

Policy Name	<b>ACCOUNTS RECEIVABLE</b>		
Policy #	<b>301</b>	Category	FINANCE
Steward	VP, Finance & Facilities	Date Approved	JULY 1, 2023
Next Review Date		Date Reviewed or Revised	

### **POLICY**

This policy exists to ensure appropriate and consistent collection and valuation of aged and delinquent accounts receivable.

To establish guidelines for consistent, accurate and timely management of accounts receivable including collection, allowance, write off and reporting practices.

### **SCOPE**

Accounts receivable and bad debt collections.

With respect to student tuition receivables and collections, also refer to the Domestic Tuition and Refund Policy and the International Student Tuition and Refund Policy for due date and collection timelines.

### **DEFINITIONS**

<b>Arrears</b>	Accounts receivable that remain unpaid past the due date
<b>Allowance for Doubtful Accounts</b>	Is a contra asset account that records the portion of accounts receivable that is deemed potentially uncollectible and are deducted from accounts receivable on the statement of financial position.
<b>Write Off</b>	Means to permanently remove the recorded amounts from the accounts receivable as the amount has been determined to be uncollectible.

### **PROCEDURES**

#### **1. Request for Invoices**

All invoices will be issued by the Accounting department. Request for invoice forms are to be completed and submitted electronically to the accounting department where official invoices will be issued to customers.

## **2. Accounts Receivable Collection Procedures**

The Accounts Receivable subledger shall be reconciled to the General Ledger monthly.

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

- Current – no action taken
- 31 to 60 days – reminder e-mail/phone call
- 61 to 90 days – 1<sup>st</sup> letter requesting payment
- > 90 days – Final request for payment and indication of collection action if not paid within 30 days
- Accounts receivable clerk will follow up with e-mail/phone call and prepare 1<sup>st</sup> letter. If no response has been received on either the phone call/email or letter, the clerk will inform the Controller who will send out the final demand letter.
- For balances which are not paid in response to the “Request for Payment Letters,” the Controller at his/her discretion may secure the services of a collection agency, if not paid within 120 days. Only accounts that are greater than \$3,000 will be sent to the collection agency for further action.
- Student accounts may be placed on hold at the Controller’s discretion, in consultation with the Program Manager, as outlined in the applicable tuition policies.

## **3. Allowance for Doubtful Accounts**

Finance reviews the allowance for doubtful accounts on an annual basis, at a minimum, and adjusts it accordingly based on a combination of age of accounts and likelihood of collections.

## **4. Write-offs of Uncollectable Accounts**

Write-offs are to occur only after all other means of collection have been attempted. Typically accounts greater than a year in arrears would be written off and the final decision is at the discretion of the Controller and VP Finance and Facilities.

Write offs of uncollectable accounts less than \$50,000 can be written off by the VP Finance and

Facilities-upon consultation with the Chief Executive Officer. Write offs greater than \$50,000 require board approval.

Finance maintains an annual listing of accounts written off and provides the CEO with an annual report.

**LEGISLATIVE COLLECTIVE AGREEMENT REFERENCES**

N/A

**LINK TO OTHER RELATED POLICIES, DOCUMENTS AND WEBSITES**

Domestic Tuition and fee refund policy,  
International Tuition and fee refund policy