



# Customer RMR Management

**PERENNIAL SOFTWARE**  
Makers of SedonaOffice and AlarmBiller

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## Table of Contents

<b>Customer RMR Management Overview .....</b>	<b>4</b>
<b>Main Concepts .....</b>	<b>5</b>
Recurring Line Records .....	5
RMR Tracking Records .....	6
<b>Setup .....</b>	<b>8</b>
Invoice Items .....	8
RMR Reasons .....	9
<b>Deferred vs Non-Deferred Revenue .....</b>	<b>10</b>
<b>RMR Billing Methods [Bill on Date vs First of Month].....</b>	<b>12</b>
<b>Pro-rating .....</b>	<b>14</b>
<b>Recurring Line Dates .....</b>	<b>16</b>
<b>Negative Recurring Lines.....</b>	<b>18</b>
<b>Generating Recurring Invoices .....</b>	<b>20</b>
Cycle Invoicing a Single Customer .....	21

## Customer RMR Management Overview

For most security companies, RMR (Recurring Monthly Revenue) is the primary revenue stream for the company. RMR is the Recurring Revenue invoiced on a monthly basis. Even though a company may invoice their customers for recurring services on billing intervals other than monthly [quarterly, semi-annually, or annually], in SedonaOffice, all RMR tracking and reporting looks at the monthly rate.

Depending on how each company conducts business, many options are available for setting up RMR for your customer accounts.

This session is designed to communicate basic concepts and information pertaining to the RMR features within the SedonaOffice application. The topics that will be covered in this document are:

- RMR Main Concepts
- Setup
  - Invoice Items
  - RMR Reason Codes
- Deferred vs Non-Deferred Revenue
- RMR Billing Methods [Bill on Date vs First of Month]
- Pro-rating
- Recurring Line Creation
- Negative Recurring Lines
- Recurring Line Dates

## Main Concepts

There are two main data tables in SedonaOffice related to RMR; Recurring Line Records and RMR Tracking Records. The RMR reports available within the SedonaOffice Report Manager are based on the Recurring Line records or the RMR Tracking records.

When a new Recurring Line is saved to a customer's record, two records are created; the **Recurring Line** record and the **RMR Tracking** record.

## Recurring Line Records

The Recurring Line records contain the information needed for invoicing the customer when generating a Cycle Invoice batch.

105 Ashley, Victoria \*\* Payment Arrangements \*\*

Victoria Rose Flower Shoppe  
PO Box 12345  
Plymouth, MI 48170

Balance Due: \$100.00  
Last Statement Date: Never  
\* Payment Arrangemen... Over 90 Days Past Due  
Total Active RMR : \$384.64  
Total Active RAR : \$4,615.68  
Customer Type: Residential  
Customer Since: 8/13/2012  
Salesperson: Oliver Blais  
Last Payment Rec'd: \$59.58 (11/20/2016)  
# of Disp Last 1 Days 0

Item Code	System	Cycle	RMR	Cycle Amt	Next Cycle	Cycle Start	Cycle End	Site
<b>MON-Taxable</b>			<b>\$87.15</b>					
Intrusion Monitoring	Intrusion	M	\$27.78	\$27.78	1/1/2017	5/1/2016		Ashley, Victoria
MON-Taxable	Intrusion	M	\$59.37	\$59.37	1/1/2017	11/1/2016		Ashley, Victoria
Lease	CCTV	M	\$21.37	\$21.37	1/1/2017	11/1/2016		Victoria Rose Flower Shoppe
MON-Taxable	CCTV	M	\$38.00	\$38.00	1/1/2017	11/1/2016		Victoria Rose Flower Shoppe
Remote Access	CCTV	M	\$35.00	\$35.00	1/1/2017	10/1/2015		Victoria Rose Flower Shoppe
Service Agreement	CCTV	A	\$60.00	\$720.00	7/1/2017	7/1/2016		Victoria Rose Flower Shoppe
Service Agreement	CCTV	Q	\$31.50	\$94.50	1/1/2017	10/1/2015		Ashley, Victoria
Service Agreement	CCTV	Q	\$45.12	\$135.36	2/1/2017	11/1/2016		Ashley, Victoria
Lease	Intrusion	Q	\$23.75	\$71.25	2/1/2017	11/1/2016		Ashley, Victoria
MON-Taxable	Intrusion	M	\$42.75	\$42.75	1/1/2017	11/1/2016		Ashley, Victoria
<b>Total</b>			<b>\$384.64</b>					

Notes

## RMR Tracking Records

The RMR Tracking record is used for historical reporting purposes. If a major element of a recurring line is changed, a record is also written to the RMR Tracking table.

Records are written to the RMR Tracking table when:

- Recurring Line is added
- Recurring Line is deleted
- Item Code is changed
- Billing Cycle is changed
- Recurring Line is cancelled
- Rate Increase
- Rate Decrease
- Recurring Line Split

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Customer Type: Residential  
Customer Since: 8/13/2012  
Salesperson: Oliver Blais  
Last Payment Rec'd: \$59.58 (11/20/2016)  
# of Disp Last 1 Days: 0

Eff. Date	Reason	Item Code	Decrease/Re...	Increase/Add	System	User	Edit Date
10/1/2015	Add Service	Service Agreement		\$10.00	(none)	Administrator	8/11/2015 2:44:56 PM
10/1/2015	Add Service	Mon-01 No Tax		\$10.00	CCTV	Administrator	8/11/2015 2:44:56 PM
10/1/2015	Add Service	Remote Access		\$10.00	CCTV	Administrator	8/11/2015 2:44:56 PM
10/1/2015	Add Service	Service Agreement		\$10.00	CCTV	Administrator	8/11/2015 2:44:57 PM
11/1/2015	Add Service	Service Agreement		\$10.00	CCTV	Administrator	8/11/2015 2:44:56 PM
5/1/2016	Acquisition	Intrusion Monitoring		\$0.28	Intrusion	Administrator	5/24/2016 11:25:19 AM
7/1/2016	Add Service	Smoke Detection		\$10.00	CCTV	Administrator	8/11/2015 2:44:57 PM
8/1/2016	Add Service	Lease		\$25.00	Intrusion	Administrator	8/19/2016 6:51:57 PM
11/1/2016	Deceased	Lease	\$1.25		Intrusion	Administrator	11/19/2016 10:27:03 AM
11/1/2016	Deceased	MON-Taxable	\$2.25		Intrusion	Administrator	11/19/2016 10:27:03 AM
11/1/2016	Deceased	MON-Taxable	\$3.13		Intrusion	Administrator	11/19/2016 10:27:03 AM
11/1/2016	Deceased	Service Agreement	\$2.38		CCTV	Administrator	11/19/2016 10:27:03 AM
11/1/2016	Deceased	Mon-01 No Tax	\$2.00		CCTV	Administrator	11/19/2016 10:27:03 AM
11/1/2016	Deceased	Service Agreement	\$1.13		CCTV	Administrator	11/19/2016 10:27:03 AM
12/1/2016	Item Change (SS)	Smoke Detection	\$60.00		CCTV	Administrator	12/1/2016 9:05:48 AM
12/1/2016	Item Change (SS)	Service Agreement		\$60.00	CCTV	Administrator	12/1/2016 9:05:48 AM
12/1/2016	Item Change (SS)	Service Agreement	\$21.37		CCTV	Administrator	12/1/2016 11:34:34 AM
12/1/2016	Item Change (SS)	Lease	\$21.37		CCTV	Administrator	12/1/2016 11:34:34 AM
12/1/2016	Item Change (SS)	Mon-01 No Tax	\$38.00		CCTV	Administrator	12/1/2016 11:35:36 AM
12/1/2016	Item Change (SS)	MON-Taxable		\$38.00	CCTV	Administrator	12/1/2016 11:35:36 AM

Notes

## Setup

There are two main setup tables which are used relative to RMR; Invoice Items and RMR Reason Codes. Values for both of these tables are created and maintained in SedonaSetup.

### Invoice Items

Each Recurring Line is linked to an Invoice Item. Invoice Items which are to be used for recurring services are determined by the Item Type assigned to the Invoice Item. Only recurring type Invoice Items may be selected when creating Recurring Lines for your customers.

The Invoice Item setup determines many things, including, the G/L Account to which the revenue will record, the default description of the service that will print on the customer's invoice, whether the revenue will be deferred, and a default price if desired.

**Invoice Item Types**

Invoice Item Types

Invoice Item Types	Description	Recurring	CS Service
IPJ	Inventory Part-Jobs	N	N
IP5	Inventory Part-Service	N	N
LB3	Labor-Jobs	N	N
LB5	Labor-Service	N	N
NIP	Non-Inventory Part	N	N
NR	Non-Recurring	N	N
OC	Other Charge	N	N
RI	Recurring-Inspections	Y	N
RL	Recurring-Lease	Y	N
RM	Recurring-Monitoring Services	Y	Y
RO	Recurring-Other	Y	Y
RW	Recurring-Service Contract/Ext. Warranty	Y	N

Include Inactive

Invoice Item Types Edit

Invoice Item Types:   Is Recurring

Description:

Central Station Service Apply New Delete

**Item Edit**

Item Type:   Inactive

Account:   Taxable

*Recurring-Monitoring Services* *Revenue - Monitoring*

Non Deferred Income  Available in Sales

Category:   Available in Service

Item:  Job Costing:

Description:  Default Cost:

Default Rate:  Deferred Acct:

Apply New Delete

**Notes**



## RMR Reasons

An RMR Reason is a code that the User is required to select when creating new recurring, modifying recurring or cancelling recurring. The Reason Code selected by the User becomes a part of the RMR Tracking record for the Recurring Line(s). RMR Reasons provide many reporting capabilities.

Each RMR Reason code must be assigned a reason type; these reason types are used by SedonaOffice in producing reports that may be found in the Report Manager within the Client Management report group. The Reason Types are controlled by SedonaOffice and may not be deleted or modified.

RMR Reasons with a Reason Type of SS may not be modified. These codes are used by the software to record information to the RMR Tracking when certain actions are performed by a User.

### SS Reason Type Codes:

Branch Change	Delete (Recurring Line)	Item Change
Site/System Change	RMR Split	

**RMR Reason**

Code	Description	Reason Type	Inact...
Accounting Correction	Accounting Correction	AC	N
Add Service	Add Service	AE	N
Acquisition	Acquisition	AQ	N
Bankrupt	Bankrupt	FC	N
Competition	Lost to Competition	FC	N
Deceased	Deceased	FC	N
End of Contract	End of Contract	FC	N
General Cancellation	General Cancellation	FC	N
Moved	Moved	FC	N
New RMR	New RMR	NJ	N
Non-Payment	Non-Payment	NR	N
Auto add	Added by Auto integration	OR	N
Auto cancel	Cancelled by Auto integration	OR	N
Conversion	Conversion	OR	N
Payment Plan	Payment Plan	OR	N
Rate Increase	Rate Increase	RI	N
Rate Decrease	Rate Decrease	SR	N
Rescind	Rescind Rate Increase	SR	N
Branch Change (SS)	Branch Change	SS	N
Delete(SS)	Delete	SS	N

Include Inactive

**RMR Reason Edit**  Inactive

Code:

Description:

Reason Type:

**Notes**

## Deferred vs Non-Deferred Revenue

In SedonaOffice, Deferred Revenue is an amount invoiced in advance of being earned. For example, if a Cycle Invoice is created and posted for \$25.00 on 12/01/2016 for services that will be provided 01/01 – 01/31/2017, the \$25.00 is unearned in the December 2016 accounting period. The revenue is deferred to the accounting period of the service period being invoiced – January 2017 in this example. When the cycle invoice is posted, the software will automatically debit Accounts Receivable account and credit the Deferred Revenue (liability type) account.

If a cycle invoice covers more than one month, such as a quarterly invoice, when posting the invoice, the software will automatically allocate the invoice deferred revenue into the appropriate month/year.

The default Deferred Revenue account that will be used for posting is setup and maintained in SedonaSetup/GL Account Defaults (AR). If a different Deferred account is specified on the Invoice Item setup, that deferred account will take precedence.

The Invoice Item(s) on the invoice determine whether the revenue will be deferred when an invoice is posted. If the Item Type of the Invoice Item is flagged as a “Recurring Type”, then the Invoice Item may defer revenue. If the “Non Deferred Income” checkbox is selected on the Invoice Item setup, that Item will not post to the deferred account; charges invoiced for non-deferred items will post immediately to your revenue accounts.

A field is available on the Invoice Item setup to select the Deferred Account. This field may be left blank if your company uses a single Deferred Revenue account company-wide.

Notes

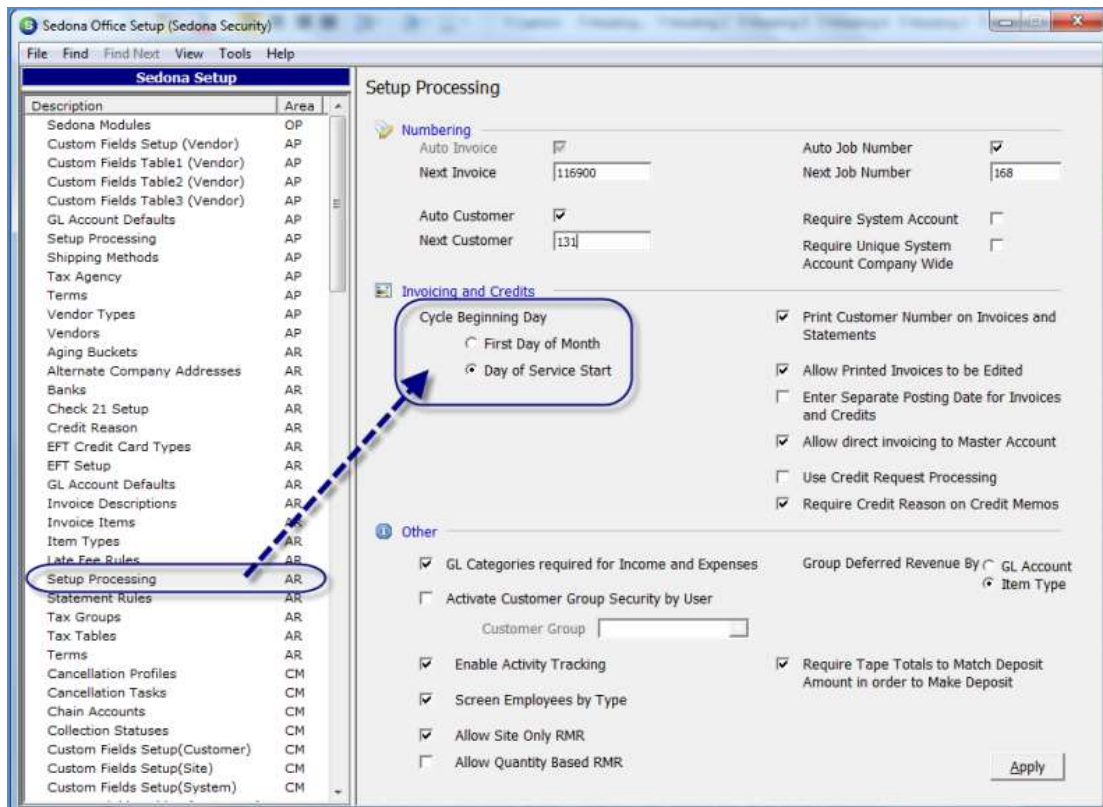


## RMR Billing Methods [Bill on Date vs First of Month]

In SedonaSetup/AR Setup Processing, your company determines which method will be used for billing customers for recurring services; First Day of Month or Day of Service Start.

- If **First Day of Month** is selected, the customer’s recurring charges will always be invoiced in full calendar months. For example, if the billing cycle is quarterly and the recurring start date is set to 06/15/2016 and the next cycle date is set to June 2016, the first cycle invoice will be generated for the pro-rated portion of the billing cycle; from 06/15/2016 through 08/31/2016. On the September 2016 cycle invoice the customer will be billed for the entire quarter.
- If **Day of Service** is selected, when entering a recurring line, a field will be displayed to select the Bill On Day [of the month]. The customer’s recurring charges will be billed starting on the date entered on the recurring line and continue in this fashion. For example, the Bill On Day selected is 15 and the recurring start date is set to June 2016. The customer’s first recurring invoice service period for a monthly cycle will be 06/15/2016 through 07/14/2016. The next month’s invoice would cover 07/15/2016 through 08/14/2016 and so forth.

Each company must select one of the two options above, which is a global setting; all recurring services will be billed using the same method selected above.



Notes

## Pro-rating

For companies using the **First Day of Month** billing method, when generating cycle invoices, the software will automatically calculate pro-rated amounts based upon the dates entered by the User when creating the recurring line.

In the example below, the billing cycle selected is quarterly, and the recurring start date is 12/08/2016 and the starting cycle is December 2016. The first cycle invoice will invoice for the service period of 12/08/2016 through 02/28/2017. The month of December will be a pro-rated number of days; December 8 through December 31.

The screenshot shows a software window titled "New Recurring Item105" with a "Site and System" header. The site information is "Ashley, Victoria (Guest House)" at "1022 1/2 Wayne Road, Salem, MI 48175". The system is "105A Intrusion". The "Recurring Setup" tab is active, showing a "Recurring Item" of "MON", "Description" of "Monitoring Services", and a "Bill Cycle" of "Quarterly" (highlighted with a blue circle). The "RMR Amount" is 40.00 and the "Cycle Amount" is 120.00. The "Next Cycle Date" is "01-Dec-16" (highlighted with a blue circle). The "Recurring Start" date is "12/8/2016" (highlighted with a blue circle). Other fields include "Renewal", "Rate Increase", "Override %", "PO Number", "PO Expires", "Reference", "Comments", and "Memo". A "Use Today as Default" button is visible next to the start date field. "Save" and "Close" buttons are at the bottom right.

Notes

For companies opting to use the **Bill On Day** billing method, pro-rating will never take place via the cycle billing process. If a customer needs to be invoiced for a partial month, the user would need to create a miscellaneous invoice for the pro-rated period of time.

In the example below, the Bill On Date selected is 8, the billing cycle selected is quarterly, the cycle date is set to December 2016, and the recurring start date is set to 12/08/2016. The customer's first recurring invoice service period will be 12/8/2016 through 2/7/2017.

New Recurring Item105 (Sedona Security)

Site and System

Ashley, Victoria (Guest House)  
1022 1/2 Wayne Road  
Salem, MI 48175

Ashley, Victoria  
1022 Wayne Road  
Salem, MI 48175

System 105A  
Intrusion

Panel Type

Recurring Setup | Royalties/Commissions | Changes | Escalations

Recurring Item MON

Description Monitoring Services

Sub Item Of

Bill Cycle Quarterly

Bill On Day 8

RMR Amount 40.00

Cycle Amount 120.00

Enter as Monthly Amt Only

Next Cycle Date 01-Dec-16

Reason for Add New RMR

Recurring Start 12/8/2016

Use Today as Default

Invoice Group #

Renewal

Rate Increase

Override %

PO Number

PO Expires

Reference

Comments

Memo

Save Close

Notes

## Recurring Line Dates

When creating Recurring Lines the entry of date fields is important to generate the desired results when generating cycle invoices.

In the example below on the left, the Next Cycle Date is set to December 2016, the Recurring Start Date of 12/19/2016, and the Billing Cycle is quarterly. When the first cycle invoice is produced for the December 2016 cycle, an invoice will be created for the pro-rated period of 12/19/2016 through 02/28/2017.

Using the example below on the right, the Next Cycle Date is set to January 2017, the Recurring Start Date of 12/19/2016, and the Billing Cycle is quarterly. In this case, the customer will not be invoiced for any days in December 2016, but will receive a full quarter invoice when the January 2017 is generated. Essentially the customer will receive free service for the period of 12/19/2016 through 12/31/2016.

The image displays two screenshots of the 'New Recurring Item' form for 'Sedona Security'. Both screenshots show the same site and system information: Ashley, Victoria (Guest House), 1022 1/2 Wayne Road, Salem, MI 48175. The system is '105A Intrusion' and the panel type is 'Intrusion'. The recurring item is 'Maint' (Maintenance Agreement) with a 'Quarterly' billing cycle. The RMR Amount is 18.00 and the Cycle Amount is 54.00. The 'Enter as Monthly Amt Only' checkbox is checked. The 'Reason for Add' is 'Add Service' and the 'Use Today as Default' checkbox is checked. The 'Invoice Group #' field is empty.

**Left Screenshot:** The 'Next Cycle Date' is set to '01-Dec-16' and the 'Recurring Start' date is '12/19/2016'. The 'Recurring Setup' tab is active.

**Right Screenshot:** The 'Next Cycle Date' is set to '01-Jan-17' and the 'Recurring Start' date is '12/19/2016'. The 'Recurring Setup' tab is active.



**i** Entering a Recurring Start Date that is in a month/year earlier than the Next Cycle Date may skew the results on some of the RMR Reports available within the Report Manager. When creating a new recurring line, the Recurring Start Date is known as the Effective Date that records to the RMR Tracking record. To make certain the RMR appears as new RMR in the correct month/year, the User may open the corresponding RMR Tracking record and change the effective date. In the example on the previous page on the right, the Effective Date on the RMR Tracking record would be changed to 01/01/2017.

The screenshot shows a software interface for managing Recurring Master Items (RMR). On the left is a tree view of the account structure. The main window displays customer information for Ashley, Victoria (Guest House) and a table of RMR records. A dialog box titled 'RMR History' is open, showing details for a specific RMR record. A callout box points to the 'Effective Date' field in the dialog, which is currently set to 11/27/2016, with an arrow indicating it should be changed to 01/01/2017.

Eff. Date	Reason	Item Code	Decrease/Re...	Increase/Add	System
11/27/2016	New RMR	MON		\$40.00	Intrusion

**RMR History Dialog Box Fields:**

- Customer Number: 105
- Branch Code: MI
- Site Address: 1022 1/2 Wayne Road
- Item Code: MON
- System Code: Intrusion
- System Account: 105A
- Effective Date: 11/27/2016
- Job Code: 000
- RMR Amount: \$40.00
- User Code: Administrator
- RMR Reason: New RMR
- Comments: (empty text area)

Notes

## Negative Recurring Lines

Negative recurring lines may be created to track and display discounts extended to your customer on their recurring invoice. You may create as many negative recurring lines as desired as long as the total of the positive and negative recurring lines billing on the same invoice is not less than zero. Companies may want to create special Invoice Items for the purpose of tracking free or discounted services.

Negative Recurring lines may be created to track services that are discounted to a customer or for services that are being provided to a customer at no charge. Discounts may continue indefinitely or may be setup to end on a particular date. These limited discounts may be used when your company offers free services for a certain period of time, then begin invoicing the customer without a discount on a future date.

**Note:** The total amount of discount recurring lines may not exceed the positive value recurring lines. If the total of the discount and non-discount recurring lines nets to zero, a cycle invoice will be created during the Cycle Invoicing process with a net due amount of zero.

The screenshot shows a software window titled "New Recurring Item105 (Sedona Security)". The window is divided into several sections:

- Site and System:**
  - Site: Ashley, Victoria (Guest House), 1022 1/2 Wayne Road, Salem, MI 48175
  - System: 105A, Intrusion
  - Panel Type: (empty)
- Recurring Setup:**
  - Recurring Item: Discount
  - Description: Preferred Customer Discount
  - Sub Item Of: (empty)
  - Bill Cycle: Quarterly
  - RMR Amount: -4.00 (highlighted with a blue circle and arrow)
  - Cycle Amount: -12.00
  - Next Cycle Date: 01-Dec-16
  - Reason for Add: New RMR
  - Recurring Start: 12/1/2016
  - Invoice Group #: (empty)
- Other Fields:**
  - Renewal: (empty)
  - Rate Increase: (empty)
  - Override %: (empty)
  - PO Number: (empty)
  - PO Expires: (empty)
  - Reference: (empty)
  - Comments: (empty)
  - Memo: (empty)
- Checkboxes:**
  - Enter as Monthly Amt Only
  - Use Today as Default

Buttons for "Save" and "Close" are located at the bottom right of the window.

Notes

## Generating Recurring Invoices

Cycle Invoicing is the process of creating invoices for your customers who have active and billable recurring lines set up on their Site or System records. This process is performed from the Accounts Receivable menu selecting the Cycle Invoicing option.

Cycle Invoicing is a five-step process:

- Generate a Cycle
- Review a report to make certain the data is accurate
- Post the Cycle / Create Invoices
- Apply any open Credits to the Cycle Invoices (optional)
- Print Cycle Invoices

For Master Accounts where the recurring services are billed directly to the Master Account, the cycle invoicing process is initiated from the Master Account List within the Client Management module. For recurring lines on the Subaccounts of Master Accounts that bill directly to the Subaccount, these recurring lines are picked up in the cycle invoicing for Non-Master Accounts.

In summary; if your company uses regular customers and master accounts, each month you will run the cycle billing process twice – once for the regular customers and again for the master accounts.

Typically cycle invoicing is performed once a month. When new recurring lines are added which will begin billing in the month where the cycle invoicing has already been completed, your company may run the cycle billing process at the end of each week or again at the end of the month to pick up the newly added recurring lines.

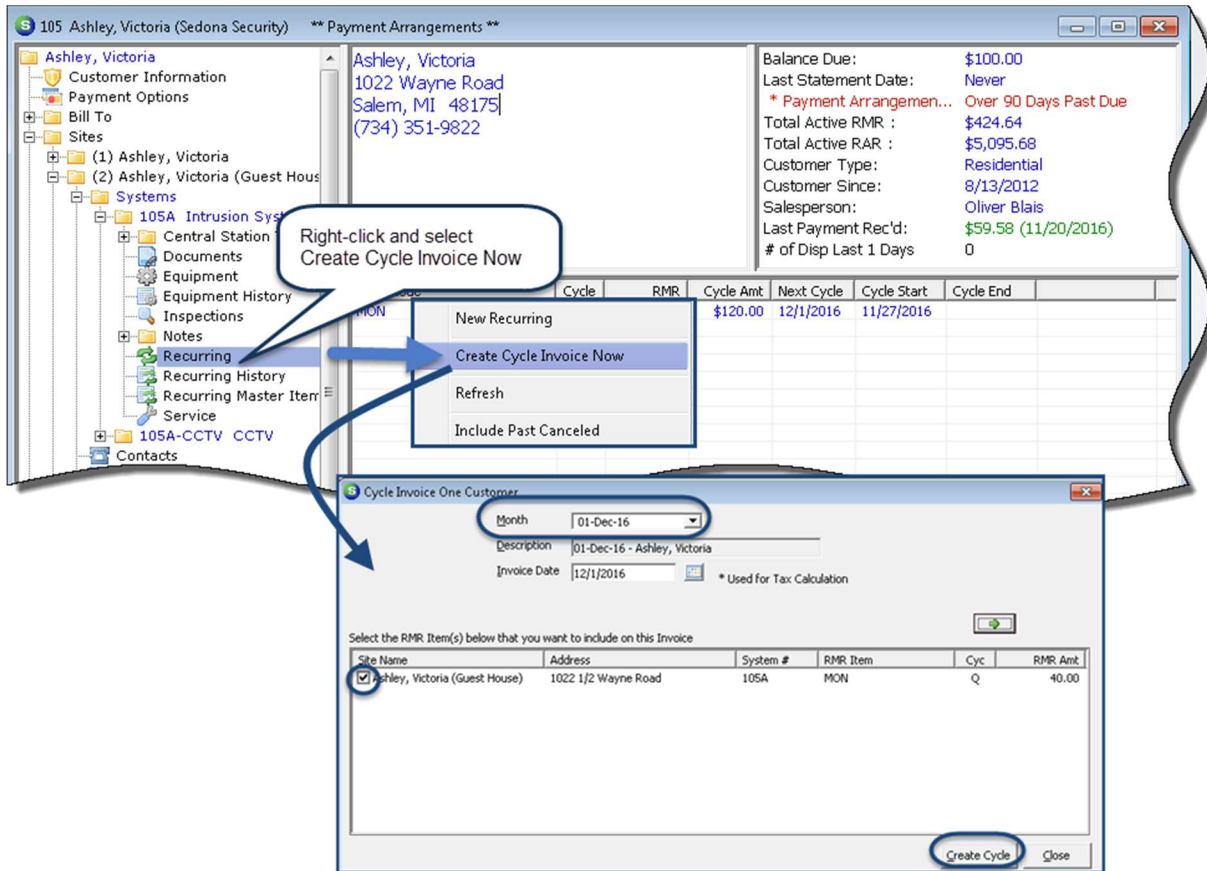
For companies using the Bill On Day method, cycle invoicing is typically performed for each unique Bill on Day 1 through 28 on each of these dates.

Notes

### Cycle Invoicing a Single Customer

Individual customers may be cycle invoiced at any time if desired. This option may be used when the cycle invoicing has already been generated for the month in which the customer begins services and you do not want to wait until the next cycle to invoice the customer.

Cycling a single customer is initiated from a Customer Explorer record. Once the cycle has created, the remainder of the process is the same as if you had generated a monthly batch.



Notes