

## **Invoicing and accounts receivable guidelines and procedures**

### **I. PURPOSE**

The purpose of the Cleveland State University (CSU) Guideline for the Invoicing and Recording Accounts Receivable is to ensure that all billings and receivables established by a department or college are invoiced and recorded through the Office of Treasury Services Accounts Receivable area.

### **II. GUIDELINE**

The generation of bills for all fees and services provided at CSU **must** be processed by the accounts receivable area of the Office of Treasury Services. All employees regardless of college or department on campus are strictly prohibited from invoicing on their own behalf. **No unpaid fees are to be invoiced directly by a college or department.** The controls detailed below are designed to ensure that all revenues are identified, invoiced and accounted for through the accounts receivable area of the Office of Treasury Services. This process is designed to ensure that transactions are accurately reflected in the University's and departmental financial records.

### **III. PROCEDURES**

Billing requests should be forwarded to the accounts receivable area via email or campus mail to the attention of the Associate Director. A *Confirmation of Service Form* should be completed for each billing request. Information from the Confirmation of Service will be input directly into PeopleSoft within three days of receipt. This will result in a debit entry in the University's general ledger (7283-xxxx-xxxxx) and a corresponding credit entry into the college or department's income account. The open (unpaid) amount will be invoiced on a monthly basis until paid. Invoices are prepared on the 3<sup>rd</sup> Wednesday of each month.

On a monthly basis, each college or department fiscal officer will receive an accounts receivable aging report that details the individual unpaid items. Unpaid items over 60 days can be assessed a late fee, at the request of the college or department. After an account has remained unpaid for 150 days, the fiscal officer will be contacted to request further instructions regarding collections activities. Accounts that remain unpaid for more than 180 days can be written off (income is reversed from the department's revenue line). An account can also be forwarded to the Ohio Attorney General's Office for further collection activities.

At the end of each month, each college or department should reconcile the transaction register to all receipts submitted via the Confirmation of Service forms to validate the transactions recorded. The monthly aging report must be reviewed to verify that items

have been properly recorded. The  *Holding Account*  should be reviewed periodically to ensure that no items being held in suspension should be credited to your department's receivables. The detail of the Holding account will be forwarded to each Fiscal Officer on a bi-monthly basis

#### IV. AUDITS OF REVENUE

The Department of Audits will periodically audit a sample of revenue recorded in departmental and other income and fee accounts. Departmental backup will be reviewed to verify that the above procedures are being followed.

Violation of the guideline defined here when discovered during the course of routine annual departmental audits may result in the suspension of departmental rights to engage in providing contractual (billable) services.