

## CCS Administrative Procedure

### 5.10.01-B Allowance for Uncollectible Accounts

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#### Implementing Board Policy [5.10.01](#)

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#### 1.0 Purpose

To ensure consistent accounts receivable, billing, collection, and write-off practices.

#### 2.0 Limitations and Requirements

- 2.1 The objective of this contra-asset valuation account is to reflect the amount of receivables estimated to be uncollectible.
- 2.2 In accordance with this procedure, state laws, and state policies, the CCS Accounting Department is required to follow these procedures and maintain the allowance for uncollectible accounts.
- 2.3 Receivables determined to be uncollectible will be written off according to the CCS Billing, Collection and Write-Off procedure.

#### 3.0 Allowance for Uncollectible Accounts

- 3.1 Estimates of the total uncollectible receivables will be made quarterly and at fiscal year end.
- 3.2 The balance in the allowance account will be based on a five-year average of accounts receivable. In 2002-2003, an initial balance of \$30,000 was established based on the average of accounts receivable balances for the five year period 1996-1997 – 2000-2001 (excluding bookstore and short term loan receivables).
- 3.3 The allowance account and calculation to determine the balance will exclude short-term emergency student loans. A separate allowance account for short term loans will be established in GL 1344.
- 3.4 The allowance account will be established and the balance maintained at the fund level.
- 3.5 Adjusting entries to the allowance account will be made in accordance with OFM SAAM Section 85.63.32.

#### 4.0 Related Information

- 4.1 OFM, SAAM, [Section 85.54.55](#) – Uncollectible Receivables
- 4.2 OFM, SAAM, [Subsection 85.65.32](#) – Receivables