
**DOUGLAS COUNTY ADMINISTRATIVE
POLICIES AND PROCEDURES**

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SUBJECT: ACCOUNTS RECEIVABLE

I. PURPOSE: The purpose of this policy is to define the practices and policies governing how receivables are established, collected, monitored and reported throughout the County and to:

- Ensure that County revenues are actively collected in a manner that is fair, equitable, and timely.
- Ensure that accounts receivable (A/R) activities are performed consistently and in compliance with applicable regulations, guidelines, and best practices.

I. SCOPE: This policy applies to all County employee who are responsible for, or involved in, any part of the accounts receivable function. This includes employees at the department or program level where the activities that give rise to the establishment of A/R (i.e. the performance of services or delivery of goods) occurs and employees within other administrative functions such as finance, treasury, accounting, etc. This policy applies to all County departments, programs and entities (i.e. the Town of Minden), which are collectively referred to as “departments” throughout this policy. This policy applies to all County A/R for general operations, but does not apply to grant-related A/R.

II. POLICIES:

A. General A/R Policies

- 1) A/R Defined: Receivables represent amounts due to the County for goods furnished or services provided before the end of the reporting period and include amounts that are significant and measurable.
- 2) Responsibilities: By adoption of this Policy, the Board of County Commissioners is empowering the County Manager, or their authorized representative, with certain duties and responsibilities related to the A/R function.
 - a. Within the County, overall A/R responsibility has been assigned by the County Manager to the Chief Financial Officer (CFO). The CFO is ultimately responsible

for ensuring that all A/R is recorded, recognized, and reported in accordance with generally accepted accounting principles as prescribed for governments by the Governmental Accounting Standards Board (GASB). The CFO is responsible for ensuring that departments that have A/R understand their responsibilities, have documented policies and adequate internal controls in place to manage A/R, and report A/R activity and balances in accordance with these policies.

- b. The Director, or their designee, within each department or program that has A/R is responsible for all actions necessary to account for, collect and report A/R. (Refer to Section III for a full list of departments/programs that handle A/R).
- 3) Systems: It is the preference of the County that all departments utilize the County's primary financial system (New World System) for A/R activities. If that is not possible, the department should work to determine whether their current billing system can interface with the County's existing system.

B. Establishing A/R Policies

- 1) In general, A/R is established when the County delivers goods or services where payment has not yet been collected from the customer, client or resident ("customer").
- 2) For all instances of A/R across the County, responsible parties will maintain an accurate record of transactions by establishing client accounts and documenting A/R within an appropriate system in accordance with GAAP. Sufficient detail shall be collected to identify the customer name, billing address, telephone number, amount of A/R, date of service, and nature/type of service provided.
- 3) All A/R will be recorded in a manner to permit an analysis of the aging of such receivables (e.g., <30 days, 30-60 days, etc.).
- 4) The Director of each department/program is responsible for upholding appropriate segregation of duties by ensuring that any staff member involved in establishing, billing and adjusting customer/client accounts is not involved in receiving or depositing A/R payments and vice versa. If segregation of duties is not possible, mitigating controls must be implemented and enforced.

C. Billings and Collections Policies

- 1) All A/R will be billed on a timely basis. Each County department that manages A/R will establish an appropriate billing schedule and method(s) to notify customers when payments are due. This information will be documented in the department's A/R procedures.
- 2) A system-generated invoice for goods or services will be prepared at the time the goods are provided or services rendered. In instances where the customer is not billed immediately, an invoice must be produced and sent to the customer at least 30 days before the first payment is due.
- 3) Invoices will include the date on which the invoice was prepared, a description of the goods or service, the date or date range on which the goods or services were provided, the potential consequences of untimely payments (such as late fees and interest charges) and any outstanding balances. Invoices will be sent to customers

(via mail or email) on the same date stated on the invoice.

- 4) All customer notifications (including delivery of initial invoices or past due notices) will be documented and tracked within the A/R system or a separate collection log.
- 5) Each County department that creates A/R will establish an appropriate method to receive and record payments into their A/R system. This information will be documented in the department's A/R procedures and shall follow established County cash/payment receipt handling policies.
- 6) If payments are not received directly by the department (i.e. paid online, sent directly to the County's Treasurer's Office, etc.), the department must ensure that all payments are correctly posted in the A/R system.
- 7) Departments will establish an appropriate schedule and method(s) to notify customers when payments are past due. For A/R that becomes past due, all customers should be notified of past due payments three times (for example at 30, 60, and 90 days past due) before additional collection action is taken. The specific requirements and processes must be documented in each department's internal A/R procedures. All collection efforts and activity must be adequately documented, and that documentation must be maintained.
- 8) After the customer has received a final notification, as required by each department's A/R procedures, the department will proceed with the appropriate action such as disconnecting service, revoking license or service, processing a lien, etc. The Director is responsible for ensuring that all laws and regulations are complied with and any required approvals, Legal review or other actions occur and are documented.

D. A/R Monitoring and Reconciliation Policies

- 1) All A/R activities will be monitored using an A/R aging report, or other system report that includes all balances, by customer. At the end of each month (or another frequency agreed to with the Finance Department), the department will run the aging report and deliver it to the County's Finance Department for review within 15 days of the end of the reporting period (see A/R Reporting section). The department will also use this report to work past-due and delinquent accounts.
- 2) Departments must ensure that all outstanding balances are consistently monitored and that account billing and collection activity is in compliance with A/R procedures.
- 3) A/R activity and balances must be reconciled at least monthly. Reconciliations should include reconciling the beginning A/R balance, plus new billings, less payments recorded, less write-offs processed, to the ending A/R balance. All variances must be reviewed and resolved prior to submittal of the report to the Finance Department (within 15 days of the end of the reporting period). Reconciliations must be reviewed and approved by the appropriate level of oversight in each department. The approved reconciliation must be submitted to the Finance Department, along with the A/R aging report from D.1 above.

E. Adjustments and Uncollectible A/R Policies

- 1) In general, individuals responsible for handling customer payments and preparing deposits should not have access to post account adjustments or write-offs. Whenever possible, this responsibility should be delegated to individuals not involved in payment collections. If this is not possible due to resource restrictions, adequate mitigating controls must be in place such as someone independent of billing and collections running a system report of all adjustments and write-offs processed on a regular basis and reviewing the activity for reasonableness and appropriate support.
- 2) Adjustments: At times, an account adjustment is required to correct a billing error or to issue a credit for a waived fee/charge. All account adjustments, regardless of the reason for the adjustment, must be properly documented and approved and the supporting documentation must be retained by the department.
- 3) Write-offs: All available means of collecting A/R will be exhausted before write-off procedures are initiated. Accounts must be deemed as “uncollectible”, in accordance with documented A/R procedures, before an account is written-off in the A/R system.
 - a. All write-offs must be approved internally (within the respective department/program), in accordance with each department’s A/R procedures, approval must be documented, and the support must be maintained to support the write-off posted.
 - b. After internal department/program approval, all proposed write-offs and supporting documentation shall be submitted to the Finance Department for review in consultation with the District Attorney’s Office.
 - c. All write-offs that are \$1,000 or less may be administratively approved by the Finance Department in consultation with the District Attorney’s Office.
 - d. All write-offs that are over \$1,000 must be submitted to the Board of County Commissioners, or other respective Board (i.e. Gardnerville, Genoa and Minden Boards) for approval.
 - e. Documentation of the approvals must be documented and maintained to support the write-off posted.
- 4) The Finance Department will establish an allowance for doubtful accounts to reflect the amount of the County’s receivables that is estimated to be uncollectible. The establishment of an allowance account ensures that the County’s A/R are not overstated and that accounts deemed uncollectible are timely and accurately

F. A/R Reporting and Oversight Policies

- 1) Each department that manages A/R must work with the Finance Department to determine the appropriate reporting schedule for A/R (i.e. monthly, quarterly and/or annually). Once agreed to, the department must run reports, review the reports for accuracy, and submit them to the Finance Department within 15 days of the end of the reporting period.

- 2) Directors are responsible for ensure appropriate oversight of their department’s A/R activity and balances. Reports should be run and reviewed on a consistent basis.

III. PROCEDURES:

A. General A/R Procedures: A/R is handled by various departments across the County including, but not limited to:

911 Emergency Services	Public Administrator
Airport	Public Guardian
Assessor	Public Library
China Springs Youth Camp	Public Works Department
Clerk	Recorder
Community Development	Sheriff’s Department
Community Services Department (Animal Services, Social Services, Weed Control)	Technology Services Department
County Manager	Town of Gardnerville
District Attorney	Town of Genoa
Finance Department	Town of Minden
Human Resources Department	Treasurer
Judicial Services	University of Nevada, Reno Extension
Juvenile Probation & Detention	

- 3) Documented Procedures: All County departments that have business-type activities that result in A/R (i.e. goods furnished or services provided) are responsible for having internal procedures documented. Documented procedures must cover, at a minimum, the following:
- a. Types of A/R handled and accounted for;
 - b. Methods in which A/R is established and identified;
 - c. How billings and collections will be performed including the frequency of billing and collection efforts, individuals responsible, etc.;
 - d. Monitoring controls to ensure A/R is actively managed and properly controlled;
 - e. Reconciliations performed to ensure the completeness and accuracy of account balances and activity;
 - f. How adjustments/write-offs will be controlled, what qualifies an account as uncollectible, related approval procedures and documentation required; and,
 - g. Reporting established and overall responsibility.

The documented procedures for several County departments that handle large volumes of A/R are presented in sections B through G below. All other departments

are responsible for documenting their procedures internally and ensuring those procedures are current and implemented.

- 4) Approval of Procedures: Departments must ensure that internal department procedures are kept current (i.e. updated to reflect current practices, systems and structure), are approved by the Department Director, or their designee, and submitted to the CFO.

B. Minden-Tahoe Airport A/R Procedures

- 1) Types of A/R: The Minden-Tahoe Airport (Airport) handles several types of A/R which include:
 - a. *Hanger Rentals*: Customers rent space within the Airport hangers and are charged a rental fee.
 - b. *Building Leases*: Customers lease buildings that are managed by the Airport and are charged a monthly lease fee.
 - c. *Land Leases*: Customers lease land that is managed by the Airport and are charged a monthly lease fee.
- 2) Establishing A/R: A/R is established in the following ways:
 - a. *Hanger Rental A/Rs*: Once rental agreements are established with a customer, the Office Manager creates a customer account within QuickBooks. The Office Manager creates invoices on a monthly, quarterly or annual basis. When the invoices are generated, the A/R is established in QuickBooks.
 - b. *Building Lease A/R*: Once rental agreements are established with a customer, the Office Manager creates a customer account within QuickBooks. The Office Manager creates invoices on a monthly basis. When the invoices are generated, the A/R is established in QuickBooks.
 - c. *Land Lease A/R*: Once rental agreements are established with a customer, the Office Manager creates a customer account within QuickBooks. The Office Manager creates invoices on either a monthly or annual basis dependent on the agreement with the customer. When the invoices are generated, the A/R is established in QuickBooks.
- 3) Billing and Collections: The Office Manager is the primary individual responsible for monitoring billing activities; however, adequate segregation of duties must be in place to ensure that the Office Manager is not responsible for collecting payments and that all account adjustments/write-offs are reviewed by someone independent of the billing and collection process. Billing and collections are processed as follows:
 - a. Billing is completed monthly, quarterly or annually dependent on the type of rental/lease and the related customer agreement. To perform billing, the Office Manager emails or mails out the invoices one month before a customer's payment is due.
 - b. When payments are received, an employee who is independent of the Office Manager is responsible for opening the payments, recording payments on a Cash Receipts Log/Listing, and preparing the deposit for the County's Treasury Office.

- c. The employee will take the deposit to the County's Treasury Office and submit the Cash Receipts Log/Listing, and any remittance documentation received with payments, to the Office Manager for posting to the customer's account in QuickBooks.
- 4) A/R Monitoring and Reconciliations: The Office Manager is responsible for overseeing and monitoring all unpaid A/R balances. The procedures below apply to all types of Airport A/R (hanger rental, building leases, and land leases).
- a. *A/R Monitoring*:
 - i. On a monthly basis, one week before payments are due (for hanger rental, building leases and/or land leases), the Office Manager runs an A/R Aging Summary Report to determine outstanding balances.
 - ii. For customers who have not yet paid, the Office Manager either emails or calls each customer one week before payment is due.
 - iii. The customer begins to incur late fees immediately after the payment due date. Late fees are monitored, by the Office Manager, for proper recording.
 - iv. The Office Manager delivers three invoice notices (i.e. past due notices/statements) to customers at the 30-, 60-, and 90-day marks. The date of each notice is documented within QuickBooks for monitoring. All collection efforts, including phone calls made, emails sent, and notices/statements, must be documented in the customer account (electronically or manually maintained). The Office Manager is responsible for monitoring collections and ensuring all collection efforts are properly documented.
 - v. If past due balances are not paid in full after the final invoice notice (90-days), the Office Manager notifies the Airport Director. The Airport Director then brings the issue to the County's Board of County Commissioners to begin the eviction process.
 - b. *Reconciliations*: The Office Manager is responsible for reconciling A/R on a monthly basis to ensure that the prior month's ending A/R balance, less payments received (as recorded on the Cash Receipts Log/Listing), plus current billings processed, reconciles to the ending A/R balances. The Office Manager will document this reconciliation and research any variances.
- 5) Adjustments and Uncollectible A/R: Generally, account adjustments are required in the following situations:
- An account is deemed to be uncollectible and needs to be written off
 - An error is made in the billing process and needs to be corrected; or,
 - An approval to adjust off a fee (late charge) is agreed to.
- a. *Uncollectible Determination*: In general, accounts are typically deemed to be uncollectible once the eviction process is approved by the County's Board of County Commissioners. However, the Airport Director must approve all account

write-offs before they occur, and the approval must be documented and maintained (i.e. in the electronic or manual account file).

- b. *Errors*: If an error is identified and must be corrected, the initial error and the proposed correction must be documented to show the trail of what occurred. This documentation should be maintained (i.e. in the electronic or manual account file) to support the updates made to customer accounts.
 - c. *Fee Adjustments*: If a fee adjustment is agreed to, the Office Manager will document the reasoning and the amount adjusted.
 - d. *Processing Changes*: The Office Manager is responsible for making all updates/changes to customer accounts whether due to uncollectible write-offs, error correction or fee adjustments. All changes must be properly documented, approved in writing if required, and the documentation must be retained to support the account change.
- 6) A/R Reporting: The following reporting occurs for all Airport A/R and account activity:
- a. *Control Reviews*: On a weekly basis, the Office Manager runs the Audit Report from QuickBooks to determine if there are any discrepancies that need to be addressed. On a monthly basis, the Office Manager provides the Audit Report to the Airport Manager, and any other requested system reports, for review. Specifically, the Airport Manager must review for:
 - i. All account changes (write-offs, corrections or adjustments) appear reasonable and appropriate. All write-offs were for accounts that are documented as being approved as uncollectible.
 - ii. Aged accounts are being pursued for collection.
 - iii. Account balances and activity appear reasonable.Documentation of the Airport Manager's review must be maintained.
 - b. *Reporting to Finance Department*:
 - i. On a monthly basis, the Office Manager will provide the Audit Report, Deposit Detail Report and an Aged A/R Report to the Finance Department.
 - ii. At fiscal year-end (June 30th), the Office Manager will run the Aged A/R Report and perform a detailed review to ensure it accurately reflects all unpaid balances as of June 30th. The report must be provided to the Finance Department by July 15th for determination to be made on whether the A/R is material and should be posted in the New World System.

C. China Springs Youth A/R Procedures

- 1) Types of A/R: The China Springs Youth Camp (CSYC) facility processes only one type of material A/R which is:
 - a. *Health Services*: Facility residents receive specified medical/counseling services. In order to receive reimbursement for these services, CSYC bills Medicaid.
- 2) Establishing A/R: When a resident session occurs that qualifies for Medicaid reimbursement, CYSC staff are responsible for logging into the CYSC system database, daily, to input information on sessions that occurred. At the time billing is processed each week/month, A/R is established.

- 3) Billing and Collections: Given the volume of billing activity and the importance of performing timely Medicaid billing to ensure collection, Medicaid billing occurs on a weekly basis, whenever possible. However, at a minimum, it must be done monthly.
 - a. The Facility Director runs a Qualifying Session Report from the CSYC system database that reports the total number of qualifying sessions that occurred during the period (since the last time billing was performed) by resident.
 - b. The Facility Director will utilize the report to manually input the information into the Medicaid system for reimbursement. To ensure the accuracy of input information, the Facility Director will compare the total number of sessions on Qualifying Session Report to the total number of sessions input in the Medicaid system.
 - c. Payment from Medicaid is typically received within one week of billing. Payments are received via an electronic transfer to the Treasurer's Office.
- 4) A/R Monitoring and Reconciliations: When payment is received from Medicaid, the Facility Director reviews the Medicaid Remittance Report against the original Qualifying Sessions Report to perform a basic reconciliation and identify any discrepancies. The Facility Director also contacts the Treasurer's Office to confirm that the electronic transfer was completed successfully.
 - a. Documentation of this comparison, as well as any follow-up performed on discrepancies identified, will be made by the Facility Director.
 - b. If an invoice is rejected by Medicaid, either due to an error in entry by the County or an error by Medicaid, the Facility Director is responsible for resubmitting the billing and/or following up on the rejection.
- 5) Adjustments and Uncollectible A/R: Given Medicaid will pay for all qualifying sessions, they generally should not be instances where A/R for CSYC is written-off as uncollectible. The Facility Director is responsible for monitoring billing and collection activity and following up on rejections to ensure payment.
- 6) A/R Reporting: The following reporting occurs for all CSYC A/R:
 - a. The Facility Director will provide a Summary A/R Report, showing the balance of outstanding A/R (unpaid balances pending payment from Medicaid), to the Finance Department on a monthly basis.
 - b. At fiscal year-end, the Facility Director must thoroughly review the Summary A/R Report to ensure it is accurate and complete. No later than July 15th of each year, a Summary A/R Report of all outstanding balances as of June 30th must be prepared and submitted to the Finance Department for financial reporting purposes.
 - c. Medicaid provides an Annual Report to the County each year, which represents all billing and payment activity for the calendar year. This report should be reviewed by the Facility Director and compared to the internal reports to ensure consistency.

D. Community Services Department A/R Procedures

- 1) Types of A/R: The Community Services Department (CSD) processes only one type of material A/R which is:
 - a. *Social Services Community Health Nurse:* Patients receive medical services which are provided by the Community Health Nurse. The County utilizes a third-party administrator which bills individuals and Medicaid on their behalf.
- 2) Establishing A/R: Once the Community Health Nurse has performed a billable service for a client, the nurse submits a Summary of Services to a Third-Party Administrator (TPA) and the CSD. The Summary of Services must be submitted on a weekly basis.
 - a. The CSD Budget Analyst enters the information from the Summary of Services into the New World System, which establishes the A/R and records the related revenue. The Budget Analyst will enter information on a weekly basis to ensure that revenue is recorded timely and A/R is established for payments received to be applied to.
- 3) Billing and Collections: Billing and collections are performed on a rolling basis by the TPA, and the TPA reminds collected payments to the County at the end of each month. Payments are remitted directly to the County's Treasurer's Office. When payments are received, the cash is recorded and the related A/R is relieved.
- 4) A/R Monitoring and Reconciliations: On a monthly basis, the TPA sends an A/R Trend Analysis Report, A/R Aging Report and other applicable reports to support their invoice for services. The Budget Analyst is responsible for:
 - a. Reviewing the reports received by the TPA and ensuring their related invoice for services is accurate.
 - b. Comparing the reports received to the New World System and reconciling and resolving any variances. If needed, the Budget Analyst will prepare any month-end journal entries required to ensure the A/R balance reported is accurate. All journal entries must be properly approved and supported.
- 5) Adjustments and Uncollectible A/R: A/R adjustments and/or write-offs are rare. The Budget Analyst must work with the TPA to resolve any billing and collection issues. Any adjustments to A/R reported must be properly supported, documented and approved.
- 6) A/R Reporting: The Budget Analyst is responsible for A/R reporting including:
 - a. Providing a Summary A/R Report, showing the balance of outstanding A/R (unpaid balances pending payment collection and remittance by the TPA), to the Finance Department on a monthly basis.
 - d. At fiscal year-end, reviewing the Summary A/R Report to ensure it is accurate and complete. No later than July 15th of each year, a Summary A/R Report of all outstanding balances as of June 30th must be prepared and submitted to the Finance Department for financial reporting purposes.

E. Public Works Department A/R Procedures

- 1) Types of A/R: The Public Works Department processes only one type of material A/R which is:
 - a. *Water and Sewer Services:* The County provides water and sewer services to residential customers throughout the surrounding area, and there are fees associated with these services.
- 2) Establishing A/R: New accounts are established in the County's New World system in two ways which are:
 - a. *New Home:* If a new home is developed/built, the Public Works Department will receive a notification from the Community Development Department when the connection permit has been submitted. When notification is received, the Administrative Manager will create a new account in the New World system.
 - b. *Home Sold:* If a home with an existing account is sold, the title company will notify the Public Works Department of the sale. The Administrative Manager will update the existing account to reflect the change in ownership.
 - c. Once a new account is established in the New World System, billing will occur monthly, as presented below, at which time A/R is established.
- 3) Billing and Collections: Billing for water and sewer services is performed on a monthly basis through the following procedures:
 - a. The Administrative Manager will run a report from the New World system of all current month services that need to be billed for, as well as prior balances that have not been paid and are considered past due.
 - i. The report is used to generate invoices for the current month (i.e. billed at the beginning of each month for the prior month) as well as past due statements, which are then mailed or emailed to the customers.
 - b. The Billing Clerk will assist in invoice and statement preparation and process the mailing or emailing to the customer on the account. The Administrative Manager is responsible for ensuring that all invoices and statements are mailed or emailed timely each month.
 - c. *Payments:* Customers can remit payments in the following ways:
 - i. Online via eSuite and payments are recorded directly into the New World system, which reduces the customer's account balance.
 - ii. Via mail directly to the County Treasurer's Office. Upon receipt, the payments are recorded to the customer account in the New World system, which reduces the customer's account balance.
- 4) A/R Monitoring and Reconciliations:
 - i. *Monitoring:* On a monthly basis, the Administrative Manager will run a report from the New World System to monitor all unpaid/outstanding balances. Customers with past due balances will receive up to two additional statements notifying them of the unpaid balance. One is sent at 60 days and one at 90 days. The 90-day notices inform the customer that they have 14 days before their utilities will be shut off. Finally, customers will receive a 24-hour hang tag notice one day before their services are shut off. The Administrative Manager is responsible for ensuring that all past due statements sent, and the final hang tag notice, are recorded in the customer account in the New World System.

- b. *Reconciliations*: The Administrative Manager is responsible for reconciling A/R to ensure the prior month's ending balance, plus new invoices created, less payments received, ties to the current month's ending balance. Any variances should be researched and resolved timely.
- 5) Adjustments and Uncollectible A/R: Write-offs of customer accounts is uncommon given that the consequences for non-payment is a customer gets their utilities shut-off.
 - a. During the monthly billing process, the Administrative Manager will run an Inactive Accounts Report, which shows accounts where payment has not been collected and services were shut-off. After shut-off, if payment is not remitted and the account is deemed uncollectible, the Administrative Manager will process an account write-off. All write-offs must be properly supported, via notes in the system of all previous collection efforts (statements, hang tag, etc.).
 - b. If an account adjustment is necessary, such as to fix a billing error or a waived late fee, the Billing Clerk will document the adjustment needed and the reasoning and submit it to the Administrative Manager for approval and system correction/entry.
 - c. On a quarterly basis, the Finance Department will run a report in the New World System of all water and sewer service account adjustments and write-offs. These will be reviewed for appropriateness and to ensure that account notes in the system appear to support the adjustment/write-off activity.
- 6) A/R Reporting: At fiscal year-end (June 30th), the Administrative Manager is responsible for reviewing the Aged A/R Report and ensuring that it appears accurate and that no year-end adjustments are required. This review must be documented, and the results communicated to the Finance Department, by July 15th.

F. Sheriff's Department A/R Procedures

- 1) Types of A/R: The County Sheriff's Department handles two types of material A/R which include:
 - a. *False Alarm Fees*: When a resident triggers a false emergency alarm, the Sheriff's Department charges the alarm company a fee (which they subsequently charge to the resident/client).
 - b. *Liquor and Gaming License Fees*: The County issues liquor and gaming licenses to establishments throughout the area. Once the initial application fee is paid, clients must pay ongoing fees to maintain their license(s).
- 2) Establishing A/R:
 - a. *False Alarm Fee A/R*: False alarm calls are logged into the Spillman System by the Sheriff's Department as they are received. Residents/clients are not charged for their first false alarm, but the County does charge the alarm companies for any subsequent false alarm calls. False alarm fees are manually entered by the Administrative Assistant as A/R, by alarm company, into Quickbooks on a monthly basis, using a report from the Spillman System.
 - b. *Liquor and Gaming License Fee A/R*: When clients apply for and receive a liquor or gaming license, the Records Department creates an account for them in the Accela System. Following the initial license issuance, license holders are billed a

recurring fee on a quarterly basis. When accounts are billed, one month before the due dates, A/R is established.

3) Billing and Collections:

- a. *False Alarm Fees Billing:* Billing for false alarm fees is done on a monthly basis. To perform billing, the Administrative Assistant will run a False Alarm Report out of the Spillman System to determine what amount to involve each alarm company, based on the related residents/clients in which false alarm calls were responded to.
 - i. The Administrative Assistant enters the total amount to be billed, by alarm company, into QuickBooks which creates the invoices and establishes the related A/R. The invoices will note the number of false alarms being billed for and the total charge for the month. A due date is added to the invoices, which is 30 days from the date of invoice preparation.
 - ii. The Administrative Assistant will also prepare past-due statements for unpaid balances at the 30-, 60- and 90-day marks. Unpaid balances are monitored using the Unpaid Invoices Binder and QuickBooks. The date of each statement sent must be documented in the customer account in QuickBooks.
 - iii. The Administrative Assistant will print and mail all invoices and past-due statements and file a manual copy of all mailed invoices in the Outstanding Invoice Binder for payment tracking.
- b. *False Alarm Fees Collections:* Payments are mailed to the Sheriff's Department and someone independent of the Administrative Assistant is responsible for opening the mail, recording all payments received on a Cash Receipts Log/Listing, and preparing a deposit slip for deposit at the County Treasurer's Office. Payments must be handled in accordance with applicable County Cash Handling Policies and Procedures.
 - i. Any payment support (invoice copies or remittance support) along with the Cash Receipts Log/Listing created by the separate employee are given to the Administrative Assistant for recording.
 - ii. The Administrative Assistant will post the payments received to the customer accounts established in QuickBooks and note the receipt in manual Outstanding Invoice Binder. Once an invoice has been fully paid, the invoice can be removed from the binder and filed.
- c. *Liquor and Gaming License Fees Billing:*
 - i. Billing for recurring license fees is done on a quarterly basis. To perform the billing, the Administrative Assistant runs an About to Expire License Report in the Accela System to determine which clients need to pay a fee to maintain their license. All accounts that need to be billed are selected and the invoices are generated in the Accela System. The Administrative Assistant reviews all invoices for accuracy and completeness and then emails them to each client.
 - ii. Clients are given 30 days to pay license fee invoices, plus a 5-day grace period.
 1. The client begins to incur late fees immediately after the 5-day grace period if payment is not received. At 35 days past the date initial invoices were created each quarter, the Administrative Assistant runs a Late Report in the Accela System to determine whether there are unpaid balances.

2. The Administrative Assistant attempts to collect on past-due accounts via phone calls and sending additional statements at 60- and 90-days past due, which include all late fees accumulated to date.
 3. All collection efforts must be documented in the client account in the Accela System.
 4. If payment is not received after the third past-due statement, the Administrative Assistant will report the unpaid balance to Management and the license(s) are revoked through coordination with the Records Department.
- d. *Liquor and Gaming License Fees Collections*: Payments are mailed to the Sheriff's Department and someone independent of the Administrative Assistant is responsible for opening the mail, recording all payments received on a Cash Receipts Log/Listing, and preparing a deposit slip for deposit at the County Treasurer's Office. Payments must be handled in accordance with applicable County Cash Handling Policies and Procedures.
- i. Any payment support (invoice copies or remittance support) along with the Cash Receipts Log/Listing created by the separate employee are given to the Administrative Assistant for recording.
 - ii. The Administrative Assistant will post the payments received to the client accounts established in the Accela System.
- 4) A/R Monitoring and Reconciliations:
- a. *False Alarm Fee A/R Monitoring*: The Administrative Assistant is responsible for monitoring unpaid balances, and sending past-due statements, as documented above. Balances that cannot be collected following the 90-day past due notice must be reported to Management for determination of next steps.
 - b. *False Alarm Fees A/R Reconciliation*: On a monthly basis, someone independent of the Administrative Assistant is required to perform a reconciliation of the QuickBooks activity (invoicing and payments) to the Cash Receipt Log/Listings and deposit documentation for the month. The reviewer should ensure that all decreases to accounts in QuickBooks tie to payments received and deposited, and that any adjustments to accounts are supported by the required approvals and documentation. Any variances must be investigated, and the results must be documented.
 - c. *Liquor and Gaming License Fees A/R Monitoring*: The Administrative Assistant is responsible for monitoring unpaid balances, and sending past-due statements, as documented above. Balances that cannot be collected following the 90-day past due notice must be reported to Management for write-off and the initiation of the license revocation process.
 - d. *Liquor and Gaming License Fees A/R Reconciliation*: On a monthly basis, someone independent of the Administrative Assistant is required to perform a reconciliation of the Accela activity (invoicing and payments) to the Cash Receipt Log/Listings and deposit documentation for the month. The reviewer should ensure that all decreases to accounts in Accela tie to payments received and deposited, and that any adjustments to accounts are supported by the required approvals and documentation. Any variances must be investigated, and the results must be documented.

- 5) Adjustments and Uncollectible A/R:
- a. *False Alarm Fee A/R Adjustments and Write-offs:*
 - i. Uncollectible – Write-offs: Write-offs of A/R are very rare; however, if they were to occur, the account that is being proposed for write-off must be presented to Management for approval, prior to the write-off being recorded in QuickBooks.
 - ii. Account Adjustments: Account adjustments could be required for the correction of a billing error. The Administrative Assistant must document the reason for the adjustment and get documented approval (via email or signature) from Management, prior to processing the adjustment in the customer account.
 - b. *Liquor and Gaming License Fees A/R Adjustments and Write-offs:*
 - i. Uncollectible – Write-offs: If after the final past due statement is sent, payment is not received, the Administrative Assistant will notify the Legal Department to begin the collection process. While write-offs of A/R are very rare, if they were to occur, the account that is being proposed for write-off must be presented to Management for approval, prior to the write-off being recorded in Accella. Approval for the write-off would be documented and scanned into Accella as support.
 - ii. Account Adjustments: Account adjustments could be required for the correction of a billing error. The Administrative Assistant must document the reason for the adjustment and get documented approval (via email or signature) from Management, prior to processing the adjustment in the customer account.
- 6) A/R Reporting: A/R balances must be reported to the Finance Department on a quarterly basis.
- a. *False Alarm Fee A/R Reporting:* The Administrative Assistant will run a Summary A/R Report in QuickBooks (a report that shows unpaid A/R as of quarter-end) at fiscal year-end. The Summary A/R Report will be compared to the Unpaid Invoice Binder to ensure accuracy. If a report cannot be produced from QuickBooks, the Administrative Assistant will prepare a manual listing of unpaid A/R. The report is then provided to the Finance Department for review and possible recording (if material) in the New World system.
 - b. *Liquor and Gaming License Fee A/R Reporting:*
 - i. On a quarterly basis, the Administrative Assistant sends the Reconciliation Report to the County's Treasurer's Office for comparison to payments received and revenue posted.
 - ii. At fiscal year-end (June 30th), the Administrative Assistant will run a report from the Accela System of all outstanding A/R as of June 30th. This report will be reviewed for accuracy and then submitted to the County's Treasurer's Office no later than July 15th for A/R to be recorded.

G. Town of Gardnerville A/R Procedures

- 1) Types of A/R: The Town of Gardnerville (the Town) processes only one type of material A/R which is:
 - a. *Trash Services*: The Town provides trash services to residential and commercial customers throughout the town, and there are fees associated with these services.
 - b. *Engineering Review Fees*: The Town provides engineering reviews, which are considered “pass-thru” in nature and provide for reimbursement in code under 18.06.130 by the respective applicant. Applicants pay \$75 at filing and then are billed \$100 per hour for senior engineer review services performed and \$85 per hour for civil engineer services.
- 2) Establishing A/R:
 - a. *Trash Services*: For a new customer account to be created, customers will call the Town and the Office Specialist, Office Assistant or Administrative Services Manager (ASM) will enter new customer information (including the total number of trash cans to be processed) into the Waste Accounting Management System (Caselle or the “System”).
 - b. *Engineering Review Fees*: New accounts are setup in Quickbooks, either by the customer name or project name.
- 3) Billing and Collections:
 - a. *Trash Services Billing*: Billing for residential customers is performed and billed quarterly, in advance, (i.e. services are billed at the beginning of each quarter for that quarter of services). Commercial customers are billed monthly, in arrears, given the frequency of commercial pickup varies each week dependent on the trash generated.
 - i. The ASM runs the Billing Register Report and the Finance Charge Report from the System. These reports show all balances that need to be billed for and all finance charges that have been incurred. The ASM will review the reports to ensure they are accurate and then print all invoices for mailing. These reports, along with any notes from the ASM’s review, must be retained to support the billing processed.
 - ii. Billing must be performed by the 1st business day of each month.
 - iii. The ASM monitors overdue balances and sends past due statements at the 30-, 60- and 90-day marks. Refer to the Town of Gardnerville, Past Due Accounts-Health and Sanitation Policy and Procedures (#20).
 - b. *Trash Services Collections*: Payments are received directly by the Town. Payments must be processed by someone independent of the ASM. The designated employee is responsible for opening the mail, recording all payments received on a Cash Receipts Log/Listing, and preparing a deposit slip for deposit at the County Treasurer’s Office. Payments must be handled in accordance with applicable County Cash Handling Policies and Procedures.
 - i. Any payment support (invoice copies or remittance support) along with the Cash Receipts Log/Listing created by the separate employee are given to the ASM for recording.
 - ii. The ASM, or their designee, will log each payment into the customer account in the System.
 - c. *Engineering Review Fees Billing*:

- i. The Town Manager and Superintendent perform engineering review services and track their time, by customer/project. Once a project has completed the permit process, all hours are reported including date, total time, and what was done (review plans, research prior approval, prepare staff report, attend meetings, etc.)
 - ii. The Town Manager submits the hours/services information to the Office Specialist to perform billing. The Office Specialist creates the invoices in Quickbooks. Once invoices are prepared, they are reviewed by the Town Manager prior to being sent out to the customer via email (preferable) or mail. The review must include comparison to the hours information submitted and approval of invoices must be documented.
 - iii. The Office Manager will send past due invoices at 30, 60 and 90-days.
 - iv. The Town Manager is responsible for reviewing outstanding aged A/R, at least monthly, to determine what additional actions should be taken.
 - d. *Engineering Review Fees Collections*: Payments are received via mail and follow the same cash collection and deposit process described above for trash service collections. All payment support, and a copy of the Cash Receipts Log/Listing are submitted to the Office Specialist for entry into the customer/project account in Quickbooks.
- 4) A/R Monitoring and Reconciliations:
- a. *Trash Services Monitoring/Reconciliation*: On a monthly basis, someone independent of the ASM is required to perform a reconciliation of the System activity (invoicing and payments) to the Cash Receipt Log/Listings and deposit documentation for the month. The reviewer should ensure that all decreases to accounts in the System tie to payments received and deposited, and that any adjustments to accounts are supported by the required approvals and documentation. Any variances must be investigated, and the results must be documented.
 - b. *Engineering Review Fees Monitoring*: Each month, the Office Specialist runs a Professional Reconciliation from Quickbooks. The Town Manager is responsible for review the report, and any other necessary reports, to ensure all services were billed for, all collections were properly credited to customer accounts, and any adjustments appear reasonable. The review must be documented.
- 5) Adjustments and Uncollectible A/R:
- a. *Trash Services*: Refer to the Town of Gardnerville, Past Due Accounts- Health and Sanitation Policy and Procedures (#20) for detailed information on how the Town addresses late commercial and residential disposal accounts. In addition to the detailed policy, which addresses how individual past-due accounts are to be handled, the following procedures must be performed to monitor adjustments and overall A/R.
 - i. Uncollectible – Write-offs: A thorough review must be performed at fiscal-year end prior to A/R reporting.
 - ii. Adjustments: If an account adjustment is needed to fix an error in a customer’s account, the ASM will document the justification for the adjustment and process the adjustment in the System. All adjustments must be properly documented and supported.

- iii. Reviews: On a quarterly basis, someone independent of the ASM must run a report from the System showing all adjustments and write-offs that have been processed. The reviewer must ensure that all write-offs are supported by documented approval of the Town Board and that all adjustments appear reasonable and supported. This quarterly review must be documented, and the documentation must be maintained.
 - b. *Engineering Review Fees*: All account adjustments or write-offs must be approved by the Town Manager, and the justification and approval must be documented. During the Town Manager's monthly A/R review, a report of all account adjustments and write-offs must be ran to perform this review.
 - 6) A/R Reporting: On a monthly basis, the ASM runs a Billing Register from the System and provides it to the Finance Department for a journal entry to be processed to record A/R in the New World System. At fiscal year-end, the ASM will run an A/R Aging Report, review it to ensure it is accurate and includes all billings processed as of June 30th, and provide the report, along with the Billing Register and support for write-offs approved by the Town Board to the Finance Department no later than July 15th.

IV. DEFINITION OF TERMS

The following definitions will apply as they relate to this Policy:

- Accounts Receivable (A/R) – Any amount owed to an agency of the County for goods and services that have been provided to a customer or other government agency.
- Past Due (Delinquent) A/R – Any account for which a payment has not been received by the payment due date.
- Allowance for Doubtful Accounts – Management's estimate of the amount of the gross receivable which will be or will prove to be uncollectible.
- Write-Off – A transaction that removes an account which management has determined to be uncollectible from the County's financial accounting records. Writing off the debt for accounting purposes does not discharge the debt. The debt is still owed to the County but is no longer reported on the County's books as a receivable.

V. POLICY REVIEW

This policy will be reviewed annually by the Douglas County Internal Review Committee.