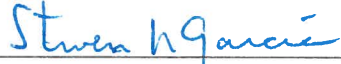


Office of the Vice President for Administrative Affairs

Date: September 2, 2015

cc: Cabinet
Al Viteri
Jonna J. Lewis
(all w/ attachments)

To: Darwin Labordo
Associate Vice President for
Finance and Administrative Services
and Associate Chief Financial Officer

From: 

Dr. Steven N. Garcia
Vice President for Administrative Affairs
and Chief Financial Officer

Subject: Discharge Authority – ICSUAM 3130.01
Accounts Receivable Management

Pursuant to the Integrated CSU Administrative Manual 3130.01, Accounts Receivable Management, I am delegating to the Associate Vice President for Finance and Administrative Services and Associate Chief Financial Officer, the authority to write-off uncollectible balances from all types of receivables, including employee, student, related party and general receivables equal to or less than \$10,000. You may sub-delegate this authority as you see appropriate.

(w/attachments)

3130.01 | Accounts Receivable Management

Effective Date: 12/16/2013 | **Revised Date:** 12/16/2013

POLICY OBJECTIVE

It is the policy of the CSU that each campus maintains policies and procedures for the management of their accounts receivable in order to ensure the following:

- Funds are safeguarded to prevent loss of revenue.
- Proper segregation of duties is in place.
- Balances are converted to cash in a timely manner.
- Amounts due to the University are accounted for and properly recorded as receivables in the general ledger.
- Proper collection procedures are followed and that collection efforts are pursued on debts and accounts receivable balances that are valid and past due.
- Periodic analysis is performed to ensure the proper recording of a provision for uncollectible accounts.
- Debts and accounts receivable balances determined to be uncollectible are written off in a timely manner with the proper approval.

POLICY STATEMENT

Receivable management processes include:

- 100 - Centralization of the Accounts Receivable functions
- 200 - Accounts Receivable Collection
- 300 - Write Off of Uncollectible Accounts Receivable

100 CENTRALIZED FUNCTIONS

To ensure that monies owed to the University are accurately accounted for, all accounts receivables due to the university must be recorded in the general ledger to comply with the collection efforts, and allowance for doubtful accounts and write offs procedures in Sections 200 and 300 of this policy; as well as oversight by the CFO or designee to ensure the policy objective is met.

200 COLLECTIONS

This section applies to all types of receivables, including employee, student, related party and general receivables. Specific details are included below for employee and student receivables.

201 General Information:

Campus procedures must describe the collection efforts applicable to each type of past due receivable. In addition, campus procedures must identify the materiality threshold below which collection efforts will not be pursued.

Campuses are expected to utilize all reasonable collection efforts including direct contact, collection agencies, legal actions and Franchise Tax Board (FTB) refund offsets, subject to federal and state laws covering collection practices. Note that the State allows recovery of debts by offset against tax refunds even after the State statute of limitations has expired.

202 Employee Receivables:

Employee Receivables generated from payroll salary overpayments may be collected using payroll deductions only when the repayment method and terms are expressly agreed upon in writing by the employee and the deduction would not reduce the employee's wage below minimum wage for any period covered within the terms of the repayment schedule. Payroll deduction may not be used to collect payroll salary overpayment receivable from an employee's final paycheck.

203 Student Receivables:

Term-specific student accounts receivable prescribed collection activity (30/60/90 day notification) will commence no later than the end of the term for which the funds were due.

Campuses must identify and establish due diligence processes and materiality thresholds and define collection procedures on term-based student account receivable and any other student debts.

Prior to the prescribed collection activity, clear, timely and ongoing notification of the due dates and student account balances must be conducted by each campus. Some valid methods include: email, messaging, letters, billing, texts, announcements and any web-based methodologies. Each campus is encouraged to utilize holds and enrollment cancellation to manage current term student accounts receivable.

Each campus is authorized to withhold services (such as transcript requests or course registration) as a collection tool when appropriate, including the period after which an account balance has been written off.

300 WRITE OFF OF UNCOLLECTABLE AMOUNTS

301 Allowance and write off of uncollectable accounts receivables

Part of receivable management includes providing for the allowance and write off of uncollectable accounts receivables. Campus procedures must describe:

- The method for determining the allowance for uncollectible accounts receivable
- How debts and accounts receivable balances are determined to be uncollectible
- The process for approving the write off of uncollectible balances

An allowance for uncollectible accounts receivables should be established based on type of outstanding debt and expectations of repayment. The allowance should be adjusted on a quarterly basis but at a minimum the allowance must be adjusted at year end. (See the Legal Manual for details.) Campus procedures must provide that debt and accounts receivable balances determined to be uncollectible must be written off by the close of the fiscal year.

302 Discharge Authority

Campus procedures must require that the Chief Financial Officer (CFO) approve the write off of balances above \$10,000. The CFO may delegate in writing to designated person(s) authority to approve the write off of balances equal to or less than \$10,000.

The write-off of uncollectible balances in funds held by the State Treasurer and accounted for by the State Controller must follow the process outlined in the [State Administrative Manual \(SAM\), section 8776.6](#).