



---

**POLICY TITLE:     Accounts Receivable Policy**  
**POLICY NUMBER: 2100**

2100.1 It is the policy of the District that accounts receivable be reviewed monthly, as it is critical to the cash flow of the District and requires continued follow-up and attention.

2100.2 Procedures:

- a) The accounts receivable balances are reviewed monthly by Office Clerk I/II, along with assigned staff.
- b) Notices are sent for all accounts 30 or more days past their due date.
- c) Finance charges of \$10.00 per month are assessed on all accounts past due as provided by District Ordinance 2009 W-1 and applicable exhibits.
- d) Credit memos are limited to control of the Office Clerk II, after consulting with the District Manager or his or her designee.
- e) At month-end closing, an accounts receivable schedule is prepared, reviewed, and reconciled to the General Ledger. The trial balance report is compared to the General Ledger for accuracy.
- f) An appropriate allowance for bad debt is carried on the Balance Sheet. Every attempt is made for collection. At year-end it is determined if there are uncollectible items and, if so, those are written off by the Office Clerk II, upon approval by the District Manager or his or her designee. Any amount over the approved allowance for bad debt must be approved by the Board of Directors prior to write off.