

Accounts Receivable Policy Revision

Summary of Changes Effective January 7, 2021

Current [Accounts Receivable](#) policy.

Summary of Substantive Changes

- Specifies that the policy does not apply to the Health System except to those employees with university past due accounts nor to goods and services exchanged between units (Applies To, all pages).
- Adds that an accounts receivable will not be granted or denied because of any protected status in accordance with the Affirmative Action, Equal Employment Opportunity, & Non-Discrimination/Harassment, policy 1.10 (Policy Details I, p. 1).
- Updates requirements for units billing for accounts receivable (Procedure II, pp. 2-3) and for treatment of customers that have declared bankruptcy (Procedure VII, p. 4).
- Decreases from 90 to 45 days when past due accounts in arrears must be referred to the Bursar's Office for collection, consistent with ORC 131.02. (Procedure IV.B, p. 3).
- Requires that employees pay or make payment arrangements for a past due university account no later than 45 days from invoice date (Procedure VI, p. 3).
- Requires that applicants for employment, including internal applicants, with a past due university debt pay it in full or make payment arrangements with the Bursar's Office prior to hire (Procedure VI, p. 3).
- Requires that policy waivers be approved in advance (Procedure XIII, p. 4) and addresses policy violations (Procedure XIV, p. 4).

Individual Substantive Changes

- Specifies that the policy does not apply to the Health System except to those employees with university past due accounts nor to goods and services exchanged between units (all pages, in header).
- Relocates procedural content from Policy Details to Procedure, reducing repetition and ensuring consistency with the [University Policy Template](#) (pp. 2-4).

Definitions (Page 1)

- Adds: accounts receivable, aging schedule, allowance for uncollectible accounts, earnings operations, exception, Health System, payment of terms net 30, senior fiscal officer, unit, waiver, and write-off (Definitions, p. 1).

Policy Details (Page 2)

- Adds that and accounts receivable will not be granted or denied because of any protected status in accordance with the [Affirmative Action, Equal Employment Opportunity, & Non-Discrimination/Harassment](#), policy 1.10 (Policy Details I, p. 2).
- Requires that when creating an accounts receivable, the unit notify the customer in writing that failure to pay when due may result in finance charges and the account being turned over to the Office of the Ohio Attorney General (Policy Details III, p. 2).
- Requires that the sponsoring unit obtain advance approval by the dean, Bursar's Office, Student Accounting, and the Office of Legal Affairs when a unit provides payment by or on behalf of the university to a student from contract/grant/fellowship/scholarship funds that require the student/graduate to meet certain obligations which if not satisfied could require the student/graduate to repay all or a portion of the payment to the university (Policy Details IV. p. 2).

Procedure (Pages 2-4)

- States that the Bursar's Office approves the creation of new accounts receivable customers in Workday to avoid duplicate customers (Procedure I, p. 2).
- Changes the information that must be included on billing invoices (Procedure II.B.1-6, p. 2.):
 - Eliminates amount is due upon receipt,
 - Adds payment terms of net 30,
 - Adds to existing item: 'Statement that a hold may be placed on all university records *or services, including student records*, if an account is not paid when due,'
 - Adds a statement that all unpaid charges will be sent to the OAG for further collection activity and possible state tax offsets, and
 - Adds a statement that past due balances may incur finance charges and/or late fees.
- Adds that senior fiscal officers are responsible for ensuring that all sales revenue is recorded to the appropriate category and ledger account for their units (Procedure II.C, p. 2).
- Requires that units that operate external to Workday prepare and review an aging schedule on a monthly basis, record their receivables in Workday at least monthly, reconcile receivables balances in Workday to the receivables balances in the unit's local application at least monthly, and provide the aging schedule upon request by the Controller's Office (Procedure II.D, p.3.).
- Decreases from 90 to 45 days when past due accounts in arrears must be referred to the Bursar's Office for collection, consistent with [ORC 131.02](#) (Procedure IV.B, p. 3).
- Requires that units send customers wishing to make payments for accounts assigned to the Ohio Attorney General to the Bursar's Office, that units receiving such a check in the mail take it to the Bursar's Office within one day of receipt, and that the Bursar's Office immediately deposit the check in accordance with the [Deposit of Funds policy](#) (Procedure IV.F, p. 3).
- Requires that applicants for non-student employment with a past due university debt pay it in full or make payment arrangements with the Bursar's Office prior to hire (Procedure VI.A, p. 3).
- Requires that employees pay or arrange to pay for past university debt no later than 45 days from invoice due date and states that corrective action may be taken if this does not occur (Procedure IV.B, p. 3).
- Identifies the Bursar's Office as the sole point of contact for the university for bankruptcy accounts and requires that units notify the Bursar's Office of any customer that has declared bankruptcy and cease collection efforts (Procedure VII, p. 4).
- Requires earnings operations to estimate monthly losses due to bad debts and enter this into the Allowance for Uncollectible Accounts in the general ledger by the end of the month (Procedure IX.A, p. 4).
- Requires units to contact Tax Compliance in the Office of the Controller if sales tax was collected on an amount written off (Procedure X.C, p. 4).
- Adds a section on *Accounting for Bad Debt Recognition and Uncollectible Accounts* (Procedure IX, p. 4).
- Requires that policy waivers be approved in advance and documented by the Office of Business and Finance, using the [Business and Finance Policy Waiver Request](#) (Procedure XIII, p. 4).
- Identifies consequences for policy violations (Procedure XIV, p. 4).

Responsibilities (Page 5)

- Updates the table to reflect the responsibilities of offices or positions as required by the policy.

Resources (Page 6)

- Lists all resources referred to in the policy.

Contacts (Page 7)

- Lists all offices referred to in the policy and their contact information.