

POLICY

Effective Date: November 15, 2006
Approved By: President's Council

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S.A.A.M. 85.54.55

Cancels:

POL-U5352.12 ESTABLISHING ALLOWANCES FOR BAD DEBT

This policy applies to all university departments that charge for goods or services provided to student and the public.

Definitions:

Student Account – the record of charges, payments, and adjustments for each student including student tuition, fees, on-campus housing and certain other campus charges. Every student has a student account. Most financial aid money is directly credited to the student account. Fines, amounts charged as a penalty for a statute or rule violation, are not included in charges to the student account.

General Receivable Account – the record of charges, payments, and adjustments for non-student customers. Fines are not included in charges to the account.

Best Practices – the use of programs, initiatives or activities that have been shown through research and evaluation to assure high quality results, efficiency, and consistency.

Accounts Receivable Aging Report – a report of receivable balances due the University which presents invoices by how long the payment is past due. Aging categories are usually set to group invoices by the number of months they have been outstanding; i.e. 30 days, 60 days, 90 days, or longer.

Allowance Account – an account established to reduce Accounts Receivable balances, to allow for those accounts that are not expected to be paid.

1. Bursar Monitors all Aged Receivable Account Balances

The Bursar uses accounts receivable aging reports to monitor the length of time student and general receivable accounts have remain unpaid.

2. Bursar Establishes Allowance Account for All Receivables

The Bursar will follow industry best practices for establishing the amount of the allowance account.

3. Bursar Will Charge Departments for Uncollectible Accounts

Departments will be charged for bad debt expense, either when the allowance account is established or when the uncollectible account is written off.