Instructions
Accounts Receivable Request to Reserve for Uncollectible Accounts

All accounting entries to reserve for uncollectible accounts will be initiated by the Accounts Receivable Department. These entries are made for receivable accounts recorded on the UGA Financial Accounting System. Departments must maintain all documentation supporting collection efforts (see attached guidelines on minimum collection efforts) on accounts receivable and must also maintain a subsidiary ledger for reserved accounts. Departments should submit the request to the Accounts Receivable Department by June 15th of each year.

- All uncollectible accounts will be reserved as specific accounts aged and consequently deemed to be uncollectible. Generally, debts aged more than one hundred twenty (120) days from the billing date are potentially no longer probable for collection. Circumstances may arise when specific accounts become uncollectible earlier than one hundred twenty (120) days.
- When uncollectible accounts are reserved a funding source must be identified to fund the reserve. The departmental sales revenue account related to the uncollectible receivable will be the funding source used in the journal entry to record the reserve for bad debt.
- Approval for reserved transactions has been delegated to the chief business officer at each University. The Accounts Receivable Department will obtain such approval at the University level. Additional and final approval for reserves and write-offs will be made by the state auditors.

Please use the form *Accounts Receivable Request to Reserve for Uncollectible Accounts* and follow these instructions for completing the form:

1) Identify the Department name holding the receivables.
2) Identify the Receivable Account Number and the Departmental Sales Account number for the receivables.
3) Customer Number used by the department to identify the customer.
   (Do not use nine digit SSN.)

4) Customer Name and Address

5) Date of the charge to be reserved. This is the original billing date.

6) Amount of the charge to be reserved.

7) Has this customer had any previous amounts reserved?

8) Describe the charge.

9) List the steps taken to collect the charge to be reserved.

The Accounts Receivable Department will provide you with a copy of the journal voucher which creates the reserve for the receivables. The department should update their internal records accordingly. If the department receives payment on the reserved account, they should contact the Accounts Receivable Department at (706)542-6942 for assistance in processing the payment.