses. Regular claims private customers receive come with the risk of judicial collection, such as indictment, payment default entries and distraint. (Eklund & Hakonen 2018, 92.)

Debtors must always be first reminded of the overdue debt before a claim can be sent. Additionally, with private customers, a claim can be sent 14 days after the reminder has been given at the earliest. Unlike reminders, which can be given for example on a phone call, claims must be presented in a written or somehow else permanent way; the most common way of sending claims is as letters via mail. Claims include much of the same information as reminders, but additionally they must include a statement about the debtor's rights to plead the collection to be terminated and to start judicial procedures (debtors who think that they are not responsible for the debt may want to proceed to judicial collection to get a court order in their favour). Claims must also include the total amount to be paid according to the claim and when the due date for that payment is, and what exactly is going to happen after the due date if the payment is still not received. (Lindström 2014, 237–240.) Good manners in collection necessitate that private customers should receive two claims before proceeding to indictment, sent at least 14 days apart from each other – for corporate customers, one claim is enough to proceed to judicial means (Eklund & Hakonen 2018, 92).

3.2.3 Judicial procedures

If extrajudicial collection fails to induce payment, or if the nature of the debt enables no extrajudicial means to be used, judicial collection process can be started. The first phase of judicial collection is indictment, where the creditor, or the agency they have authorised, presses charges against the debtor on the unpaid debt in order to get a court order for collection; with the court order, a distraint authority can collect the debt by distraining it from the debtor's funds and assets if they do not pay voluntarily after getting the order from the court. (Eklund & Hakonen 2018, 92.)

Undisputed cases can be filed with a narrow application for summons, which means that the creditor does not have to provide any other evidence for the court other than evidence which the debt is based on, e.g. a bill of sale or a contract. If the case remains undisputed, the court orders the debt to be distrained with a unilateral order in the creditor's favour already in the preparation phase – only disputed cases are handled in a trial with a main hearing. If the debtor has disputed the debt, the case can be filed straight with extensive application for summons to be handled in a trial. (Lindström 2014, 298.)

The application for summons must contain individualistic information about both the debtor and creditor, as well as about the content of the debt. At least the debtor's name, address and business ID or social security number (depending on whether the debtor is a private person or a company), creditor's name, address and contact information, and evidence which the debt is based on (only the original invoice is not enough, since debts are not based on invoices; they are based on contracts, sales orders, bills of sales, deliveries etc. based on which the invoice has been created – however the original invoice together with reminders and claims sent to the debtor are often added to the application for they make it more plausible). Additionally, the application can contain claims on late payment interest and costs of both extrajudicial and judicial collection, such as the fees for reminders and claims and the collection agency's fee if the creditor has authorised them to handle the collection, and costs of the trial. (Lindström 2014, 303–305.)

If the collection gets a court order as the result of the indictment, either in the preparation phase or after the trial and main hearing, the debtor gets a payment default entry on their record. Records on payment default entries and credit information in Finland are maintained by Suomen Asiakastieto Oy and Bisnode Finland Oy, and the records can be enquired by e.g. banks, businesses, landlords and other parties who need information on someone's credibility. Payment default entries can hamper both private persons' lives and employment opportunities as well as companies' business and trading. (Oikeus.fi 2018.) Court order also obligates the debtor to pay their debt together with all other expenses in accordance to the ruling (Lindström 2014, 291).

If the debtor still does not pay their debt in spite of court order, the debt, as well as all the other court-ordered expenses, fees, and interests, can be collected through distraint. In this procedure the debt is being compulsorily distrained straight from the debtor's income and assets. The court order for collection does not automatically start distraint; the creditor must apply for its execution from an official distraint authority. The payment for the debt can be distrained primarily from the debtor's income (e.g. private person's salary or wage, company's revenues) or secondarily by obtaining and selling the debtor's assets and physical fortune. However, if the creditor applies for narrow distraint, only their income and monetary assets can be distrained – narrow distraint is usually only applied to minor debts. Distraint ends when the debt and expenses are paid in full or the debtor is proven to be insolvent to pay, in which case a post-collection begins in order to track changes in the debtor's solvency. (Lindström 2014, 385, 404.)

4 GROUP EMAIL TICKET HANDLING IN ACCOUNTS RECEIVABLE

Especially in larger organisations with many different departments customer service, both internal and external, can be handled through a group email. Group emails enable more than one person, e.g. a team, to receive and act on service requests received through one group email address. Service requests are generally handled as tickets: one received email opens a new ticket with a unique ID number, and all emails sent and received after that with the same ID number add to the same ticket – this way the whole chain of conversation regarding the one particular service request can be found under one ticket, rather than every new message opening a new ticket to the system.

Each ticket has a contact person, who is the source where the service request was received from, and an assignee, the person responsible for handling the service request. Tickets can be assigned based on the content and the nature of the request, and the assignee can change during the process of handling the ticket if the problem suddenly requires different type of know-how. In accounts receivable, service requests usually come from customers and concern their accounts, invoices and payments – however, since tickets are created based on free formed emails coming from contact persons, they can basically concern anything. Sometimes tickets contain an actual request where the assignee needs to act and provide service to the contact person, and in some cases, they can be just a notice requiring no real action.

Group email addresses are commonly maintained in an IT service management system separate from employees' individual work emails. These systems enable groups of people to have access to tickets of their range of responsibility behind one or more email addresses. Depending on the system used, tickets are completely handled through the IT service management system, or they can be integrated to different email services, such as Microsoft Office Outlook or Google Gmail – and many service providers offer adaptable solutions to suit their customer companies' needs. Some examples of IT service management systems include ServiceNow, a Santa Clara based cloud computing platform for digital workflow management (ServiceNow n.d.), Efecte, a Finnish cloud-based ERP

and IT service management solutions program (Efecte n.d.), and Zendesk, a customer service software company headquartered in San Francisco (Zendesk n.d.).

4.1 Procedures at Monetra Pirkanmaa Oy

At Monetra Pirkanmaa Oy service requests related to different areas of the company's provided financial services are handled through group emails maintained in the IT service management system Efecte – however, at the moment of writing this thesis the whole Monetra group is preparing a transition from the current system into new customer service software called Mylly. Because at Monetra work is done in teams focusing on different aspects of finance and management, handling tickets through group emails is an efficient and deft way for a number of people to provide service simultaneously and if necessary, reassign tasks inside the team.

In accounts receivable Monetra Pirkanmaa Oy has three different group emails; invoicing, debt collection, and transactions. Fundamentally the invoicing, accounts receivable and transactions team handles all three of these group emails, but the team is divided in a way where a section of employees work solely with transactions and the other part with invoicing and accounts receivable – this way payment transaction clerks and specialists handle tickets in transactions and correspondingly accounts receivable clerks and specialists handle tickets both in invoicing and debt collection. Despite truly being one team, the invoicing, accounts receivable and transactions team is commonly considered as two sub-teams inside the company – the A/R and transactions – and thus, in order to maximize the benefit for the company, this thesis investigates only the invoicing and debt collection group emails as part of ticket handling in accounts receivable.

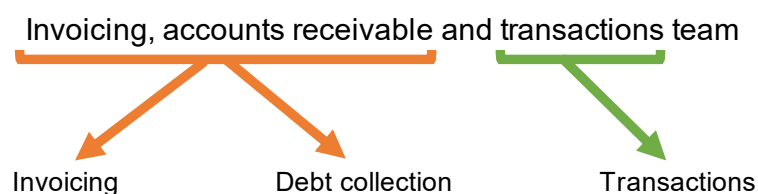


FIGURE 3. Division of work in group email ticket handling inside the team

Ticket handling is one of the first tasks a new employee in the team starts to work with. Despite the fact that tickets can contain any possible request, orientation to this task starts with commonly occurring tickets that can be solved in one particular way by following a pattern – in other words, some service requests are always handled in the same, or at least similar, way. To support orientation processes to a variety of tasks throughout the whole company, Monetra Pirkanmaa Oy has multiple different handbooks, guides and manuals in written form to help both new and experienced employees tackle issues in learning their new work tasks – however, in defiance of the popularity of written manuals in the whole company and the accounts receivable team, one did not exist for ticket handling. After the need for such manual was recognized, it was also agreed upon that common practices in handling frequently received tickets would improve the company's internal and external customer service and those practices should be available in written form, and the manual would serve this purpose as well.

4.2 Tickets in invoicing

Out of the two group emails of the team, the one for tickets in invoicing is busier. Tickets are generally received from both Monetra Pirkanmaa Oy's customers, i.e. different units of the city of Tampere and its companies, as well as their customers – end customers in this context – who can be private persons, corporations, associations, or municipalities. Tickets in invoicing are handled in cooperation with the customer service and accounts receivable teams for the huge amount of new tickets coming in daily, which can vary from tens to a few hundreds.

Some tickets and the ways to resolve them are unique and thus no exact pattern can be followed in the handling process. However, finding the ones which can be solved always in a similar way was not that hard despite the huge amount of tickets in the inbox. A lot could be deduced from the subjects of the tickets; especially for the ones coming from the city's units and its companies, since the personnel there send recurrent service requests with the same subject information every time. In addition to this, the orientation to ticket handling was started with cases that occur regularly and can be solved by following a pattern, which made the process of recognising these tickets effortless. However, not all tickets that

just are received often, can always be solved in the same or a similar way, and thus they all could not be included in the guide – for example invoicing requests from Monetra Pirkanmaa Oy's customers are received as tickets in invoicing, but invoices are generated differently each time in accordance with the instructions on the ticket.

4.2.1 Invoices and credit notes from API's

Some of Monetra Pirkanmaa Oy's customers take care of generating their own debit and credit invoices which are then transferred to Monetra's accounts receivable through predefined application programming interfaces (API's). Through these interfaces invoices generated in the customer's own source system are automatically polled first onto Monetra's SFTP server, from where it is then retrieved into the target system – this being SAP at Monetra, where the accounts receivable is operated in. Although the transfer process is automated, it needs to be regularly monitored to ensure no files get stuck on the server, or in case of any other possible problems related to the transfer. For this reason, customers transferring invoices and credit notes through API's open a ticket informing the invoicing and accounts receivable team about a recent transfer they have made.

On the ticket customers state that they have made a transfer and tell what it contained; usually when the transfer has contained just regular invoices, customers list only the invoice numbers in question without any additional information. In case of transfers that have included credit notes, it is common for customers to list the numbers of both the credit note and debit invoice in hand, the amount of the credit note and the customer number whom these invoices concern of.

The assignee's job on these tickets is to make sure that the whole content has transferred to the target system SAP. Additionally, if the transfer included credit notes, they have to check that the notes are correctly allocated to invoices in concern and if not, the allocation must be done manually. Sometimes, however, the invoice to be credited has already been paid and does not appear as outstanding balance on the customer's account – in these cases the credit note can

be left open on the account to wait instructions on whether the amount is going to be paid to the customer as a refund or if it is used to credit another debit invoice.

Yritys	Tositeno	V	Laji	Tositepvm	Kirjauspvm	Kausi	KtV	Käyttäjän nimi	Peruutus: Peruutus	Pk	Viite
2470	6800005074	2020	7J	31.05.2020	31.05.2020	5	EUR	MON.BACKKATR		0L	20004882
2470	6800005063	2020	7J	31.05.2020	31.05.2020	5	EUR	MON.BACKKATR		0L	20004883
2470	6800005064	2020	7J	31.05.2020	31.05.2020	5	EUR	MON.BACKKATR		0L	20004884
2470	6800005065	2020	7J	31.05.2020	31.05.2020	5	EUR	MON.BACKKATR		0L	20004885
2470	6800005067	2020	7J	31.05.2020	31.05.2020	5	EUR	MON.BACKKATR		0L	20004886
2470	6800005071	2020	7J	31.05.2020	31.05.2020	5	EUR	MON.BACKKATR		0L	20004887
2470	6800005073	2020	7J	31.05.2020	31.05.2020	5	EUR	MON.BACKKATR		0L	20004888
2470	6800005062	2020	7J	31.05.2020	31.05.2020	5	EUR	MON.BACKKATR		0L	20004889

PICTURE 1. API invoices in SAP searched with the invoice numbers provided on the ticket

Because of the polling of the transferred files and the fact that some API's move invoices first to SAP's invoice reserve, from where they are run further into the accounts receivable once a day, the tickets about API invoices should not be immediately handled for that the invoices may not yet be in SAP even though everything is fine in terms of the interface and the transfer process; it is advised to handle these tickets one day after they are received. If the invoices have still not transferred into SAP, the assignee should reply to the contact person of the ticket to start an investigation on where the problem might be. It is rare for the transfer process to fail, but occasionally files can get stuck on the server and in these cases, they need to be deleted from the server and resent from the source system. Since these tickets are essentially notices, the common practice at Monetra has been not to reply to the contact person if everything is in order with the transfer and the possible allocation of credit notes, and thus the ticket can be closed as solved after the necessary measures in terms of checks have been performed.

4.2.2 Changes in payment terms

One of the most commonly occurring tickets in invoicing concern payment terms, especially requests on moving the due date of an invoice. Other requests regarding terms include petitions to pay in instalments. These requests can come either from Monetra's customer, the business which has sold goods or services on credit, or the end customer, who has bought those goods or services in hand.

Usually if Monetra's customers request changes in payment terms, the end customer has already been in contact with them and negotiated the change of the due date.

If the tickets concerning the extension of a payment term come from the end customer, the assignee should always confirm with Monetra's customer whose invoice and terms are in question, whether or not it is okay to change the due date. Some customers, like the city of Tampere, have predefined guidelines on payment term extensions regarding private customers, which are available for the invoicing and accounts receivable team in order to go check when it is acceptable to extend terms. Common practice is that when the change in payment term is accepted or confirmed to be practicable, it can be extended up to a maximum of one year for private customers – with corporate customers, the length of the term is always considered individually case by case and determined by Monetra's customer, respectively.

The extension of a payment term takes place in accounts receivable; the city of Tampere and its companies' accounts are maintained in SAP. The invoice or the due date on it are not being changed at this point, since the invoice has already been generated and sent to the customer – the change is solely done in the customer's account and the customer is informed about the new due date e.g. via email. If the change in payment term was to be done on the invoice, it would mean that the original invoice needed to be cancelled with a credit note and after that, a whole new invoice must be created and sent to the customer, which would create a lot of unnecessary excess work. In the customer's account, the extension can be done on the entry that was created based on the original invoice by adding a desired amount of days on top of the date of the invoice, so that it amounts to the new due date. Because debt collection is started based on what information is in the accounts receivable and not on the due date visible on the invoice, it is enough for the new due date to appear in the customer's account.

Another common request related to payment terms concerns instalments; paying in instalments can be requested together with extending the payment term, or the customer is willing to pay within the original payment term. Instalments do not require any changes to be made in the accounts receivable (unless the payment

term is simultaneously changed), since each incoming payment no matter the amount is automatically allocated in the accounts receivable as instalments to the invoice if they are paid with the correct reference number – after the last instalment, the invoice will no longer appear open in the customer's account.

It was also agreed that the assignee changing payment terms in accounts receivable should always leave a note on the respective entry about the changes made. The note should include when the due date was changed, who changed it, and based on what it was changed (i.e. the content of the ticket). In instalment cases, even if the payment term was not changed, the assignee should leave a note about the fact that this invoice is going to be paid in instalments. For that accounts receivable is operated in a team, and Monetra's customers also have access to the end customers' accounts, leaving this kind of information for everyone to see keeps all the requisite parties on track of the changes. Another common practice in closing the tickets concerning payment terms is that if the request came from Monetra's customer, it is safe to assume that they have taken care of informing the end customer about the new due date of their invoice – contrarily, if the ticket's contact person is the end customer, the assignee must reply to their email and let them know about the changes.

4.2.3 Refunds through SAP

Team members handling faulty transactions (i.e. manually allocating incoming payments that could not be automatically allocated in accounts receivable) send end customers letters if they have made an excess payment that could not be allocated to any of their open invoices and hence needs to be refunded. In these letters the amount to be refunded, the reference number the payment was made with, and the date of the payment is stated together with a request for the customer to provide Monetra Pirkanmaa Oy with their bank account number and BIC code in order to refund the amount. Letters of the same nature are sent if the customer has an open credit note and the amount is paid to the customer. In these letters, end customers are advised to provide the requested information by sending an email to the group inbox of accounts receivable, where it generates a

ticket in invoicing. Additionally, end customers can send these tickets unprompted with their bank account information requesting for a refund if they have noticed that they have, for example, accidentally paid the same invoice twice.

The assignee of these tickets should perform two tasks; add the customer's bank account number behind the right customer number on the customer registry and add the account entry concerning the excess payment or credit note to be part of the next refund batch. Refund batches are run every Monday, Wednesday and Friday by the transactions team from accounts receivable in SAP to Monetra's payment traffic system Nomentia Banking, from where the batch is further transferred to bank to be distributed and paid to the end payees.

Customer database is also upheld in SAP and integrated with the accounts receivable. Every customer should have at least their name, address, business ID or social security number, partner code, customer category and tax classification defined behind an individual customer number. E-invoicing addresses for businesses and accounts for private customers who wish to receive their invoices in electronic format into their online bank account are also common information to be stored in this registry, where bank account information for refunds can be saved as well. Based on the bank account number, country, and a bank key based on the BIC code, the system creates an IBAN bank account which is needed for every payment that goes through both SAP and Nomentia Banking. With refunds, the field for bank account type must be provided with a PA mark, which indicates that it is used for refunds (PA comes from the Finnish word "palautus", meaning refund) and when the batch is run from SAP the system links the respective entry to that specific bank account. Adding the entry from customer's account to be part of the refund batch is done in accounts receivable, where the entry is provided with the same PA mark.

In addition to adding the PA mark onto the account entry, for an outgoing payment to be successfully added to the next refund batch, the assignee must do a payment document for the transactions team to help them sort out the batch; after the batch is successfully transferred and the payments have been made, the transactions team delivers these payment documents to the bookkeeping team

to be archived according to the accounting and reporting regulations. On the document, the assignee fills in both the payee's and payer's information (payer being one of Monetra's customers, e.g. the city of Tampere), the amount that was paid and the reason for the payment (this being e.g. a refund for an excess payment). The filled-in payment documents are saved to Monetra Pirkanmaa Oy's network drive to a predefined folder, from where the transactions team pick them up when they start handling a new refund batch.

Agreed in the team, in cases where the end customer has been sent a letter concerning the refund and they send a ticket based on that, the customer has already been contacted and knows to expect a refund and thus there is no need to reply to their email. However, if the customer has sent the ticket unprompted and asks for a refund, or if they have any other questions concerning the issue even if they have been sent a letter (e.g. when will they receive the refund) they should be answered.

4.3 Tickets in debt collection

Unlike tickets in invoicing, which are received from multiple different stakeholders, tickets in debt collection are almost solely received either from Monetra Pirkanmaa Oy's authorised debt collection agency Lowell, or from Monetra's customers, i.e. the city of Tampere and its companies. End customers hardly ever contact Monetra for debt collection concerns, instead they deal with the agency which then forwards certain requests to the debt collection group email – the only exceptions are requests for payment receipts in order to erase payment default entries that come straight from end customers and are received every now and then. However, roughly 85 percent of incoming service requests come from Lowell, so handling debt collection tickets is basically working closely together with a debt collection agency. It has been agreed in the team that all the replies to Lowell's service requests are submitted through their own access portal rather than via the group email, and for this reason every employee working with debt collection tickets needs to have an account to Lowell's access portal; basically tickets coming from Lowell are a way for the agency to show that they need information

for the collection process, and the information is then provided through a different channel for that it is a faster and safer way to reach them.

Commonly occurring tickets were relatively easy to recognise after a couple of days of handling them. Service requests from Lowell always concern a different case, but the content of the request stays the same, so a clear pattern could be established and followed in the solving process. The same thing applies for tickets coming from Monetra's customers; out of these tickets a few cases were identified which are solved in a similar way each time. Identification was done based on discussions with two colleagues working regularly with tickets in debt collection as well as on the author's own observation alongside the handling work.

4.3.1 Invoice copies in collection

It very common for end customers to claim that they have not received the original invoice after they get the first payment reminder from the collection agency. Without interference with whether or not they have actually received the invoice, since this may be very difficult to prove especially if the invoice has been sent in a paper form by mail, the collection cannot be continued according to the Debt Collection Act (22.4.1999/513) and good collection manners if the customer has not received the original invoice. In order for the collection to be carried on, the debtor must be provided with a copy of the invoice.

For the huge scope of Monetra Pirkanmaa Oy's invoicing operations, the number of overdue invoices also is notably high. In the SAP system, where the accounts receivable is operated, invoices that still remain unpaid 14 days after the due date are collected and sent to Lowell in a debt collection batch that is run regularly. In these batches no invoice copies are being transferred, since the content is based on account entries; the information Lowell receives contains the debtor and creditor information and the total unpaid amount of the invoice. For this reason, when the customer needs to be provided with a copy of their invoice, they send in a ticket asking for a copy to be sent either to Lowell through the access portal or straight to the customer via email.

Invoice copies are archived in the Posti Messaging Console system, which is also used for sending the invoices out no matter the channel; the system can send out documents in both paper and electronic forms. From the invoice log it is also possible to see the medium and time the invoice was originally sent. Common mediums used at Monetra Pirkanmaa Oy are different e-invoicing operators such as Basware or CGI (electronic format invoice sent to a corporate customer), Nordea B2C as Intermediator (electronic format invoice sent to a private customer to their online bank account), iPost PDF (regular paper format invoice sent by mail), and NetPosti (electronic format invoice sent to OmaPosti application).

LASKUJEN TAPAHTUMALOKI			
2020-04-30 18:18:17	Verkkolaskutili	BELSF10007346W	Laskun käsittely alkanut
2020-04-30 18:28:59	Verkkolaskutili	BELSF10007346W	Laskun käsittely valmistunut
2020-04-30 18:31:12	Kanava	iPost PDF	Lasku reititetty

PICTURE 2. Invoice log in Posti Messaging Console showing when and how the original invoice was sent out

The copy of the invoice is being sent as per Lowell's request either through the access portal or via email to the customer. If the copy is submitted through the portal to Lowell, which then delivers the copy further to the debtor, information about the original medium used for sending the invoice together with the time it was sent should be provided to avoid possible disputes. This is a way in which Monetra Pirkanmaa Oy, on behalf of the creditor, proves that the original invoice was at least sent to the customer, in spite of whether they actually received it or not. If, on the other hand, the copy is sent straight to the debtor, the information about the medium and time should still be shared with Lowell through the portal.

Another common practice agreed inside the team is to once again leave a note in the accounts receivable to the respective account entry that a copy of the invoice has been delivered either through the portal or in an email. This way, if the collection requires any other action from Monetra in the future, other team members who might be handling the case can see what has already been done in terms of the collection process. After the invoice copy has been provided, the collection process can be continued in accordance with the good manners in collection.

4.3.2 Complaints about collection

After the debt collection process has begun and the agency takes over the case, they also handle the possible communication with the debtor. In many cases, a part of this communication may be a complaint about the collection. The details of a complaint can vary greatly case by case, but the core reason stays the same; according to the debtor, the debt should not be collected because something on the original invoice is incorrect. It might concern the amount, the product or service, or anything else regarding the content of the invoice. Even though complaints should ideally be given immediately after the original invoice was received and not when the collection has already begun, especially private customers may protest the content of an invoice only after they receive the first payment reminder.

Since Monetra Pirkanmaa Oy's customers receive their reminder letters from the collection agency, complaints about collection are given to Lowell. Like with the invoice copies (see 4.3.1), the agency does not possess invoices and thus they do not know about the content or the correctness of the invoices – so the complaints are forwarded to Monetra as tickets. Because Monetra Pirkanmaa Oy provides the invoicing and accounts receivable services to its customers, the invoices are either created solely based on instructions from the customers, or the customers generate their own invoices and then just transfer them to the accounts receivable operated at Monetra – so actually even the invoicing and accounts receivable team handling the tickets in debt collection does not have enough knowledge about the correctness of a particular invoice.

The assignee handling these service requests should ascertain the customer whose invoice the collection case concerns based on the information Lowell has provided on the ticket (usually they provide the assignee with the collection case ID, the name of the debtor and the invoice number) and further forward the complaint to them to get a statement whether or not everything on the invoice is correct and if the collection should be continued. Until the customer replies, the ticket is put on hold; after receiving the opinion on the case, it can be shared with Lowell through the access portal.

If the customer confirms that the invoice is correct and the collection should be continued, providing this information to the collection agency is enough for them to carry on with the process. However, if something on the invoice is proven to be in fact incorrect, the customer starts the process of refunding the invoice with a credit note (either by assigning Monetra to create the note or by creating it themselves and sending it to the accounts receivable) – and in these situations, the assignee must be cancel the collection (see 4.3.3) before the ticket can be closed.

4.3.3 Termination of collection

Tickets about cancelling a certain collection case come from Monetra Pirkanmaa Oy's customers, or alternatively another ticket, e.g. a complaint of an end customer Lowell has forwarded to the invoicing and accounts receivable team, can cause a collection process to be terminated – but the order must always come from the customer whose invoice the collection case concerns. A collection can be cancelled if the original invoice turns out to be incorrect, or if the debtor manages to negotiate a longer payment term with the creditor after the invoice has already been moved to collection.

Collections can be cancelled through the collection agency's access portal with a specific "termination of collection" function. With the function, a message to Lowell can be left together with the termination request. The agency tends to quickly react to termination requests, and usually the cancellation of the process is fully done the next day after the assignee has left the commission through the portal. In addition to cancelling the collection, changes need to be done in the accounts receivable in SAP. Whenever an unpaid invoice is moved to collection as part of a debt collection batch, the system adds a letter "P" in the collection locking field on the account entry, respectively (P comes from the Finnish word "perintä", meaning debt collection). This mark needs to be removed from the entry, and the assignee should once again leave a note on the entry stating that the collection has been terminated together with the original commission from the creditor.

To prevent the invoice from returning to debt collection with the next collection batch either the due date must be changed, or a collection locking must be added to the account entry. The general policy is to extend the payment term according to the creditor's notice if the collection was terminated because a new due date was settled, and in cases where the termination was done based on the incorrectness of the original invoice, a payment locking is added on the entry for the period of time it takes for a credit note to be generated either at Monetra Pirkanmaa Oy or by the customer who then transfers it to the accounts receivable.

4.3.4 Underage debtors

Some of Monetra Pirkanmaa Oy's customers' invoices pertain to underage end customers, even though selling to minors on credit is mainly not acceptable. Invoices that can be sent to underage customers from Monetra's customers include health care and emergency medical transport costs as well as different course or material related fees in general upper secondary schools and vocational upper secondary schools. If these invoices are not paid within the payment term, they are gathered and transferred normally to debt collection for the agency to start collection procedures. However, collecting a debt for a minor is against the Debt Collection Act (22.4.1999/513) and good manners in collection, and hence the procedures and collection are focused on the caretaker (a parent or a guardian) of an underage debtor.

If the collection agency receives a case where the debtor is underage, they send in a ticket to the debt collection group email and request the name, contact information and social security number of the debtor's caretaker in order to be able to start the collection process with a reminder. In order for the assignee to find out the needed information on the caretaker, they need to have an account to Digital and Population Data Services Agency to access personal information registry upheld by the government of Finland, since no information on customers' caretakers is upheld at the customer registry in accounts receivable. From the personal information registry all the needed information on the caretaker can be found by searching with the underage customer's social security number. This information is shared with Lowell always through their access portal, for that the

message contains the caretaker's social security number and the most secure way to share such sensitive information is through the portal, rather than sending it in an email message. However, the assignee should always check the content of the original invoice and the debtor's age as it was on the time of the invoice date, for that 15 year olds and older youth are eligible to receive health care services without their caretaker's awareness if they wish to do so. For this reason, if the invoice that is now in collection concerns health care or emergency medical transport costs and the debtor has been at least 15 years old on the date of the invoice, it is forbidden to share caretaker information with the agency. This also makes it impossible to carry out debt collection for the particular invoice, but the case can be reopened and the collection can be started when the debtor turns 18 – or alternatively, the collection is being entirely abandoned, for the amounts are not very big with health care and emergency medical transport invoices. The assignee of the ticket should also share the information regarding the caretaker and debt collection to the accounts receivable by leaving a note to the account entry representing the unpaid invoice that is now being collected.

5 CONCLUSION

By consulting employees working in the invoicing, accounts receivable and transactions team who handle tickets in invoicing and debt collection, and the author's own work experience and observations during the work done with ticket handling at Monetra Pirkanmaa Oy, the process of finding and identifying frequently occurring service requests was a success. While working with the group email tickets every day for a four-month period of time, recognising requests with a repetitive nature was relatively easy; same goes for further separating the requests that could be solved following a certain pattern from the ones that just occur often but are handled differently each time. The tickets fitting the description in the research question were able to be found from both ticket groups – invoicing and debt collection – and the solving patterns could therefore be successfully defined.

Based on the findings, the case company was provided with a manual with detailed, step-by-step instructions each ticket that fits the frame of frequent occurrence and a handling pattern requires in order to be properly handled from the receiving of the request all the way to closing the ticket as solved. The manual, or as detailed and in-depth information about the contents of the included tickets or their handling processes, were not included as part of this thesis as per the commissioner company's wishes for the information to be published about the operations and their customers' service requests not to be too detailed. For this thesis, a description of the tickets included in the manual were provided and the handling process was described on the surface level, without the step-by-step instructions on the manual.

The most important common practice agreed in the team that emerges with almost every different cases of tickets listed in the manual and in this thesis, is letting your colleagues and team members know what measures or actions have been taken in regards of certain invoices. For that many people have access to the accounts receivable and the work is done in a team, the person who has now dealt with one case may not be the same one who is dealing with it the next time, if something new occurs in a form of a new service request – and thus, sharing as much information as possible inside the team becomes crucially important.

For that information on invoices is maintained in accounts receivable, the commonly agreed way to share information on what has been done and by whom is by leaving a note to the customer's account on the related account entry, respectively.

The manual for the case company will be saved on Monetra Pirkanmaa Oy's joint network drive where the whole invoicing, accounts receivable and transactions team has access and where all the other work-related manuals and guidebooks of the team are stored at. It is available for both new and more experienced employees to turn into when handling tickets in invoicing and debt collection, to support orientation processes, and for every employee handling service requests to check on the common practices and ways of working agreed inside the team together with the manager. The practices and instructions on the manual aim at making the level of quality of the team's customer service more level and coherent and to ensure customers receive the same service quality every time they send in a service request, no matter who the assignee handling the ticket is.

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