Understanding the Theoretical A/R

The idea behind the Theoretical A/R is to know at any point in the month what the outstanding A/R would be if statements were going to be released on that date.

There are some preset conditions that would have to apply to this.

The start date of such a calculation would always have to be the beginning of the month or in the case of flexible monthends on the day immediately after the last monthend. Therefore, the A/Rs of the Previous months (also known as Previous Fees Due) would start the process, similar to what happens on statement calculations.

> *For example with Variable date statements, if you have entered 12/30/2005 as your last monthend, then the beginning of the next period would be 12/31/2005; otherwise the normal statement beginning of the month date would apply (eg. 01/01/2006).*

An ending date (or an up to date) would be entered by the user which would act like a theoretical monthend for the current month and only transactions between this beginning date and this theoretical monthend date would be utilized.

> *For example, entering the date entering the date 01/10/2006 as the theoretical monthend.*

Clients that have statement release dates that fall between the above periods, will have those periods followed.

> *For example if you have a client that has a statement period of 01/01/2006 thru 01/07/2006 and you have entered 01/10/2006, then the theoretical A/R would be based on the calculations of the statements from 01/01/2006 to 01/07/2006 and then 01/08/2006 to 01/10/2006.*

Payments with holdback dates would be treated the same as with the statements. Using the above dates as the examples including the fact that this client releases a statement on 01/07/2006

Period requested 01/01/2005 to 01/10/2006
Holdback date on the Paid Us of 01/05/2006
Result the Paid Us would be included in the theoretical calculations.

Period requested 01/01/2005 to 01/10/2006
Holdback date on the Paid Us 01/05/2006
NSF on 01/07/2006 and flag set to remove the NSFs
Neither the Paid Us or the Original Payment will affect the calculations.

Period requested 01/01/2005 to 01/10/2006
Holdback date on the Paid Us 01/07/2006
NSF on 01/08/2006
The Original Payment will affect the 01/01/2006 to 01/07/2006 calculations
The NSF will affect the 01/08/2006 to 01/10/2006 calculations.

But if this example client was not releasing a statement on 01/07/2006 then Neither the Paid Us or the Original Payment will affect the calculations.

With the Theoretical A/R all Statement Flags Apply (including Statement Type, Special Statement handling, Mirror clients etc.). This is different from Midmonth Balancing which does not necessarily use all of the statement flags. For example midmonth balancing does not recognize the weekly flag on standard statements.

To access this routine….

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