Contacts for Assistance

- Jani Fisk 626-5748
- Will Ames 621-6748
- Najah Muzahem 621-3473
- Fay Johnson 621-7747
- Lisa Granados 626-9695
- Cody Watts 621-9196

http://www.fso.arizona.edu/financial-management/fund-accountants
Accounts Receivable, Unearned Revenues, Deposits & Prepaid Expenses
### Statement of Net Position

**June 30, 2016** *(in thousands of dollars)*

#### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (Note 3)</td>
<td>$143,669</td>
</tr>
<tr>
<td>Short-term investments (Note 3)</td>
<td>$99,984</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable (net of allowances of $2,600)</td>
<td>$69,251</td>
</tr>
<tr>
<td>Government grants receivable</td>
<td>$52,661</td>
</tr>
<tr>
<td>Student loans (net of allowances of $4,668)</td>
<td>$1,687</td>
</tr>
<tr>
<td>Inventories</td>
<td>$7,639</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$10,487</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>$385,378</strong></td>
</tr>
</tbody>
</table>

#### Statement of Net Position (continued)

#### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$45,211</td>
</tr>
<tr>
<td>Accrued payroll and benefits</td>
<td>$42,868</td>
</tr>
<tr>
<td>Accrued compensated absences, current portion (Note 7)</td>
<td>$10,047</td>
</tr>
<tr>
<td><strong>Uncollected revenue and deposits (Note 6)</strong></td>
<td><strong>$101,311</strong></td>
</tr>
<tr>
<td>Net pension liability, current portion (Note 10)</td>
<td>$3,398</td>
</tr>
<tr>
<td>Current portion of long-term debt (Note 8)</td>
<td></td>
</tr>
<tr>
<td>To be funded by University revenues</td>
<td>$55,024</td>
</tr>
<tr>
<td>To be funded by State of Arizona appropriations and State Lottery monies</td>
<td>$14,398</td>
</tr>
<tr>
<td>Capital commitments, current portion (Note 4)</td>
<td>$3,500</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>$275,557</strong></td>
</tr>
</tbody>
</table>

*Year Ended June 30, 2016

Included as an Enterprise Fund of the State of Arizona

Tucson, Arizona*
Accounts Receivable (A/R)

• $100,000 threshold
• Departments are not required to submit A/R if under this threshold
• Instructions can be provided if the department would like to record Accounts Receivable themselves
• Departments that book their own A/R are still required to submit all required schedules
Accounts Receivable (A/R)

Accounts Receivable Balances Memo

• Signed by Dean, Director, or Department Head
• Check off schedules included
  ➢ Schedules 1 and 5 are required
• Point of Contact email and phone number
  ➢ Point of Contact must be reachable July 5th – 12th
• Include document numbers for department recorded balances of A/R
Accounts Receivable (A/R)

Schedule 1 – A/R by Customer Name

• Required schedule
• Separate page for each account/object code
• External vendors only, not other departments
• Include what the A/R represents
Accounts Receivable (A/R)

Schedule 2 – Customers with Credit Balances

- Normally Refund Due or Deposit
- Include Reason Code
- Amounts greater than $5,000 may be reclassified.
Accounts Receivable (A/R)

Schedule 3 – Amounts to be Written Off

- Separate page for each account/object code
- Include a brief reason
Accounts Receivable (A/R)

Schedule 4 – Amounts Written Off During the Fiscal Year

• Separate page for each account/object code
• Include a brief reason
• Identify the accounting treatment used
Accounts Receivable (A/R)

Schedule 5 – Analysis of A/R Write-Offs / Proposed Allowance

• Required schedule
• Enter current year A/R and prior 3 years
• Don’t leave blank – if no write off, enter $0
• Bad debt ratio column will auto-calculate
• Explain why amounts over 90 days are collectible
• Allowances should be reviewed for reasonableness to determine if it should be increased/decreased
Unearned Revenue / Deposits / Prepaid Expense

Unearned Revenue / Deposits / Prepaid Expense Balances Memo

• Signed by Dean, Director, or Department Head
• Check off schedules included
• Point of Contact email and phone number
  ➢ Point of Contact must be reachable July 5\(^{th}\) – 12\(^{th}\)
• Include document numbers for department recorded balances
Unearned Revenue / Deposits / Prepaid Expense

Schedule 1 – Unearned Revenue / Deposits
Schedule 2 – Prepaid Expenses

• Include as needed
• Separate page for each account/object code
Accounts Receivable Recording Process

• Accounts **without** an Allowance for Doubtful Accounts established
  ➢ Year-end A/R accrual recorded as of June 30th
  ➢ Year-end A/R accrual reversed in July
  ➢ Current year revenues adjusted at the beginning year

• Accounts **with** an Allowance for Doubtful Accounts established
  ➢ Year-end A/R accrual adjusted as of June 30th
    ▪ Prior year A/R reversed
    ▪ Current year A/R recorded
  ➢ Accounts will have an A/R balance throughout the year
  ➢ A/R balance is static and should not be considered “true” receivables throughout the year
  ➢ Current year revenues adjusted at the end of the year
Inventory

- $50,000 threshold.
- Departments are not required to submit Inventory if under this threshold.
- Instructions can be provided if the department would like to record inventory themselves.
- Departments that book their own inventory are still required to submit all required schedules.
- Invoices covering items to be included for this year’s inventory must be included in the current year’s disbursements or accounts payable.
- Inventory items held for resale and raw materials.
  - Supplies and capital equipment should not be included.
Inventory

Inventory Balances Memo

- Signed by Dean, Director, or Department Head
- Check off schedules included
- Schedule 2 is required
- State valuation method – FIFO
- Point of Contact email and phone number
  - Point of Contact must be reachable **July 5th – 12th**
- Include document numbers for department recorded balances of Inventory
Inventory

Schedule 1 – Inventory Write-Downs

• Separate page for each account/object code
• Use to write down or write off
Inventory

Schedule 2 – Analysis of Inventory Write-Offs / Proposed Allowance

• Required schedule
• Enter current year Inventory and prior 3 years
• Don’t leave blank – if no write off, enter $0
• Obsolete goods ratio column will auto-calculate
• Explain the basis for allowance recommendation – why or why not
<table>
<thead>
<tr>
<th>Part No</th>
<th>DESCRIPTION</th>
<th>COUNT</th>
<th>UNIT</th>
<th>PRICE</th>
<th>AMOUNT</th>
<th>UNIT</th>
<th>FORM</th>
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PLEASE ATTACH ADDING MACHINE TAPE TO EACH PAGE  PAGE TOTAL
Recap

- **Thresholds**
  - Accounts Receivable: $100,000
  - Inventory: $50,000
  - Departments can record their own if under threshold
- **All memos must be signed by Dean, Director, or Department Head**
  - Point of Contact must be reachable between July 5th – 12th
  - Schedules should have a separate page for each account / object code
- **Download current year schedules from FSO website.**
!!!! Reminder !!!!

Documentation is due to the Financial Services Office by:

Wednesday, July 5, 2017
All Memos and Schedules are available at

http://www.fso.arizona.edu/financial-management/year-end
Questions