

2.10 - Financial Control of Budget: Accounts Receivable - Policy

Section: Finance
Subject: Financial Control of Budget: Accounts Receivable
Policy: 2.10
Approved: March 2001
Reviewed: October 29, 2014
Revised: November 1, 2015

The VP Finance shall establish guidelines for monitoring accounts receivable and for the collection of accounts in arrears.

The VP Finance shall provide reports to the Board of Directors in accordance with the requirements of the Continuous Agenda.

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Invoice Procedure

Request to Invoice

All invoices will be issued by the Accounting Department. All projects and revenue are to flow through the invoicing program. Invoicing is to be kept current to minimize collection issues. Regional offices will forward all invoicing information to Accounting as soon as correct details are known.

Forms will be filled out and forwarded to the Accounting Department. The Accounting Department will then issue and invoice the client.

Three lines are available for comments at the bottom of the invoice. If a specific comment is required, the Accounting Department must be notified prior to preparing the invoice.

Invoicing is posted to the General Ledger in real time.

Contracts/Special Projects

When contracts are signed, a billing schedule is to be created and maintained by the Accounting Department.

All class project forms shall have the SIS number on them.

Office Rent, Equipment Rent and Other Charges

All office rent is to be invoiced monthly or as required, along with the appropriate charge for fax, postage and photocopies.

Union reimbursements are to be invoiced quarterly or as required and a copy of the invoice given to the VP Administration.

All other charges are to be invoiced in the month they occur.

Trade Accounts Receivable

Accounts receivable shall be segregated from the cash receipt function.

Accounts receivable subledger shall be reconciled to the General Ledger monthly.

The Aged Receivables report will be reviewed on a monthly basis to determine which accounts are in arrears:

- current - no action to be taken
- 31 to 60 days - 1st letter requesting payment
- 60 to 90 days - 2nd letter requesting payment
- > 90 days -- Final request for payment and indication of collection action if not paid within 30 days

The Accountant will send the first two letters requesting payment. If no response has been received on the first two letters, the Accountant is to inform the VP Finance who will send out the final demand letter.

For balances that are not paid in response to "Request for Payment Letters", the VP Finance at his/her discretion may secure the services of a collection agency.

Adjustments to accounts receivable balances (due to write-offs etc.), shall be approved by the VP Finance.

Write-offs of Uncollectable Accounts

Write-offs are to occur only after all other means of collection have been attempted. Once an account has been with a collection agency for a period of three months, it should be written off unless some progress is being made on the account.

Approval as follows:

- Up to \$2,499; VP Finance
- \$2,500 to \$5,000; President and CEO
- Greater than \$5,000; Board

A listing of accounts written off is to be maintained.