



City of Riverside
Administrative Manual

Effective Date: 2/2014
 Review Date: 2/2017
 Prepared by: Finance Department

Approved: *[Signature]*
 _____ Department
[Signature]
 _____ City Manager

SUBJECT:

Accounts Receivable

PURPOSE:

To establish a uniform billing and collection procedure requiring that all obligations due to the City of Riverside are recorded on a timely basis, thus ensuring that the City's financial statements will properly reflect accounts receivables and comply with generally accepted accounting principles.

POLICY:

City departments shall, whenever legally permissible, bill governmental agencies, private organizations, and individuals any amount owed to the City that exceeds \$100.00. Amounts less than \$100.00 should be collected at the time service is rendered.

Notification of amounts owed the City shall be made immediately by the department to the Finance Department via the submittal of a billing advice no later than 10 working days after receipt of billing information. This will enable the Finance Department to process and record the accounts receivable data in a timely manner. Any exceptions to this policy must be approved by the Controller.

Use of Third-Party Billing and Payment Processors:

As of the date of this policy, some City departments contract with third-party vendors to bill and collect amounts owed for various fees or charges. City departments using third-party vendors in such a manner are required to report to the Finance Department as of June 30 each year, amounts billed but not collected (i.e., accounts receivable per the third party vendor as of June 30).

PROCEDURE:

Responsibility	Action
Originating Department	1. Prepares a Billing Advice form upon determination of the amount due to the City. The Billing advice must contain the following information: <ul style="list-style-type: none"> • Date prepared • Full name, address, and phone number of customer. • Customer number (Available in IFAS through CDD reports). • Name and department of staff submitting billing advice.

PROCEDURE:

Responsibility	Action
	<ul style="list-style-type: none"> • Complete account coding within designated spaces: <ul style="list-style-type: none"> ○ GL Key ○ GL Object ○ JL Key (if applicable) ○ JL Object (if applicable) ○ Work Order (if applicable) • Amount due • Description of item being billed - including text to be printed on the invoice. • Any necessary documentation - such as expenditure report, grant documents, calculations, lease agreement. • If the item is a recurring item, such as a lease, note this in the description field.
	<p>2. No later than July 20 of each year, report to the Finance Department, with supporting documentation (a detailed report including each amount owed), accounts receivable due to the City through third-party billing and payment collectors as of June 30 of the same year.</p>
Finance/Accounts Receivable	<p>3. Verifies billing information. Prepares and mails invoice. Records the receivable in the Accounts Receivable and General Ledger systems. Forwards a copy of the invoice to the Collections division. Posts payment to outstanding invoices within the Accounts Receivable system.</p>
	<p>4. Reviews reports of amounts due to the City through third-party billing and payment collectors as of June 30, and records such amounts as receivables in accordance with generally accepted accounting principles, if material to financial statement presentation.</p>
Finance/Collections	<p>5. Performs various collection actions in an attempt to collect delinquent accounts, including but not limited to: customer contact through letters and phone calls, filing small claims lawsuits and referring delinquent accounts to a collection agency.</p>
	<p>6. In the event of recurring charges, informs departments of delinquent amounts due and requests termination or refusal of future services.</p>
Originating Department	<p>7. Each department is responsible for reviewing their own accounts receivable records to check for any errors and update outstanding balances. Any corrections should be forwarded to the Collections division so that they may make appropriate adjustments as soon as possible.</p>
	<p>8. Each department will work with Finance/Collections to terminate or refuse services to customers with delinquent, outstanding balances owed to the City.</p>