



Agency Defined Receivables Systems

Policy Area: Accounts Receivable	Effective Date: 07/01/2005
Policy Sub Area: NA	Last Revision Date: NA
Authority: G. S. 147-86.21	Policy Owner/Division: Statewide Accounting

Policy

Agencies and institutions should ensure that accounting and financial management systems are adequate to properly account for, record, and manage receivables, whether those systems are manual or automated. The receivables systems of the States agencies and institutions should:

- Bill accounts on a timely basis, whether the receivables are due from private entities, the federal government, localities, or state agencies and institutions. Accounts should be billed when goods are provided or services rendered, unless contractual requirements specify other billing terms or billing terms used are in accordance with industry standards. Payment terms should be thirty days after billing unless contractual requirements specify otherwise or payment terms used are in accordance with industry standards;
- Maintain an accurate record of receivables transactions;
- Effectively interface with other applicable agency-based accounting systems; for example, an agency-based general ledger system;
- Provide an aged trial balance of receivables. OSC requires that the following aging categories be used for Statewide reporting: 1-30 days, 31-60 days, 61-90 days, 91-120 days, and over 120;
- Provide information relative to specific collection efforts on each past-due account;
- Provide realistic estimates of, and properly account for, doubtful accounts and provide adequate documentation of the methodology used (e.g., allowance method, direct write-off method, etc.) to estimate doubtful accounts;
- Provide management reports on the collection status of past-due accounts;
- Properly account for receivables that are written off;
- Recognize and report receivables in accordance with generally accepted accounting principles (GAAP) as required;
- Comply with federal and other contractual regulations regarding the accounting, reporting, and managing of receivables;
- Maintain a record of year-end receivable balances; and
- Provide for the accrual of interest and penalties as allowed or as required by law.

Procedures

NA

Accounting Guidance

NA

Related Documents (Memos/Forms)

NA

Revision History

Date	Description
NA	