

Self Assessment of Internal Control

Accounts Receivable Cycle

Agency _____

Fiscal Year Ending _____

<u>YES</u>	<u>N/A</u>	<u>NO</u>		
				A. Control Activities / Information and Communication
			1.	Is there a formal organizational chart defining responsibilities of preparing bills, recording their payment, collecting the accounts and follow up of accounts not paid?
			2.	Does the agency have written credit and collection policies that adequately address relevant risks?
			3.	Do procedures exist to prepare and send billings as soon after the sale of goods or performance of service as possible, but at least within the month?
			4.	Have procedures been documented to collect monies due within the established payment terms?
			5.	Are remittance advices and billings retained to support entries to accounts receivable records?
			6.	Do procedures exist to prevent the interception or alteration by unauthorized persons of billings or statements after preparation but before they are mailed?
			7.	Does the agency have established policies and procedures concerning refunds of overpayments, issuance of billing adjustments?
			8.	Are subsidiary accounts receivable and notes receivable records maintained?
			9.	Are subsidiary accounts reconciled at least monthly with the general ledger control account?
			10.	Are billings and/or statements prepared at least within the month of furnishing the goods or services?
			11.	Are the following amounts properly recorded:
				a. Amounts due from local governments?
				b. Amounts due from federal agencies?
				c. Amounts due from other departments / divisions / agencies?
				d. Amounts due from other funds?
				e. Interest Receivable?

			f. Trade Receivables?
			g. Taxes Receivable?
		12.	Are all services or goods provided to individuals or other governmental units billed when goods are provided or services rendered?
		13.	Are individual receivable records posted only from authorized documents?
		14.	Are data bases and, where appropriate, usage records accurately maintained to ensure that amounts due are billed correctly?
		15.	Are charges for goods or services based on authorized rates and approved by the appropriate State/Federal authorities?
		16.	Are statements of account balances mailed at least once a month?
		17.	Has an allowance account been established for doubtful accounts to reflect the amount of the agency's receivables that management estimates will be uncollectible?
		18.	Are accounts written off the agency's financial accounting records when all collection procedures have been exhausted without success?
		19.	Are reasons for writing off an account adequately documented?
		20.	Is the accounting department notified directly and in a timely manner of billings and collection?
		21.	Are collections on accounts receivable deposited daily?
		22.	To aid in collection, does the agency obtain the following minimum prescribed information on prospective debtors:
			a. Full name and any previous name(s) if applicable?
			b. Home and office address(es) for the past two years?
			c. Telephone numbers for home and place of employment?
			d. Federal Employer Identification Number?
			e. Social Security Number for individuals or sole proprietorships contracting with the State?
			f. For other individuals, Social Security Number and/or Driver's License Number?
			g. Date of Birth?
			h. Place and type of employment and employer's address, and previous employer if less than two years in present job?
			i. A credit bureau report may be required depending on the amount of the potential receivable and the guidelines of the agency or institution?

			23.	Are the following duties generally performed by different people:
				a. Billing, collecting, and cash application of accounts receivable funds?
				b. Maintaining detail accounts receivable records, collecting, and general ledger posting?
				c. Writing off or adjusting to accounts receivable and the maintenance of accounts receivable records?
				d. Investigating disputes with billing amounts and the maintenance of accounts receivable records?
				e. Reconciling, investigating reconciling items and posting detail accounts receivable records?
			24.	Do write-offs or adjustments have proper authorizations?
			25.	Are all collections on accounts receivable posted to individual receivable accounts?
			26.	Is access to the accounts receivable accounting system limited only to authorized individuals?
				B. Monitoring
			27.	Are corrections and adjustments to cash receipts documented and approved by a manager?
			28.	Are all non-cash credits, such as credit memos, allowances, and bad debts properly authorized?
			29.	Are there controls to ensure that individuals with delinquent accounts are not receiving additional credit?
			30.	Is an aging schedule prepared monthly and is it reviewed by a responsible manager?
			31.	Are delinquent accounts followed up?
			32.	Are all legal remedies followed to collect write-offs or uncollectible accounts?
			33.	Are rates reviewed at least annually for billed services or goods?
			34.	Are accounts periodically reviewed for propriety of transactions and balances by a person independent of cash and accounts receivable accounting?