

## Accounts Receivable Claims

<b>Objective:</b>	To bill, record, track and collect amounts owed to Tompkins County in a timely and efficient manner enhancing the County's ability to provide services and accurate reporting.	<b>Policy/Procedure Number:</b>	05-16
		<b>Effective Date:</b>	March 3, 2026
		<b>Responsible Department:</b>	Finance
<b>Reference:</b> (All applicable federal, state, and local laws)	Administrative Policy 05-12: Grant Applications, Acceptances, & Award Management	<b>Resolution No.:</b>	2026-34
<b>Legislative Policy Statement:</b>		<b>Next Scheduled Review:</b>	March 2031

**General Information:** This policy applies to all County departments responsible for submitting claims for services or reimbursements.

### I. Definitions:

**Account Receivable** - An accounting term for money owed to the County for goods or services that it has delivered but not been paid for yet

**Customer** - An individual or group (private or business) that was provided with goods and/or services, pays fees according to ordinance, caused damage to County property, or in general incurs a debt to the County

**Debtor** - A person or institution that owes a sum of money

**Delinquent Account** - An Account Receivable that is late or overdue on a payment

**Due Date** - The last date by which an invoice must be paid by a customer in accordance with the terms of payment on the Invoice.

**General Ledger** - An accounting record that compiles every financial transaction of the County to provide accurate entries for financial statements and reporting

**Invoice** - Document requesting payment from an external customer for goods or services provided by the County to the customer

**Write-off** - To remove an Account Receivable that is deemed uncollectible from the County's financial records

### II. Policy:

- A.** When goods and/or services are provided to customers before receipt of payment, such goods and/or services will be invoiced and a customer account receivable established.
- B.** All receivables must be billed on a timely basis, whether the receivables are due from private entities, the Federal government, localities or state agencies. Accounts should be billed when goods are provided, or services rendered, unless contractual requirements specify other billing terms or billing terms used are in accordance with industry standards.
- C.** All departments, at a minimum, must bill for services rendered on a monthly basis and submit claims for any eligible reimbursements on a quarterly basis. Claims must be reviewed and/or approved by the Department Head or their designee to ensure compliance with applicable laws, regulations, and grant conditions and a copy sent to the Finance Department to record the outstanding receivable in the General Ledger.

### **III. Procedure:**

#### **A. Billing for Services Rendered**

1. The Department shall create an invoice for goods and services that should be billed at the time the goods are provided or services rendered. If a customer is not billed immediately, an invoice must be rendered within thirty (30) days. Invoices shall include the date on which the invoice was prepared, and shall be mailed, or delivered on the same date stated on the invoice.
2. Terms of payment for all debts to the County shall be net thirty (30) days from the invoice date. Because normal County business is conducted Monday through Friday, due dates that occur on a Saturday or Sunday, shall be advanced to the following Monday. Due dates that occur on a County observed holiday shall be advanced to the next business day.
3. Invoices must be reviewed and/or approved by the Department Head to ensure compliance with applicable laws, regulations, and grant conditions. Any questions concerning compliance shall be directed to the County's Compliance Officer or the County Attorney for advice prior to issuing the invoice or upon receipt of a complaint from a client alleging non-compliance.
4. Copies of invoices must be submitted to the Finance Department within ten (10) business days of an invoice being generated to ensure posting of the accounts receivable/revenue to the General Ledger. The Finance Department will create a receivable within five business (5) days of receipt.

#### **B. Claims for Reimbursement**

1. Departments must prepare and submit claims for reimbursement on a quarterly basis, no later than the 20<sup>th</sup> of the month following the end of the quarter. When grant funding requirements allow for claims to be submitted beyond the 20<sup>th</sup> of the month following the end of the quarter, Departments shall send an estimate of the claim amount by the 20<sup>th</sup> and follow up with the actual claim information upon submission.
2. Each claim must include all required supporting documentation as required by the grant, such as expenditure reports, invoices, and any required certifications.
3. Claims must be reviewed and approved by the Department Head or their designee to ensure compliance with applicable laws, regulations, and grant conditions.
4. Claims must be submitted to the Finance Department for review, applicable signature applied, and posting of the accounts receivable/revenue to the General Ledger prior to submission to the funding agency.

#### **C. Monitoring**

1. All accounts receivable activities will be monitored using an accounts receivable aging report and the County's general ledger. At the end of each quarter, or more often, the Finance Department in collaboration with the department must run the aging report and use this report to work past due and delinquent accounts.
2. It is the department's responsibility to routinely notify customers when payment is due, and to expeditiously pursue all past-due and

delinquent receivables. Accounts with unpaid balances 1 to 90 days past the due date are considered past due.

3. The department shall issues a follow-up statemen to all past due account holders on a quarterly basis.
4. The Finance Department will reconcile the aging report to the Accounts Receivable Module and the General Ledger Module and work with departments on any discrepancies.
5. If the County has received a partial payment, the Finance Department will credit the accounts receivable for the amount received. It is the responsibility of the department to contact the customer and make arrangements for the remaining balance of the payment.

#### **D. Adjustments to Accounts Receivable Balances**

1. County Finance in collaboration with the departments will review accounts receivable balances on a quarterly, or more often, basis to identify immaterial adjustments that should be made in order to accurately report amounts that are expected to be collected by the County.
2. The department will work with the Finance Department to make the adjustments on the General Ledger

#### **E. Uncollectible Accounts Receivable**

1. Any account under \$1,000 is deemed uncollectible and may be written off by the Department Head or their designee, after collection efforts have failed. The Finance Department must receive written notification from the Department Head or their designee to make the adjusting entries on the General Ledger.
2. The Director of Finance has the authority to write-off accounts under \$10,000.
3. Any account over \$10,000 will require approval, via an approved resolution, from the Legislature prior to being written off.
4. All account write-offs, no matter the amount, shall be compiled and reported on an annual basis to the Legislature's Budget, Capital, and Personnel Committee.

#### **F. Criteria for Write Off**

1. The following criteria may justify a write-off:
  - a. Neither the debtor nor the debtor's assets can be located, due to a wrong address, lack of social security number, and/or driver's license;
  - b. The debtor does not and will not for the foreseeable future, own nor have the right to own assets from which the County could reasonably collect the debt;

- c. The debt is disputed by the debtor and the County has insufficient documentation to pursue collection efforts;
  - d. The debtor's estate is subject to a pending bankruptcy proceeding and it is reasonable to conclude that the debt will be discharged, and the County will receive none or an insubstantial share of the asset of the bankruptcy estate;
  - e. The debtor is deceased and there are no assets in the debtor's estate from which the County could collect the debt;
  - f. It is not in the public interest to pursue collection of debt;
  - g. It is reasonably estimated that the cost of collecting the debt would be equal to or exceed the amount of the debt; or
  - h. Other criteria to be considered include the type of debt, how long the debt has been outstanding, and the debtor's status.
2. Any payments on written off debt can still be received and will be recorded appropriately.
3. The Director of Finance will provide a report annually to the Legislature within one-hundred twenty (120) days after the close of the fiscal year and include the following information:
  - a. Gross accounts receivable amount at the end of the fiscal year;
  - b. Detail of all receivables written off though out the fiscal year;
  - c. Current receivables (amounts due more than twelve (12) months from the report date);
  - d. Long-term receivable (amounts due more than twelve (12) months from the report date);
  - e. Past-due receivables (1 to 90 days past due); and
  - f. Delinquent receivables (over 90 days past due).

#### **G. Compliance & Accountability**

1. Departments that fail to submit claims on time may be subject to delays in reimbursement and potential funding risks.
2. The Finance Department will provide periodic reports to the County Administrator on delinquent claim submission and collection status.
3. Any discrepancies or non-compliance issues will be addressed by the County Administrator or their designee with the respective department head.

#### **H. Enforcement**

Non-compliance with this policy may result in corrective actions, including financial reporting reviews, additional training requirements, and possible disciplinary actions as deemed appropriate by County Administration.