

## **Accounts Receivable Management Procedures**

### **Purpose**

This document establishes CSU San Marcos procedures related to accounts receivable (A/R) management in accordance with [ICSUAM Policy 3130.01](#). The objective is to ensure funds are safeguarded to prevent loss of revenue, proper segregation of duties exists, balances are converted to cash in a timely manner, amounts due are valid and properly recorded to the general ledger, collection efforts are pursued, and debts are written off in a timely manner with proper approval.

### **Summary**

All monies owed to CSU San Marcos must be accurately accounted for by ensuring all accounts receivables due to the university are recorded in the general ledger, appropriate collection efforts are followed, and allowances are recorded for doubtful accounts and write-offs. The following procedures shall accomplish this with oversight by the CFO or their designee.

### **Collections**

This applies to all types of receivables, including employee, student, related party and general receivables.

The university will utilize all reasonable collection efforts including direct contact, collection agencies, and Franchise Tax Board (FTB) for balance thresholds \$10 or greater. The university will adhere to federal and state laws covering collection practices. It is noted that the State of California allows recovery of debts by offset against tax refunds even after the State statute of limitations has expired.

Employee Receivables generated from payroll salary overpayments may be collected using payroll deductions, only when 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 is the preferred repayment method and may not be used to collect payroll salary overpayment receivable from an employee's final paycheck.

Term-specific student accounts receivable collection activities (30/60/90-day notifications) will commence no later than the end of the term for which the funds were due. CSUSM has all students review and accept the terms and conditions of a Student Financial Responsibility Agreement that explains the student's responsibilities related to their fees, as well as the various procedures the university follows to collect a debt.

All students will receive notifications of due-dates and balances owed to the university throughout each term. Utilization of holds and enrollment cancellation will be managed on current term student accounts receivable as applicable.

The university has identified the following thresholds and collection procedures for student account receivables:

<b>Past Due Balance</b>	<b>Withhold Services (Hold)</b>	<b>Tax Offset</b>	<b>Collection Agency</b>
Less than \$750	No	Yes	No
\$750 or greater	Yes	Yes	Yes

CSUSM does not turn over student accounts over to a collection agency or Franchise Tax Board until a balance has reached 150 days past due from its original due date.

Once an account is placed with a collection agency, the account must be paid in full to have a registration hold removed.

Fiscal Services is responsible for non-student billing and collection of various other receivables not listed above, including billings between the university and auxiliaries. Billing will be processed directly in the Common Financial System (CFS) based on supporting documentation (MOU, Contract, etc.).

### **Write Off of Uncollectable Accounts**

An allowance for uncollectible A/R will be established based on type of outstanding debt and expectations of repayment. The expectation of repayment will be determined based on age, type of debt, and historical collections. The allowance will be adjusted at fiscal year-end.

Balances at least two years old will be evaluated for write-off. Balances less than two years may be written off if determined to be uncollectable. Debts and accounts receivable balances determined to be uncollectable will be written off by the close of the fiscal year each year.

The approval of the write-off of uncollectible balances will be documented by Student Financial Services and Fiscal Services and will follow the discharge authority below.

### **Discharge Authority**

The campus Chief Financial Officer (CFO) will approve the write off of balances above **\$10,000**, and the Director of Student Financial Services will approve the write off balances 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 8293.1](#)