



UC San Diego

Policy & Procedure Manual

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ACCOUNTING PROCEDURES - GENERAL

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SUPPLEMENT I

ACCOUNTS RECEIVABLE PROCEDURES

These procedures are posted on Blink:
<http://blink.ucsd.edu/finance/accounting/accounts-receivable/>

I. INVOICING AND CREDIT MEMOS

A. Types of billing

A UCSD department may bill student, employee, government agency, and general public accounts in two ways:

1. A batch load feed process, which is done electronically for a large number of invoices needed on a regular basis. This is coordinated by University Billing Services (UBS), a unit of Student Business Services (SBS).
2. A UCSD invoice.

B. Procedure

1. Department generates invoice
 - a. To generate an invoice, see the Blink webpage [How to Process a UCSD Invoice](#). Immediately distribute all four copies of the completed invoice as follows:
 - 1) Forward the first and second copies (customer copy and remittance copy) to the customer.
 - 2) Send the third copy (UBS copy) to the Student Business Services Office.
 - 3) Keep the fourth copy (department copy) in the department's files according to retention management procedures.
 - b. If you need to adjust an existing UCSD invoice for an erroneous billing, prepare a UCSD Credit Memo. Immediately distribute all three copies of the completed Credit Memo as follows:
 - 1) Original copy goes to the customer.
 - 2) Second copy goes to the UBS Office.
 - 3) Retain the third copy in your originating department.

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2. University Billing Services reviews and enters invoice.

UBS performs the following steps:

- a. Reviews documents for accuracy and completeness.
- b. Verifies and corrects inaccurate documents.
- c. Batches UCSD ISIS invoices in groups of up to 25.
- d. Key-enters UCSD ISIS invoices on the account. Each batch of invoices is balanced against the key entry session activity transaction screen. UBS corrects any documents that have been processed erroneously.

3. SBS Systems Unit issues status reports

The Systems Unit prepares a monthly Unpaid Charges (Aging) Report. This notice is sent to each department to inform them which invoices remain unpaid.

The department will receive a monthly Unpaid Charges (Aging) Report that documents unpaid invoices. The department is responsible for using this report or the Accounts Receivable Aging Queries to perform in-house collections efforts/ follow-up and to facilitate proper payment of the invoice.

II. ROLES

UCSD's accounts receivable process includes three main roles:

A. Department's role

1. Provides services to outside vendors and invoices those vendors.
2. Uses responsible business practices to maintain confidentiality and security by treating invoices and credit memos as cash.
3. Monitors accounts for prompt payment of invoices and issues late charges when required.
4. Serves as the office of record for accounts receivable, and retains copies of paid invoices or charges for a minimum of five years.
5. Answers questions from vendors and/or students.
6. Promptly deposits payments received.

B. University Billing Services role

1. Enters invoices into ISIS within five business days for next-day viewing in IFIS, FinancialLink, Aging reports.
2. Assists with setting up batch billing processes.
3. Answers billing questions and provides assistance to vendors, individuals, and departments.
4. Establishes and processes time payment agreements for any debtor who, in the Student Business Services Office opinion, is unable to remit payment in full and requests monthly installment arrangements.

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- a. Monitors monthly payments and balances accounts for time payment agreement accounts.
- b. When the debtor is an employee, establishes and processes employee payroll deductions upon receipt of signed authorization by the employee and approval by the Student Business Services Office.
- c. Sends a copy of the completed employee payroll deduction form to the Cashier's Office to be applied against the employees' account to clear the delinquency.
- d. Sends a copy of the completed employee payroll deduction form to the Payroll Office for paycheck deductions.

C. Cashier's Office role

1. Accepts and processes payments to the correct accounts receivable charges using the payment system.
2. Receives returned checks and a Deposit Item Return Advice Letter from the bank.
 - a. Sends a notification letter to the account holder and to the appropriate invoicing department.
 - b. Charges the account for the returned check amount, using an assigned detail code plus a \$35 return check charge.
 - c. Balances the session activity in the Cashiering Report to the Deposit Item Return Advice Letter.
 - d. Sends a copy of the session activity to the General Accounting Office for filing purposes.

III. ISIS ACCOUNT WRITE-OFFS

Each month University Billing Services (UBS) produces a series of reports and letters identifying accounts that are reviewed for possible write-off.

Write-off is the process of determining whether the billing department can collect on the debt within the operating cycle (150 days). If not, the item is charged off of the accounting books for the department. A determination is made as to whether the account should be turned over to a collection agency contracted through the University.

The following is a summary of these reports and department responsibilities and steps required in the processing of delinquent accounts.

A. Unpaid charges report (Aging Report)

1. Each month, UBS generates a notice to the departments that request a review of the Aging Report of their department's billings. The Aging Report lists student, employee, government, and general public accounts that have at least one invoice that is on ISIS AR.
2. Departments identify items appearing on the 90-day portion of the report that are still deemed collectible and reports them to UBS.
3. Departments have 15 calendar days to respond to UBS regarding accounts to be held from collections processing.

B. Recommended for write-off report and past due notices (120-day)

UBS runs a monthly report of uncollectible accounts (items unpaid at the 120-day mark that have not been flagged as collectible):

1. The UBS unit generates a report to the departments indicating accounts for potential write-off.
2. UBS generates past due letters for mailing.
3. UBS monitors the receipt of payment and/or responses from the debtor.
4. UBS generates a report and second past due letters for distribution/ mailing.
5. UBS monitors the receipt of payment and/or responses from the debtor.

C. Approval for write-off report

Each month and 30 days after dissemination of past due notices (150 days), any account still past due is referred to the Director of Student Business Services, Assistant Controller, and the Controller for approval to write off the accounts.

D. Write-off

1. Each month, after write-off approval has been received (180 days), Student Business Services writes off the specified account(s), applies write-off holds to each student account, and codes accounts that have total write-offs greater than \$25 into collection agency status.
2. After write-off, a report is generated and sent to collection.
3. If payments are received from the agency, the account is opened, payment is applied, and the account is closed.
4. If the account is canceled and returned by the agency, then it must be taken out of collection agency status.
5. Student Business Services then reviews the account and determines if it should be assigned to a second collection agency.

IV. ACCOUNT CLASSIFICATION

Accounts are classified in two ways: student debt and non-student debt.

A. Student debt

Information on student account late fees, holds, and administrative hearing procedures is found in Supplement II.

B. Non-student debt

1. Employees: An employee with a continuing delinquency may be requested to volunteer/ authorize a payroll deduction. Payroll Office procedures will ensue.
2. Entities: If invoices are collectible, accounts may be stayed from the normal collections procedure. If not, they may be assigned to a collection agency.

