



Accounts Receivable (AR) SOP

A. Purpose:

The Accounts Receivable process establishes how project billings are developed, reviewed, submitted, collected, and reconciled. It ensures that billings are processed in accordance with contractual requirements, that outstanding receivables are actively managed, and that payments are received and recorded accurately to support effective cash flow management and reliable financial records.

B. Triggers:

The Accounts Receivable process is initiated when a project is ready to bill and sufficient information is available to begin billing development and submission.

C. End State Objective(s) / Success Criteria:

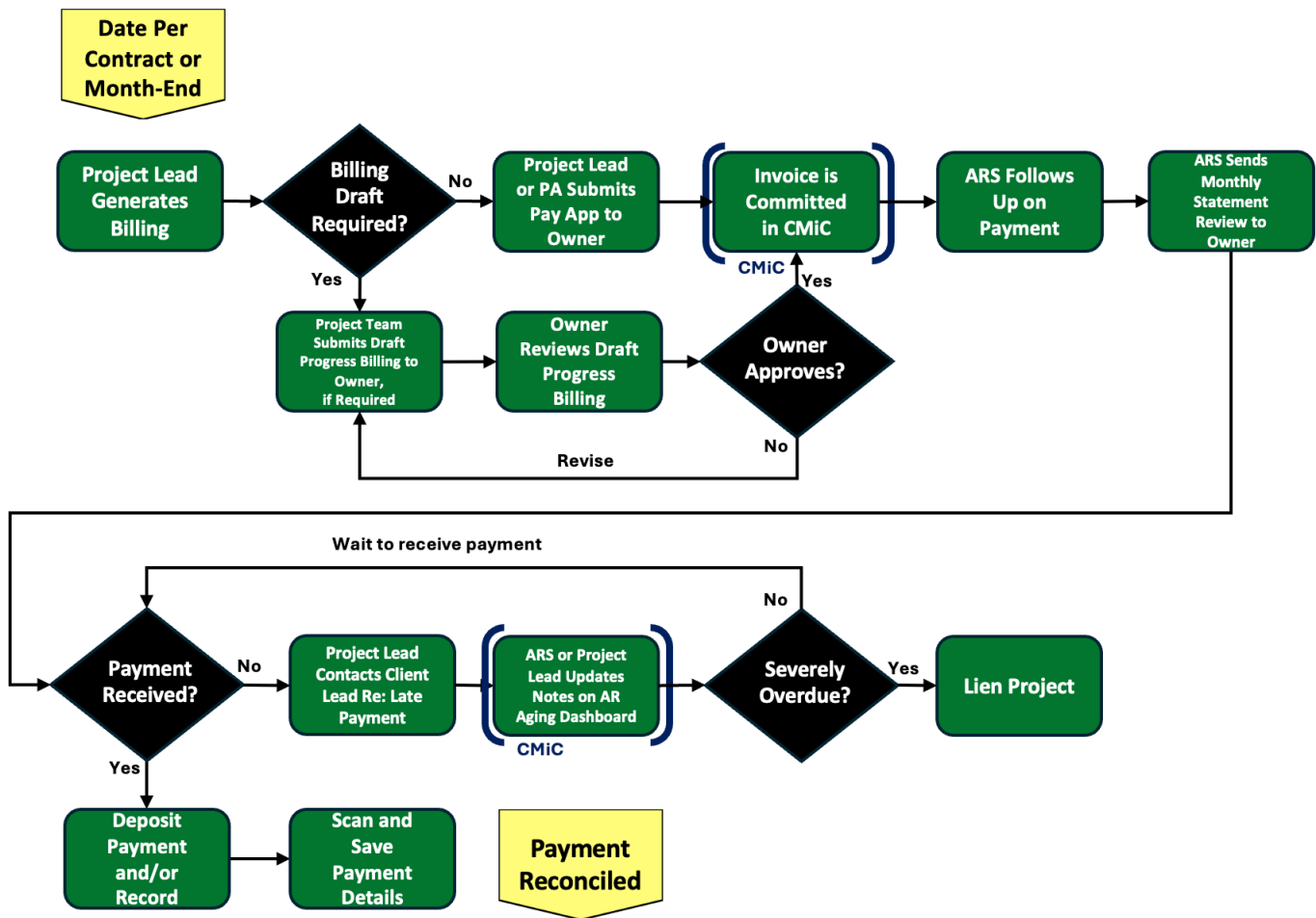
The Accounts Receivable process is complete when billings have been developed, approved, submitted, collected, and reconciled in accordance with contractual requirements and company procedures. Success is achieved when billings and collections are managed accurately and timely, resulting in complete and accurate financial records.

D. Process Flow

The Process Flow outlines how Accounts Receivable activities progress from billing preparation through payment receipt and reconciliation. It reflects how billings are developed, reviewed, submitted, monitored, and collected while identifying key interactions between project teams, clients, and accounting to support timely payment and accurate financial records.

1. Billing Preparation & Development
 - a. Generate project billing
 - b. Develop and submit draft progress billing to the owner for review, if required
 - c. Revise billing, if required, based on owner feedback
2. Billing Submission
 - a. Obtain owner approval of the draft progress billing
 - b. Submit pay application to the owner
 - c. Commit invoice in CMiC
3. Payment Monitoring & Collection
 - a. Determine if payment has been received
 - i. If payment has not been received, contact the client regarding outstanding payment
 - ii. Add notes in the AR Aging Dashboard to provide update on payment status
 - b. Determine if payment is severely overdue
 - i. If yes, initiate lien procedures
 - ii. If no, continue payment follow-up activities
 - c. Send monthly statements to owner via CMiC

4. Payment Receipt & Reconciliation
 - a. Receive payment
 - b. Deposit payment and record transaction
 - c. Scan and save payment details
 - d. Reconcile payment



E. Key Milestones

This section defines the critical checkpoints within the Accounts Receivable process that indicate readiness to move forward. These milestones align with key review, approval, compliance, payment, and reconciliation activities, ensuring invoices are processed, paid, and recorded in a controlled and consistent manner.

#	Milestone	Description
M1	Obtain Owner Approval for Draft Billing	Draft progress billing has been reviewed and approved by the owner and is ready for formal submission
M2	Submit Billing	Owner-Approved billing has been submitted and committed in CMiC
M3	Payment Complete	Payment has been received, recorded, and reconciled

F. RACI Overlay

The RACI Overlay defines who is Responsible (R), Accountable (A), Consulted (C), and Informed (I) at each stage of the Accounts Receivable process. It provides clarity on ownership, reduces gaps and overlaps, and ensures accountability is maintained from planning through execution.

Responsible (1) – Performs the work to complete the activity or deliverable

Accountable (1) – The individual is ultimately answerable for the outcome of the activity

Consulted (>/= 1) – Roles who provide input, expertise, or guidance

Informed (>/=1) – Roles who are kept aware of progress or outcomes

N/A – Not applicable

Empty – No role assigned

TBD – To be determined

Process Step	Responsible	Accountable	Consulted	Informed
Generate project billing	Project Lead, Project Accountant	Project Lead Direct Manager	FBP	
Develop and submit draft progress billing to owner for review	Project Lead, Project Accountant	Project Lead Direct Manager	FBP, Operations Director	
Revise billing based on owner feedback, if required	Project Lead, Project Accountant	Project Lead Direct Manager	Owner Rep, FBP, Operations Director	
Obtain owner approval of draft progress billing (M1)	Project Lead	Project Lead Direct Manager	Project Accountant, FBP	
Submit pay application to owner	Project Accountant OR Project Lead, Billing Specialist	Project Lead Direct Manager	FBP, Project Accountant	FBP, Project Accountant
Commit invoice in CMiC (M2)	Project Accountant	FBP	Accounting Manager, Assistant Controller	Accounts Receivable Specialist, Project Lead
Follow up on outstanding payments	Accounts Receivable Specialist, Project Lead	Project Lead	Operations Director, VP, CFO, FBP	

Process Step	Responsible	Accountable	Consulted	Informed
Send monthly statement review to owner	CMiC	Accounts Receivable Specialist		FBP, Project Accountant, Project Lead
Update collection and payment notes in CMiC	Accounts Receivable Specialist, Project Lead	Operations Director, VP, CFO	Project Accountant	Operations Director, VP, CFO
Contact client regarding outstanding payment, if required	Operations Director, VP	VP/BGL	Controller, CFO, CRO, FBP	CEO
Initiate lien procedures for severely overdue accounts, if required	Legal, Project Lead	Operations Director, CRO	VP, CFO, President	FBP, Project Accountant, Financial Analyst
Receive payment	Accounts Receivable Specialist	Accounting Manager	Assistant Controller, FBP, Project Accountant	VP, Project Lead, CFO
Deposit payment and record transaction	Accounts Receivable Specialist	Accounting Manager	Assistant Controller, FBP, Project Accountant	
Scan and save payment details	Accounts Receivable Specialist	Accounting Manager		Project Accountant
Reconcile payment (M3)	Staff Accountant	Accounting Manager	Assistant Controller, Controller	



G. Supporting Documents

This section provides practical documents and tools that teams can use to verify that key activities have been completed and nothing has been overlooked. It reinforces consistency and execution quality by turning expectations into clear, repeatable actions.

1. AIA Template
 - a. [AIA G702 and G703 Pay Applications for Contractors | AIA Contract Documents](#)
2. Signature Authority Matrix
 - a. <https://lkeeley.sharepoint.com/sites/RiskManagement/SitePages/Corporate-Signature-Authority.aspx?source=https%3a//lkeeley.sharepoint.com/sites/RiskManagement/SitePages/Forms/ByAuthor.aspx>