CCS Administrative Procedure
5.10.01-B Allowance for Uncollectible Accounts

Implementing Board Policy 5.10.01
Contact:  Manager of Accounting & Internal Control, 434-5213

1.0 Purpose
To ensure consistent accounts receivable, billing, collection, and write-off practices.

2.0 Limitations and Requirements
2.1 The objective of this contra-asset valuation account is to reflect the amount of receivables estimated to be uncollectible.
2.2 In accordance with this procedure, state laws, and state policies, the CCS Accounting Department is required to follow these procedures and maintain the allowance for uncollectible accounts.
2.3 Receivables determined to be uncollectible will be written off according to the CCS Billing, Collection and Write-Off procedure.

3.0 Allowance for Uncollectible Accounts
3.1 Estimates of the total uncollectible receivables will be made quarterly and at fiscal year end.
3.2 The balance in the allowance account will be based on a five-year average of accounts receivable. In 2002-2003, an initial balance of $30,000 was established based on the average of accounts receivable balances for the five year period 1996-1997 – 2000-2001 (excluding bookstore and short term loan receivables).
3.3 The allowance account and calculation to determine the balance will exclude short-term emergency student loans. A separate allowance account for short term loans will be established in GL 1344.
3.4 The allowance account will be established and the balance maintained at the fund level.
3.5 Adjusting entries to the allowance account will be made in accordance with OFM SAAM Section 85.63.32.

4.0 Related Information
4.1 OFM, SAAM, Section 85.54.55 – Uncollectible Receivables
4.2 OFM, SAAM, Subsection 85.65.32 – Receivables

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