

GRAYS HARBOR COLLEGE
Administrative Procedure

Subject: ACCOUNTS RECEIVABLE PROCEDURES

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Administrative Procedure Number: 511.01

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I. DEFINITION

Accounts Receivable are amounts that are expected to be collected from private persons, businesses, agencies, funds or other governmental units. Receivables are to be recorded when the asset or revenue recognition criteria has been met or the underlying accounting event has occurred and the amount is determinable. The amount collected may be a revenue or a recovery of expenditure.

The following general ledger accounts are currently used by Grays Harbor College to record the different types of accounts receivable and allowances:

A.	GL 1312	Current Accounts Receivable
B.	GL 1314	Current Loans Receivable
C.	GL 1318	Unbilled Receivables
D.	GL 1319	Current Other Receivables
E.	GL 1342	Allowance for Accounts Receivable
F.	GL 1344	Allowance for Loans Receivable
G.	GL 1351	Due from Federal Government
H.	GL 1352	Due from Other Government
I.	GL 1354	Due from State Agencies

II. PROCEDURE

A. RECORDING OF THE RECEIVABLE

Receivables are to be recorded promptly when the asset or revenue recognition criteria has been met or the underlying accounting event has occurred and the amount is determinable.

1. Tuition and Fees

All unpaid tuition and fees are to be recognized as due on the first day of each quarter. For accounts receivable from other agencies the tuition and fees are recognized after the refund period has ended. Billings will be prepared based on the type of receivable.

2. Returned Checks

All returned checks are to be recognized as debts owed to the college and entered into the accounts receivable ledgers, which includes the Unusual Action screen. The Board approved NSF fee will be assessed to each returned check.

3. Federal Financial Aid Grants

Any federal funds outstanding at the end of the fiscal year are generally recorded. This is necessary to balance revenues and expenditures when reporting on the year end disclosure form.

B. DOCUMENTING THE RECEIVABLES

Transactions affecting the Receivables are to be supported by documents indicating all of the pertinent information related to the transactions.

Documents supporting the receivable transactions and billings will include one or more of the following:

- Contract or agreement,
- Purchase order,
- Returned check,
- Written authorization for adjustment or write-off

All telephone confirmations must be documented with the name and the position of the person contacted.

C. RECEIVABLE PROCESSES

1. All returned checks will be charged the Board approved NSF collection fee.
2. Billings will be prepared as appropriate based on the contract or agreement. The wording of the contract or agreement will determine the billing cycle (i.e., monthly, quarterly, etc.).
3. All outstanding invoices of over thirty days will be sent a reminder letter.
4. All outstanding invoices of over sixty days will be sent the second notice letter indicating that a collection agency is the next step.
5. All outstanding invoices over ninety days will be turned over to the college collection agency.
6. The Accountant will reconcile the subsidiary ledgers to the general ledgers on a monthly basis.
7. Accounts Receivable will prepare quarterly an estimate of the total uncollectible amount, which will include the entries necessary to adjust the college records.
8. Accounts Receivable will prepare annually a submittal of outstanding accounts receivable that are deemed to be uncollectible and need to be considered for write-off by the Controller. The Controller shall review the submittal and recommend to the Vice President for Administrative Services whether accounts are collectible or uncollectible.