

Category: 200 – FINANCIAL

Number: 212

Subject: **ACCOUNTS/GRANTS RECEIVABLE POLICY**

Purpose: The purpose of this policy is to:

1. Define the parameters for the use of accounts/grants receivable for monies owed to the County at any particular time.
2. Define the authority for the write-off of receivables.
3. Communicate to County Elected Officials, Department Heads and Employees the formal policy of the Board of Commissioners regarding accounts/grants receivable.

Authority: St. Clair County Board of Commissioners

Application: This policy applies to all County Elected Officials, Department Heads, and Agencies of St. Clair County that record their accounting activities on the general ledger of the County.

Responsibility: The Administrator/Controller shall be responsible for the implementation and administration of this policy.

Definitions: **Accounts/Grants receivable** are monies that are legally owed to the County at any particular time and represent assets. Examples may include, but are not limited to, the following:

- A. Uncollected amounts due to the County from a Grantor for grant expenditures made.
- B. Amounts due to the County for credit received at a County office.
- C. Amounts due to the County for services rendered by a department to another municipality or entity. (i.e.: Sheriffs services to Townships).

Write-off of Accounts/Grants Receivable is the forgiving of an amount, or part of an amount, of money owed to the County that had been determined to be a receivable.

Policy: Departments that sell on credit, receive grants, or contract their services out will coordinate the regular recording of these receivables with the Finance and Accounting Department. The individual departments will maintain subsidiary ledgers that are reconciled monthly with the general ledger of the County.

Any amount that has been determined by the Department Head to be uncollectible, with the concurrence of the Administrator/Controller, will be forwarded to the Board of Commissioners for approval of a write-off.

Administrative

Procedures: When a Department has an event that creates an Account Receivable it will notify the Finance and Accounting Department. The Finance and Accounting Department will assist in the proper setup of a subsidiary ledger which will be maintained by the affected Department, and provide training in its proper use.

Monthly, the affected Department will present a reconciliation of the accounts to the Finance and Accounting Department, which will then be compared and updated to the County general ledger.

If an Elected Official, Department Head or Agency determines a receivable amount is uncollectible he/she/they will contact the Administrator/Controller for his review and recommendation. After the Administrator/Controller determines that all prudent measures have been made to enforce collection and have failed, he will forward the matter to the Board of Commissioners for approval of a write-off. After an amount has been approved by the Board of Commissioners as being uncollectible it will be written off of both the subsidiary and general ledger.

If, in the creation of an account receivable, it is determined that collection is not assured an allowance for doubtful accounts will be recorded and maintained on the general ledger. A recommendation concerning the amount of the allowance should be forwarded by the Administrator/Controller to the Board of Commissioners for their approval prior to recording the allowance on the general ledger.

Periodic

Review: The Administrator/Controller shall review this policy and make recommendations for changes as needed.

Adopted: September 25, 2002