

FRESNO STATE PROGRAMS FOR CHILDREN, INC.

Policy No. 603

Accounts Receivable Policy

This policy is applicable to the following auxiliary corporations:

- Agricultural Foundation
Association
Associated Students, Inc.
Foundation
Programs for Children

REVISION RECORD

Table with 3 columns: Date, Type, Approval Authority. Contains two rows of revision records.

DOCUMENT CONTROL

Table with 3 columns: Approved By, Date Approved, Next Review Date; Responsible Position(s), Document Control Number.

## PURPOSE

It is the policy of the Fresno State Programs for Children, Inc. (PFC) to collect payment for child care services rendered in a timely and equitable manner. To accomplish this, the following procedures have been implemented.

## REGULATIONS

### Invoicing Procedures

The PFC Operations Manager is responsible for invoicing clients for services by the 1st day of each month. The original invoice is sent to the client and a copy retained by PFC. A spreadsheet detailing client invoice(s) and payment information is forwarded to the main Auxiliary Accounting Office for reconciliation and recording of accounts receivable transactions to PFC financial statements.

PFC employees and managers are not authorized to provide childcare services to any individual in advance of receiving payment as specified in this Policy.

### Fee Collection Procedures

Certified Families: Client fees are due by the 10th of each month, in advance of services being provided. Fees are considered delinquent on the 11th day of the month. On the 12th day of the month, the Operations Manager will generate a Notice of Action (NOA) terminating services if payment is not received within 14 days of the date of the NOA. The NOA, plus one copy, will be given to the client at the time child is dropped off or picked up at the center. The client will be required to sign the Notice of Action and the copy at that time. The original NOA will be given to the client and the copy will be placed in the child's file. If the client does not pick up or drop off the child on the day the NOA is given, it will be sent to the client via certified mail. Per California Department of Education (CDE) regulations, clients may establish a payment plan that includes current amount due in full by the next due date, and reasonable payments of delinquent fees. If client does not adhere to a payment plan, services will be terminated immediately.

Non-Certified Full Fee Families: Client fees are due by the 10th of the month. Fees are considered delinquent on the 11th day. On the 12th day of the month, clients will receive a letter stating that if all fees are not paid in full within seven (7) days child care services will be terminated. Clients may establish a reasonable payment plan that includes current amount due in full by the next due date, and reasonable payment plan for any past due amount. If clients do not adhere to a payment plan, services will be terminated immediately.

Notification of Delinquent Parent Fees: To make sure that NOA are completed and distributed no later than the 12th day of each month, the PFC Program Director will ensure that the Notice of Actions are completed timely.

### **Delinquent Accounts Receivable**

If there is a balance due for childcare fees and the child is no longer enrolled at a PFC site, the client will be given an invoice and a letter stating that if fees are not submitted to the program within 30 days, their account will be forwarded to an external collection agency. Receivables that have not been cleared by the end of the fiscal year (June 30) and are over one (1) year delinquent will be deemed uncollectible and will, in consultation with the PFC Program Director, be written off with the approval of the of Auxiliary Services.

### **Allowance for Doubtful Accounts**

PFC shall maintain an allowance for doubtful accounts to ensure that accounts receivable are reported at their net realizable value in accordance with generally accepted accounting principles (GAAP).

The allowance shall be evaluated at least annually, and more frequently if deemed necessary, based on a review of the accounts receivable aging, historical collection trends, and specific knowledge of individual accounts.

In determining the adequacy of the allowance, the following factors shall be considered:

- Age of outstanding receivables
- Historical write-off experience
- Status of collection efforts and payment plans
- Known financial circumstances of clients, when applicable

Adjustments to the allowance for doubtful accounts shall be recorded through the appropriate bad debt expense account and approved by the Auxiliary Accounting Manager.

Accounts deemed uncollectible shall be written off against the allowance in accordance with established approval thresholds and procedures outlined in this policy.

### **Accounts Receivable Aging Review**

The Auxiliary Services Accounting Office, in coordination with the PFC Program Director, shall prepare and review an Accounts Receivable Aging Report on a monthly basis.

The aging report will categorize outstanding receivables (e.g., current, 1–30 days, 31–60 days, 61–90 days, and over 90 days past due) to monitor collection status and identify delinquent accounts.

The review will include:

- Identification of significantly past due accounts
- Verification of collection efforts (e.g., notices, payment plans, termination actions)
- Determination of accounts requiring escalation, including referral to collections

Any unusual balances, aged receivables over 90 days, or trends indicating increased collection risk shall be communicated to the Executive Director.

## **IMPLEMENTATION**

The Program Director, PFC Executive Director Executive Director of Auxiliary Services are charged with the responsibility of implementing this policy statement through management guidelines.