

**California State University, Los Angeles (CSULA) Foundation  
Policies and Procedures**

**Subject: Accounts Receivable Policy**

**Approved: January 26, 2012**

**1.0 PROCESSING ACCOUNTS RECEIVABLE**

Accounts Receivable records should be accurate, complete and maintained in a manner indicative of the length of time a debt is outstanding.

**2.0 PROCEDURE**

**2.1 Invoicing and Pledge Documentation**

Invoice requests should route directly to the CSULA Foundation. All invoices and pledge documents are prepared by the CSULA Foundation and mailed to the addressee.

**2.2 Posting Invoices/Pledges**

Business Financial Services post invoices and pledges to the financial system.

**2.3 Collection Efforts**

Past due notices and copies of invoices are sent by the CSULA Foundation to debtors to allow for timely identification of errors in addition to prompting collections.

Collection letters are sent to the debtor/donors in the following sequence:

- First Notice                      30 days past due
- Second Notice        60 days past due
- Final Notice                      90 days past due

When the external account (other than the affiliated entities) is 180 days past due, it is referred to the collection agency contracted with the CSULA Foundation or is written off in accordance with the procedure described in Section 2.4.

**2.4 Allowances for Doubtful Accounts Receivable**

Before the closing of the fiscal year, the CSULA Foundation and Business Financial Services shall analyze and evaluate all invoices/pledges that are older than 180 days past due. Allowance for Doubtful Accounts should be adjusted to reflect the balance of the invoices/pledges that are older than 180 days past due.

## Write Offs

If it is determined that further collection action would not be productive and after one year of collection, an invoice or pledge can be written off against the Allowance for Doubtful Accounts. All write offs must be approved by the Executive Director, CSULA Foundation.

In the case of unpaid invoices, the Accounting Technician will inform the CSULA Foundation and a Credit Hold will be placed in the system to prevent the Foundation from providing further services to the vendor.

All old outstanding balances need to be cleared and advance payments need to be made before further services can be provided to the vendor.

### 2.5 Posting of Adjustments

Payments, partial payments, credits, and other authorized adjustment to AR are posted against the corresponding invoices in order to maintain accurate aging of the AR subsidiary ledger.

### 2.6 Reconciliation of Accounts Receivable Subsidiary Ledger

The AR subsidiary ledger is reconciled to the general ledger control account on a monthly basis.

Any discrepancies will be reported to Business Financial Services in writing or via email with any applicable supporting documentation. Business Financial Services will make any necessary adjustments before closing of the following month-end.

### 2.7 Review of Credit Balances

A review of credit balances is performed periodically by reviewing the AR subsidiary ledger or the accounts receivable aging schedule.