

6.1 ALLOWANCE FOR DOUBTFUL ACCOUNTS

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Revised:

In accordance with generally accepted accounting principles, an Allowance for Doubtful Accounts shall be established in each fund containing accounts receivable. Such allowance shall be established and periodically adjusted on the basis of the age and estimated collectability of the receivable. The allowance shall be funded by a charge to the type of revenue generating the receivable.

Review

Accounts receivable will be reviewed by age of the debt-estimated collectability.

- Currently Due 100% Collectible
- 61 to 120 Days Past Due 50% Collectible
- Over 120 Days Past Due 100% Uncollectible

Loans receivable resulting from federal loan programs will be classified according to federal guidelines if different from these time periods.

The process of analyzing and adjusting the Allowance for Doubtful Accounts will be performed at the end of each calendar quarter.