


Standard Operating Procedure:	Accounts Receivables
Division:	Financial Services
Effective Date:	05/10/2022
Executive Director Approval:	
Reference to ASC or State Policy:	CSU Policy on Accounts Receivable Management
Revisions:	

- I. **PURPOSE:** To outline the procedures in the Accounts Receivables (A/R) process and to ensure that invoices are recorded and maintained in the Accounts Receivables Ledger.
- II. **SCOPE:** This procedure applies to all CSUF and CSU Fullerton Auxiliary Services Corporation (ASC) employees.
- III. **OBJECTIVE:** Accounts Receivables objectives are as follows:
 - Proper segregation of duties is in place;
 - Balances are converted to cash in a timely manner;
 - Amounts due to the ASC are accounted for and properly recorded in the general ledger;
 - Proper collection procedures are followed;
 - Periodic analysis is performed to ensure the proper recording of allowance for bad debts;
 - Accounts Receivables balances determined to be uncollectible are written-off in a timely manner and with proper approval.
- IV. **PROCEDURE:** To ensure all monies owed to ASC are accurately accounted for, all Accounts Receivables due to ASC must be recorded in the general ledger, follow appropriate collection efforts, and record allowance for doubtful accounts and write-offs as outlined in this procedure.

General Information: Accounts Receivables of ASC generally consist of monies owed from CSUF, vendor payments, grants and contracts, employees, and student accounts. ASC uses a centralized A/R system for the creation of invoices. All invoices are systematically numbered, and the A/R number is generated by the system. To initiate an invoice to be generated, the Request for Invoice form, <http://www.fullerton.edu/asc/finance/forms.php>, should be submitted with all pertinent documentation related to the invoice.

Collections: This section applies to all types of receivables, including employee, student, related party and general receivables. ASC will utilize all reasonable collection efforts including direct contact for all balance thresholds and collection agencies when primary

efforts are not successful. ASC will adhere to federal and state laws covering collection practices.

- Employee receivables from payroll salary overpayments or merchandise purchase may be collected using payroll deductions, only when the repayment method and terms are expressly agreed upon in writing. Repayment period will be a maximum of 12 months or paid in full upon separation. Unpaid receivables at separation will become general receivables.
- Term-specific student A/R collection activity will commence upon the end of the term for which the funds were due. Students will receive email notifications of account balance during the term and holds will be used on current term students with past due balances. Unpaid receivables of former students will become general receivables.
- General receivable collection activity (30/60/90-day notification) shall commence beyond 30 days. Collection agency services will be utilized when primary collection efforts are deemed ineffective.

Allowance & Write-Off of Uncollectible Accounts: An allowance for uncollectible A/R will be established based on the type of outstanding debt and expectations of repayment. The expectation of repayment will be determined based on age, type of debt, and historical collections. The allowance shall be reviewed and adjusted as necessary at year-end.

Accounts Receivable balances at least two (2) years old will be evaluated for write-off. Balances less than two (2) years old, may be written off if determined to be uncollectible. The approval of the write-off of uncollectible balances will be documented and will follow the discharge authority below:

- Balances greater than \$10,000 will be approved by the Executive Director;
- Balances less than \$10,000 will be approved by the Controller or designee;
- Balances of Grants & Contracts A/R less than \$100 will be approved by the Director of Grants and Contracts.

V. APPROVALS: Executive Director or designee.

VI. CONTROL & COMPLIANCE: The Accounts Receivable aging shall be periodically reviewed by ASC Directors and the Executive Director.