3.18 Allowance for Doubtful Accounts Receivable

Last Revised: New

Policy: Piedmont Community College (PCC) is committed to following generally accepted accounting principles as they relate to accounts receivable.

Purpose/Definitions:
PCC considers outstanding accounts receivable balances that are over one year old at fiscal yearend to be uncollectible.

Approval Authority/Monitoring Authority: Piedmont Community College’s Board of Trustees has approval authority for this policy. The Vice Presidents have monitoring authority.

Procedure:
Outstanding accounts receivable balances will be posted as the allowance for doubtful accounts for financial statement presentation and presented in the “Receivables” note. The debt will remain collectible subject to the North Carolina Department of Revenue Debt Set-Off Program and students remain subject to full payment prior to registration. PCC will continue to attempt to collect these funds.

Tuition or other amounts due to PCC are placed in the current year’s Accounts Receivable for collection to properly credit the account when it is paid. If the balance in the account has not been paid at the end of twelve months, it is considered doubtful for collection.

If a student desires to register for classes and owes an amount either on current Accounts Receivable or the Allowance for Doubt Accounts Receivable, they will not be allowed to register until such time as the balance due has been addressed.

Students will be notified no less than two times, at least 30 days apart, of outstanding balances due to PCC. If the account remains unpaid, it is submitted to the North Carolina Department of Revenue Debt Set-Off Program for collection.

Accounts Receivables will be moved from the current receivables to the account entitled, Allowance for Doubtful Accounts Receivable, by the Finance Office.

Any payments on the account after it has been moved to Allowance for Doubtful Accounts Receivable will be properly credited to the delinquent account

Legal Citation:

History: Effective January 2015