**University of Washington**

**RECEIVABLES PROCEDURES**

**OVERVIEW & REPORTING REQUIREMENTS**

This procedure supports the Invoice Receivables policies for the

University of Washington. It provides procedures regarding receivables for departments using the central services offered by Student Fiscal Services, who oversees the central billing service for the University of Washington Invoice Receivables and is charged with the responsibility of ensuring that UW departments follow the state guidelines. These guidelines can be found at

<https://www.ofm.wa.gov/sites/default/files/public/legacy/policy/85.54.htm>. The services provided at Student Fiscal Services meet the requirements of the state for the billing, collection and reporting of miscellaneous receivables for departments. Using the central services provided by SFS ensures the department is meeting state guidelines.

The UW Administrative Policy Statement regarding Sales of Goods and Services can be found at <http://www.washington.edu/admin/rules/policies/APS/59.05.html>.

Departments will generate and send the initial billing to customers. The procedures section of the website provides the details for issuing invoices. The services provided by Student Fiscal Services include aging of past due accounts, posting of payments, and management of past due invoices, processing write-offs, and informing the departments when a bill is uncollectible. In addition, SFS will submit the annual receivables report to the state’s Office of Financial Management. SFS has an internal billing system for billing and aging of invoices.

Note: Departments who process their own billing and do not utilize central services via SFS need to ensure they follow all regulations related to billing. Please refer to the second link on the I/R website for the details.

**DEFINITION OF RECEIVABLES**

Receivables are defined as amounts due, which are to be collected from private persons, businesses, agencies, funds, or other governmental units. Receivables are to be recorded as soon as the underlying accounting event has occurred and the amount is determinable.

**REQUIRED ACCOUNTING STANDARDS FOR THE STATE OF WA**

The University’s accounting standards reflect policies established by the state’s Office of Financial Management and apply to all University departments, including those that maintain their own billing systems. The required accounting standards for aging of Receivables are as follows:

* Current - Accounts not yet due. Date due is calculated from the invoice date and stated term (e.g. “net 30").
* Past Due – Accounts become past due 31 days after the invoice issue date.
* Management of Invoices – Student Fiscal Services reviews invoices when they are 120 days or more past due.
* Uncollectible - All invoices not paid by 180 days past due are uncollectible. The invoice data is removed from active status in the billing system.

**MAINTAINING AN ALLOWANCE FOR UNCOLLECTIBLES**

The allowance for uncollectible is the amount of the total receivables outstanding that is not expected to be collected in the future. The allowance is calculated annually.

**CENTRAL REPORTING REQUIREMENTS**

The University must submit an annual receivables report to the state’s Office of Financial Management that shows receivables by aging category and the allowance for uncollectibles. Departments that do not use Invoice Receivables must submit a copy of their June 30th Aging Invoice Receivables report and write offs to Financial Accounting ([accountg@uw.edu](file:///\\nebula2.washington.edu\uw\groups\sfs\receivables\Invoice%20Receivables\accountg@uw.edu), 206-221-7845, Box 354965).

Invoice Receivables will supply the required year-end reports to Financial Accounting for departments utilizing the IR system.

**GENERAL DEPARTMENTAL BILLING/COLLECTION GUIDELINES**

Whenever possible, a department should collect payment at the time goods are delivered or services rendered. Immediate payment provides substantial savings in recording invoices and payments, reconciling accounts, and following up on collection of unpaid invoices. Generally, amounts under $20 should not be billed; payment should be collected at the time of the transaction.

**BILLING AND COLLECTING REVENUE, AND ACCOUNTING FOR DEPARTMENT RECEIVABLES**

Departments that do not collect payment at the time goods are delivered or services rendered should issue an invoice at that time. The department must maintain all documents and records including all pertinent information relating to the transactions.

Part of the billing is to include sales tax when appropriate. The UW Tax Office website can be contacted for detailed sales tax questions. <https://finance.uw.edu/tax/home> Questions not answered by the website can be emailed to [taxofc@uw.edu](mailto:taxofc@uw.edu) or call 206-685-0571.

**VENDOR SETUPS**

Many larger vendors require that the department be set up in their Accounts Payable system. Examples would be Facebook, Google, many of the Universities etc. At times, the vendors have a third party that takes care of sending their payments. It is the department’s responsibility to set up accounts directly with the vendor. The department will sign any agreements with the vendor. Invoice Receivables is not able to do this for the departments. To assist with completing the required forms or online entries, please refer to the codes and numbers section of the Institutional Facts and Rates information on the UW website. <https://www.washington.edu/research/institutional-facts-and-rates/>

The I/R department uses a **different** DUNS number and State vendor number. **DO NOT** use the numbers listed on this website. Send an email to us to get the correct number. If a W-9 is needed also request that by sending an email to [invoices@uw.edu](mailto:invoices@uw.edu).