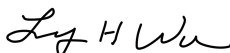


Procedure Number: AC023

Date: September 29, 2006
Updated: December 22, 2022



Lih Wu, Chief Financial Officer

Title: Procedure for Accounts Receivable billing and collection

Statement

This procedure is established to document the billing and collection process of accounts receivable (A/R).

Purpose

To provide procedures related to the invoices generation for services provided by TUC or facilities usage owned by TUC and the process that accounts receivable are monitored and collected.

Procedure

I) Services and Facilities Rental- Non RSP related

Accounting department is responsible for the billing and collection of non- Sponsored Program related receivables as follows:

Memoranda of Understanding (MOUs), and purchase orders (POs) with CSUN and campus auxiliaries are billed monthly by the Accounting department. These are for space rental, payroll processing services and licensing management fees. The MOU or PO specifies the amounts to invoice. A query of account #103007 from the PeopleSoft system provides the amount of payroll and related benefit expenses to invoice.

Invoices are also generated when TUC pays in advance on behalf of a third-party vendor for phone services, travel, labor costs. Examples of this type of third -party vendors are Follett High Education Co., or Auxiliary Organizations Association (AOA). This type of invoices will be sent via email to their accounting department and the appropriate manager.

The Accounts Receivable staff review outstanding invoices and reconciles the Accounts Receivable aging report to the General Ledger on a monthly basis. This reconciliation is further reviewed by the Associate Director of Accounting to ensure its accuracy.

A formal collection email will be sent to the customer for any invoice that is 60 days past due.

For invoices 90 days past due, a copy of the invoice and collection record is forwarded to the Associate Director of Accounting for follow-up. The Associate Director of Accounting will call, email or write a letter in an effort to collect the past due amount. It is not unusual for campus customers to take 90 days or longer to pay their invoices.

Invoice write off authority

For invoices 180 days past due will be closely monitored and escalate, if necessary, until issue is resolved. Invoice of greater than \$25 can be written-off or sent to outside collection agency with the approval of CFO. Balance of less than \$25 can be written off with the approval of the Associate Director of Accounting.

II) Research and Sponsored Programs

Research and Sponsored Programs (RSP) department is responsible for billing RSP related accounts receivable and monitoring the payment status of their assigned sponsored projects. The department administrator (Senior Analyst and above) reviews the accounts receivable report on a regular basis (monthly or quarterly), and investigates invoices past due 90 days or over. The Director of Sponsored Programs will review the accounts receivable aging report on a monthly basis and will work with the staff/liaison to resolve any outstanding issues. A copy of the aging report is sent to the Executive Director.

The Director of Research and Sponsored Programs department reviews aging report with the department staff for invoices 90 days and over on a monthly basis.

For invoices up to 90 days past due, no action is necessary during this time.

For invoices over 90 to 180 days past due, a staff will contact the granting agency by telephone or by email to ask about the outstanding balance. Staff will report the status of the invoice during the regular RSP meeting.

For invoices over 180 to 360 days past due, the staff and the Director will continue to monitor and escalate if necessary until issue is resolved. Director will inform of Principal Investigator to provide assistance in the collection of the outstanding receivable.

For invoices past 360 days past due, staff and Director will continue to send formal past due notices to the client. The Director and CFO will consult with the Executive Director to decide next appropriate step.

Invoice write off authority

All invoices are written off against the Sponsored Programs Reserve.

- a. Less than \$500 – Analyst or Analyst Associate, in consultation with Director
- b. Less than \$5,000 – Department Supervisor or Manager
- c. Less than \$10,000 – Director

- d. \$10,000 and over – must have approval from Executive Director and Associate Vice President of Research & Sponsored Programs or Managing Director of Research & Sponsored Programs.

Payment defaults

The Sponsored Programs Director with the approval of the Executive Director will notify the Associate Vice President of Research and the Principal Investigator concerning all payment defaults. The Dean and the Director of Finance and Operations will be notified as necessary. The Executive Director and Associate Vice President Research will jointly determine the allocation of the related charges.