

# AGRICULTURAL FOUNDATION OF CALIFORNIA STATE UNIVERSITY, FRESNO

Policy No. 4002

## Accounts Receivable Policy

This policy is applicable to the following auxiliary corporations:

- Agricultural Foundation
- Association
- Associated Students, Inc.
- Athletic Corporation
- Foundation
- Programs for Children

### REVISION RECORD

| Date       | Version  | Revision Description           |
|------------|----------|--------------------------------|
| 11/16/2007 | Revision | Approved by Board of Governors |
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### DOCUMENT CONTROL

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|--------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------|
| <b>Approved By:</b><br>Board of Governors                                            | <b>Date Approved:</b><br>11/16/2007                        | <b>Next Review Date:</b><br>January 2011       |
| <b>Responsible Position(s):</b><br>Associate Vice President for Auxiliary Operations | <b>Affected Units:</b><br>All units, staff, and volunteers | <b>Document Control Number:</b><br>Policy 4002 |

## PURPOSE

It is the policy of the Agricultural Foundation of California State University, Fresno (Ag Foundation) to collect payment for goods and services in a timely manner. To accomplish this, the following procedures have been implemented.

## REGULATIONS

The Agricultural Foundation's Enterprise Managers (EMs) are responsible for providing a completed UARCO sales invoice at the time of the transaction. The UARCO must contain detailed documentation of the sales transaction, customer information, and customer signature. Full payment upon delivery of the goods or services is required unless as noted below. Payments received directly by the EMs are to be remitted within five (5) working days to the Association Accounting Office (AAO) for prompt posting to accounts.

Enterprise unit employees are not authorized to provide Ag Foundation goods or services to any individual in advance of receiving full payment. However, goods or services may be advanced to businesses, school districts, FFA organizations, etc. and to individuals contracting with the Feedlot. UARCOs (invoices) for credit sales must be forwarded to the AAO within five (5) working days of the date of the sale. **Note:** Credit sales for goods or services will not be booked for an enterprise unit unless the UARCO is signed by the purchaser or an authorized representative.

The AAO is responsible for sending monthly statements of account to the customers and to ensure maximum compliance of settlement of the amount in full within the 30-day grace period. Once an account is past the 30-day grace period, it will trigger automatic and periodic reminders until such time that the account is settled in full. Reminders will be sent as per following schedule: 30, 60, 90, and 120 days after the UARCO transaction date. Monthly interest charges will accrue on unpaid accounts beginning 30 days from the UARCO invoice date at a rate of 1.5% (18% annual rate).

While the AAO will do its best to collect all outstanding balances in full, it will require the full cooperation and assistance of the enterprise staff. A monthly aged accounts receivable report for accounts past the 30-day grace period will be provided to the Director of Agricultural Operations with copies to EMs, and to the Chief Financial Officer (CFO) of the Association. **The Director of Agricultural Operations is responsible for monitoring the aging of accounts receivable with the EMs.** The CFO is responsible for accurate accounts receivable reporting.

For Non-Campus accounts: When invoices reach 30-day delinquency status (defined as 31 days from the date of the sale, and 31-60 days on the Aging Report), the Association Accounting Office will mark the monthly statements

containing delinquent invoice amounts “Past Due”.

For On-Campus accounts: When invoices reach 30-day delinquency status the Association Accounting Office will mark the monthly statements “Past Due” and will send a copy of the statement to the appropriate Associate Dean and/or Vice President.

A periodic and updated list of delinquent customers and those who have written bad checks will be made available to the EMs. It is important that the EMs take note of not only customers who have defaulted in transactions related to their enterprise but other enterprises as well. At the discretion of the Ag Foundation, the customer’s charging privileges may be revoked indefinitely.

Uncollectible Debt: For purposes of calculating year-end surplus, receivables that have not been cleared by the end of the fiscal year closeout and are over 365 days delinquent will be deemed uncollectible and will, in consultation with the Director of Agricultural Operations, be written off against the allowance for bad debt. Such amounts will be reported annually to the Agricultural Foundation Board of Directors in addition to the amount of the annual allowance required as determined by the Ag Foundation’s external audit firm. The allowance for bad debt will be replenished as required by the enterprise of origin. In the case of collection of these written-off receivables in a subsequent year, the income minus any collection fees will accrue to the allowance for bad debt in the year they are collected.

## IMPLEMENTATION

The Associate Vice President for Auxiliary Operations and Enterprise Development or his/her designee, in accordance with the applicable auxiliary corporation Management Services Agreement, has the authority to implement this policy.