



Chapter 160 - Accounts Receivable

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Topic 10 General Provisions

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160.10.100 Overview

The purpose of this chapter is to provide guidance to agencies in recording receivables within the course of conducting authorized activities on a day to day basis. Year-end recording of receivables is discussed in [Chapter 250 - Period End Processing](#).

Receivables are defined as the amounts to be collected from private individuals, businesses, agencies, accounts, or other governmental units.

Transactions affecting receivables are to be supported by documents indicating all pertinent information relating to the transactions. Detailed postings of these documents are to be recorded and maintained in the subsidiary ledgers for all outstanding receivables. Detailed postings are to be summarized and entered in the ledger account.

Agencies are to establish a detailed subsidiary ledgers on an open items basis containing the details of each outstanding amount. Aging reports are used to manage and report on outstanding accounts receivable balances and assist in collection efforts.

160.10.110 Agency Responsibility to Record Receivables

Agencies are to promptly record receivables when the asset or revenue recognition criteria have been met or the underlying accounting event has occurred, and the amount is determinable. An accounting journal will be used to record the receivable.



Ledger Account	Ledger Account Description	Revenue/Spend Category	Debit	Credit
13030	Accounts Receivable		1,000	
4**** or 6****	Revenue or Expenditure Account(s)	Revenue or spend category from original accounts receivable invoice		1,000

Agencies can use the Accounts Receivable module in Workday for processing and recording receivables or if approved by Office of Financial Management, can utilize an agency maintained system.

If agencies would like to utilize the Accounts Receivable module in Workday requests should be submitted to Workday Services for approval.

160.10.120 Required Documentation for Receivables

Sequentially numbered billing invoices are to be used. Upon completion of transactions, invoices are to be prepared and sent to the debtors. Invoices must contain the following information, at a minimum, regardless of the accounts receivable system in use:

- Invoice Number
- Invoice Date
- Description of the goods or services provided
- Date(s) the goods or services were provided
- Amount of the debt
- Invoice due date

Files of these documents are to be maintained by the agency. These files are to include a means of sequentially accounting for the billing documents.

Agencies are to establish and maintain a detailed subsidiary ledger on an open item basis (i.e., an entry in the subsidiary ledger of each outstanding amount due). The following specific information, at a minimum, is to be maintained:

- Name of debtor
- Account number of debtor (or Unified Business Identifier number), if assigned
- Address of debtor, if available
- Ledger account (or equivalent indicator)
- Account code (or equivalent indicator)



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- Description of each outstanding charge and/or credit
- Invoice or document number
- Date of invoice or document
- Invoice due date (if different from date of invoice)
- Amount of each charge and/or credit

Subsidiary ledgers are to be balanced against the associated ledger accounts at least monthly.

Current subsidiary ledgers are to be periodically purged of accounts/items which are no longer outstanding. For example, accounts/items that have been paid should not be retained on the current subsidiary ledger file but should be moved to a historical file for retention.

160.10.130 Recording Receipts and Adjustments

Daily receipts applicable to receivables are to be entered in detail to a daily cash record. Detail listings are to support summary totals. The detail is to disclose the name of the payee or account number, amount received, invoice number if available, mode of payment, and check number if applicable.

Any adjustment increasing or decreasing the amount of receivables carried on the books of an agency is to be supported by a revised billing document, a credit memorandum, or other appropriate documentation. Written procedures are to be developed and followed to ensure that only authorized adjustments are recorded.

Topic 20 Collections, Allowances, and Write offs

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160.20.100 Overview



Agencies are to document all efforts made toward the collection of receivables. Written procedures are to be developed and followed to ensure that past due receivables are followed up promptly and in a manner that is cost-effective for the overall collection program.

Generally accepted accounting principles require that a determination be made between receivables deemed to be collectible and those considered not economically collectible, including those not collectible at all. Agencies are to develop and follow written criteria for the determination as uncollectible.

All records regarding uncollectible accounts are subject to retention, archival, and destruction according to the applicable statutes and the agency's records retention policies.

160.20.110 Receivable Collection Procedures

Agency collection procedures are to provide for the full range of collection procedures to be used as appropriate, including issuance of statements and dunning letters, phone, and personal interviews, filing of suits and liens, referral to private collection agencies or letter services, etc. Agencies that do not have special statutory collection authority or specialized collection operations are encouraged to use collection agencies after receivables become 90 days past due.

Agencies with more than \$50,000 in past due receivables are to prepare aging reports at least monthly. Aging reports are required to be reviewed by management and such review documented on the report.

Accounts receivable records may contain personally identifiable information (PII) about citizens. Safeguarding and disposition of PII must be consistent with [Executive Order 16-01](#), January 5, 2016; [WTS Policy 141.10](#); and [RCW 42.56.210](#).

Interest of 1% per month is to be charged on past due receivables in accordance with [RCW 43.17.240](#), except when one of the following conditions are met:

- Charging interest conflicts with the provisions of a contract or with any other law.
- The debt is to be paid by another governmental unit.
- The debt became due prior to July 28, 1991.
- Interest is waived based upon rules adopted by the Office of Financial Management found at [Chapter 82-06 WAC](#) describing the conditions under which interest may be waived on past due receivables.



[RCW 19.16.500](#) and [82.32.265](#) allow the use of collection agencies for the purpose of collecting public debts. Agencies are encouraged to use collection agencies whenever they determine that this will be more cost effective than internal collection efforts.

Debts may be assigned to a collection agency when all of the following conditions have been met:

- A written contract has been established with the collection agency.
- There has been an attempt to notify the debtor of the existence of the debt and the fact that the debt may be assigned to a collection agency for collection if the debt is not paid; and
- At least thirty days have elapsed from the attempted notice.

The Department of Enterprise Services maintains a statewide contract for "collection agency services." This contract may be used by state agencies and satisfies the requirements of this section.

Collection agency services are not to be used for the collection of receivables in the following categories: Due From Federal Government, Other Governments, Other Funds, and Other Agencies.

Agencies should be aware that the assignment of accounts to "letter services," which send debtors a series of letters but do not actually collect monies for the state, is not subject to the above requirements. Agencies may use such "letter services" as part of their collection efforts whenever they determine such services to be cost effective. The same is true of "pre-collect" services that send the 30-day notice but do not collect money for the state.

The Office of Attorney General has a Bankruptcy and Collection Unit (BCU) specializing in bankruptcy cases and other collection situations. Use of BCU services can be cost effective and should be coordinated through the assistant attorney generals assigned as agency general legal counsels.

160.20.120 NSF Returns and Collections

Non-Sufficient Funds (NSF) returns begin with the bank and the Office of the State Treasurer (OST). The process between the two is as follows:

- OST receives the notice of NSF from the bank.
- OST gets the image of the check and matches to the bank transaction.
- OST sends the paying Agency a notice when checks are returned as NSF.
- OST updates the balance in TM\$ Banking when the notice is received.



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For checks that were deposited unrelated to a Workday Customer Invoice the Workday process is as follows:

- Agency locates the original Ad Hoc Bank Deposit transaction
- Agency enters an Ad Hoc Bank transaction Withdrawal with a purpose of “Non-sufficient Funds” which creates the following accounting entry:

Customer	Revenue Category	Revenue Category Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
King County	RC00380	Tax Property Forest	41030	Property Tax	1,000	
King County			11060	Cash in Treasury		1,000

Only basic Worktags for this example are included.

For checks that were deposited related to a Workday Customer Invoice refer to [160.30.170.e - Non-sufficient Funds Returned](#).

Agencies are encouraged to take advantage of the Uniform Commercial Code (UCC) provisions for dealing with Non-Sufficient Funds (NSF) checks. This may be accomplished by agency collection procedures or through use of state contracts from the Department of Enterprise Services (DES) for letter writing services and NSF collection services. In either case, the UCC provisions found in [RCW 62A.3-515](#) through [62A.3-525](#) are applicable.

Under the provisions of the UCC, agencies must send a notice of dishonor meeting statutory requirements that are contained in RCW [62A.3-520](#). After sending notice of dishonor, under the provisions of the UCC, agencies may:

- Collect a reasonable handling fee for each NSF check. Agencies must establish their handling fee by rule. Agencies that intend to use the state contract for NSF check collections through DES should establish fees consistent with the rates in the state contract.
- After 15 days' notice, charge interest at the rate of 12% per year.

If the matter goes to court, collect reasonable attorney fees and damages of three times the face amount of the check or three hundred dollars, whichever is less.

Agencies should consult with legal advisors regarding any question as to how the UCC provisions coordinate with other enforcement provisions available to the agency. Agency statutes may supersede, supplement, or otherwise affect the operation of the UCC provisions.



160.20.130 Allowance for Uncollectible Receivables

The allowance method of accounting for uncollectible receivables is to be used by agencies. Estimates of total uncollectible receivables are to be made at least quarterly and at fiscal year-end. Adjusting entries are to be recorded in the agency's accounting records to the allowance for uncollectible receivables by means of an Accounting Journal.

In governmental fund type accounts, the entry to establish the allowance for uncollectible receivables should:

Ledger Account	Ledger Account Description	Revenue/Spend Category	Debit	Credit
4**** or 6****	Revenue or Expenditure Account(s)	Revenue or spend category from original accounts receivable invoice	1,000	
13035	Allowance for Uncollectible Accounts			1,000

In proprietary and fiduciary fund type accounts, the entry to establish the allowance for uncollectible receivables should:

Ledger Account	Ledger Account Description	Spend Category	Spend Category Description	Debit	Credit
62100	Bad Debt Expense	SC01413	Bad Debt	1,000	
13035	Allowance for Uncollectible Accounts				1,000

160.20.140 Receivable Write Offs

For the write off of receivables established using the Workday Accounts Receivable module, refer to [Section 160.30.170 - Write Off of Accounts Receivable](#).

Receivables determined to be uncollectible are to be written off promptly against the appropriate allowance account. Transactions are to be documented by means of an Accounting Journal with a Journal Source of Accounting Adjustment. The name of the debtor, the date of inception of the account, and the amount of the account being written-off are to be part of the supporting documentation.



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Ledger Account	Ledger Account Description	Debit	Credit
13035	Allowance for Uncollectible Accounts Receivable	1,000	
13030	Accounts Receivable		1,000

Prior to or promptly after the write-off of uncollectible receivables occurs, the write-off is subject to management review using procedures developed by the agency in cooperation with the Office of the Attorney General. These procedures may call for the Attorney General's review of certain types of receivables to ensure that no cost-effective legal means of collecting the receivables remain.

After management review, any account determined to have been inappropriately written off is to be returned to the accounting records by reversing the write-off entries.

Agencies may find it cost effective to pursue minimal collection actions for certain types of accounts after the write-off has occurred. Examples of minimal collection actions include routine periodic computer matches with new accounts and allowing student or client records to remain "flagged" for receivables.

In cases where an allowance account does not have a sufficient balance or where an agency fails to establish an allowance account, agencies are to write off uncollectible receivables as follows:

- In governmental fund type accounts, the uncollectible receivable should generally be written off by reversing the coding that was used when the receivable was established.
- In proprietary fund type accounts, the accounts receivable should be written off to Ledger Account 62100-Bad Debts Expense." However, if the proprietary account is budgeted and the receivable originated through an offset to expenditures, then the adjustment to write down the receivable should be a reversal of the original entry.

When the write off involves the receivable of federal or private/local revenues, agencies should contact their assigned OFM Accounting Consultant.



Topic 30 Workday Transactions - Receivables

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160.30.100 Overview

This topic discusses the Workday functionality for recording accounts receivable life cycle transactions. As stated previously in [Section 160.10.110 - Agency Responsibility to Record Receivables](#), agencies can use the Accounts Receivable (AR) module in Workday for processing and recording receivables or if approved by the Office of Financial Management and Washington Technology Solutions, can utilize an agency maintained system.

If agencies would like to utilize the Accounts Receivable module in Workday requests should be submitted to Workday Services for approval.

The following sections refer to Workday transactions related to the Workday AR module and only applies to agencies that have opted to use the AR module. Refer to [Chapter 200 - Financial Accounting](#) for using accounting journals to record accounts receivable without using the Workday AR module.

There are several fields Workday requires on transactions and those are marked with a red asterisk (*) on the Workday screen. There are additional required fields mandated by the state of Washington and those fields do not include a red asterisk (*) as these screens are used by all Workday customers. For a complete list of required fields, refer to the [Workday Required Fields resource on the OFM Workday Resources website.](#)



There are multiple custom validations in Workday. These are edits in the system to assist in ensuring transactions are recorded properly, with the proper data and according to accounting policies. The critical validations must be passed for the transaction to process, warning messages alert the user to check the data, however the transaction can still be approved. For a complete list of validations refer to the [custom validation workbook](#).

160.30.110 Customer Invoice

The following section refers to Workday transactions related to the Workday Accounts Receivable (AR) module and only applies to agencies that have opted to use the AR module. Refer to [Chapter 200 - Financial Accounting](#) for using accounting journals to record accounts receivable without using the Workday AR module.

The Customer Invoice is used to bill established customers in Workday. Refer to [Chapter 90 – Statewide Customers and Suppliers](#) for details on Workday Customers.

The Customer Invoice transaction can record a revenue or a reduction of expenditures and establishes a receivable from the customer. A Revenue Category is required on each line of the Customer Invoice because it determines the Ledger Account for each line. Most Revenue Categories are mapped to Revenue Ledger Accounts, but some are mapped to Expenditure Ledger Accounts to be used as needed to bill for a reduction of expenditures. A Sales Item can also be included on each line but is not required. Refer to [Chapter 80 – Foundational Data Model](#) for more details on Revenue Categories and Sales Items.

The following dates are associated with a Customer Invoice:

- Invoice Date is the date listed on the invoice and defaults to the current date. The invoice date is used to determine the due date based on the customer payment terms.
- Accounting Date drives the fiscal period the transactions posts to and must be an open ledger period. If the fiscal month of the Accounting Date on the transactions is closed, the Customer Invoice will post to the next open Fiscal Month.
- From Date/To Date are not required fields but allow entry of a date range for the Period of Service. Either the From Date/To Date or the Transaction Date is required.
- The Transaction Date is the date the service was performed or product was supplied and is a required field unless the From Date/To Date are entered.

Refer to the [Finance Dates Resource](#) for additional details.

Each customer is assigned to a customer category which determines the receivable account assigned in the transaction. The Customer Invoice can have many revenue lines but only one customer.



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The revenue and a receivable is recorded when the Customer Invoice is approved. A sample accounting entry for a Customer Invoice is below. Note that only basic worktags are included for this example.

Customer	Revenue Category	Revenue Category Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
			13145*	Due From Other Governments	1,000	
King County	RC00380	Tax Property Forest	41030	Property Tax		1,000

* The ledger account is determined by the Customer Category (refer to [Chapter 90 - Statewide Customers and Suppliers](#)).

Refer to CA1_Customer Invoice Process Job Aid

160.30.120 Customer Invoice Adjustment

The following section refers to Workday transactions related to the Workday Accounts Receivable (AR) module and only applies to agencies that have opted to use the AR module. Refer to [Chapter 200 - Financial Accounting](#) for using accounting journals to record accounts receivable without using the Workday AR module.

To increase or decrease the amount due from a customer, agencies can create a customer invoice adjustment. The adjustment creates a new transaction with its own invoice number that is linked to the original invoice. Use the Create Customer Invoice Adjustment task or access from the Related Actions on a specific customer invoice. A sample accounting entry for a Customer Invoice Adjustment with an amount decrease is below. Note that only basic worktags are included for this example.

Customer	Revenue Category	Revenue Category Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
King County			13145*	Due From Other Governments		100
	RC00380	Tax Property Forest	41030	Property Tax	100	

* The ledger account is determined by the Customer Category (refer to [Chapter 90 - Statewide Customer and Suppliers](#)).

Refer to CA1_Customer Invoice Process Job Aid

160.30.130 Customer Payment

The following section refers to Workday transactions related to the Workday Accounts Receivable (AR) module and only applies to agencies that have opted to use the AR



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module. Refer to [Chapter 200 - Financial Accounting](#) for using accounting journals to record accounts receivable without using the Workday AR module.

As customers make payments, use the Record Customer Payment transaction to record the receipts of monies and reduction of the receivable.

Refer to CA1_Customer Payments and Refunds Job Aid

160.30.130.a Customer Payment received and applied

One payment received can be applied to one or more outstanding Customer Invoice or Invoice Adjustment. A temporary cash account is recorded along with the reduction of the receivable. A sample accounting entry for a Customer Payment received and applied is below. Note that only basic worktags are included for this example.

Customer	Fund	Fund Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
	FD0001	The General Fund	11070	Undeposited Treasury Cash	1,000	
King County	FD0001	The General Fund	13145*	Due From Other Governments		1,000

* The ledger account is determined by the Customer Category (refer to [Chapter 90 - Statewide Customers and Suppliers](#)).

160.30.130.b Customer Payment received and placed on Account

If a payment is received but the invoice is not specified, the payment can be saved without applying the payment (unapplied). Since the invoice number and specifications are not known, the entry is recorded on the agency's suspense fund. A sample accounting entry is below. Note that only basic worktags are included for this example.

Fund	Fund Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
FD0012	Suspense Fund	11070	Undeposited Treasury Cash	1,000	
FD0012	Suspense Fund	21710	Unapplied Recorded Payment		1,000

160.30.130.c Customer Payment received and applied with balance placed on Account

If the payment received is more than the amount due from the customer, a portion of the payment can be applied with the balance placed on account. The balance is recorded on the agency's suspense fund. A sample accounting entry is below. Note that only basic worktags are included for this example.

Customer	Fund	Fund Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
	FD0001	The General Fund	11070	Undeposited Treasury Cash	500	



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	FD0012	Suspense Fund	11070	Undeposited Treasury Cash	500	
King County	FD0001	General Fund	13145	Due from Other Governments		500
	FD0012	Suspense Fund	21710*	Unapplied Recorded Payment		500

* The ledger account is determined by the Customer Category (refer to [Chapter 90 - Statewide Customers and Suppliers](#)).

160.30.140 Cash Sale

The following section refers to Workday transactions related to the Workday AR module and only applies to agencies that have opted to use the AR module. Refer to [Chapter 200 - Financial Accounting](#) for using accounting journals to record accounts receivable without using the Workday AR module.

Agencies may receive payments from established customers, but no Customer Invoice was issued. To record the Customer Payment, enter a Record Cash Sale transaction. Agencies must record the deposit when the payment is entered on all Cash Sales transactions. Because of this requirement, a person with the Customer Deposit Specialist security role must record all Cash Sale transactions. Refer to [Topic 180.XX - Ad Hoc Bank Transactions](#) to record payments received from entities not set up as AR Customers.

A sample accounting entry from a Cash Sale is as follows:

Customer	Revenue Category*	Revenue Category Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
			11060	Cash in Treasury	1,000	
King County	RC00380	Tax Property Forest	41030	Property Tax		1,000

*Only basic worktags for this example are included.
Note: The deposit must be recorded for each cash sale.

Refer to CA1_Customer Payments and Refunds Job Aid

160.30.150 Customer Deposit

The following section refers to Workday transactions related to the Workday AR module and only applies to agencies that have opted to use the AR module. Refer to [Chapter 200](#)



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- Financial Accounting for using accounting journals to record accounts receivable without using the Workday AR module.

All customer payments that have been deposited in the bank must also be recorded as a deposit in Workday on the same day. Workday automatically sends the deposit information to TM\$ when the Create Customer Deposit task occurs and becomes part of the daily balancing.

When completing a deposit in Workday agencies are required to include a deposit reference beginning with the first 3 digits of the agency number followed by whatever numbers the agency would like to use for reference purposes(i.e. 10512345).

For more information refer to [Chapter 180 – Banking and Settlement](#).

To clear the 11070 Undeposited Treasury Cash recorded in a Customer Payment, a Record Customer Deposit transaction is required in Workday. Multiple Customer Payments can be included in one Customer Deposit.

A sample accounting entry is as follows:

Customer	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
King County	11060	Cash in Treasury	1,000	
King County	11070	Undeposited Treasury Cash		1,000

*Only basic worktags for this example are included.
Note: The deposit must be recorded for each cash sale.

The Customer Payment includes a flag to also do the Record Customer Deposit and if invoked, will record a Customer Deposit for each Customer Payment. This option would only be available to a person who has both the Customer Payment Specialist and Customer Deposit Specialist security roles.

Customer Deposits can be cancelled as long as they have not been reconciled. The Customer Deposit accounting entry is reversed and Customer Payments are returned to the list of recorded payments available for deposit. Any deposit created at the time of recording the customer payment, the customer payment is also cancelled.

160.30.160 Customer Overpayments (small receipt write-offs)



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In accordance with **Section 200.xx -Refunds of Revenue** no refund shall be authorized by a state agency where the amount is two dollars or less unless demand for the refund is made within six months of the overpayment.

If the payment received is more than the amount due from the customer leaving a small balance, two dollars or less, the remaining balance can be recorded as a Customer Overpayment. A sample accounting entry is below. Note that only basic worktags are included for this example.

Customer	Fund	Fund Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
	FD0001	The General Fund	11070	Undeposited Treasury Cash	500	
	FD0012	Suspense Fund	11070	Undeposited Treasury Cash	2	
King County	FD0001	General Fund	13145	Due from Other Governments		500
	FD0012	Suspense Fund	21710*	Unapplied Recorded Payment		2

* The ledger account is determined by the Customer Category (refer to [Chapter 90 - Statewide Customers and Suppliers](#)).

Workday automatically sends the deposit information to TM\$ when the Create Customer Deposit task occurs and becomes part of the daily balancing. A sample accounting entry is as follows:

Customer	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
King County	11060	Cash in Treasury	502	
King County	11070	Undeposited Treasury Cash		502

Deposits with small balance overpayments initiate an additional journal transactions to record the miscellaneous revenue. A sample accounting entry is as follows:

Customer	Fund	Fund Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
	FD0012	Suspense Fund	21710	Unapplied Recorded Payment	2	
	FD0001	General Fund	13160	Due from Other Funds - Current	2	
	FD0012	Suspense Account	21315	Due to Other Funds - Current		2
	FD0001	General Fund	44050	Miscellaneous Revenue		2



Only basic worktags for this example are included.

160.30.170 Customer Payments Subsequent Actions

The following section refers to Workday transactions related to the Workday AR module and only applies to agencies that have opted to use the AR module. Refer to [Chapter 200 - Financial Accounting](#) for using accounting journals to record accounts receivable without using the Workday AR module.

Workday allows for the following subsequent actions to be taken on previously recorded Customer Payments.

Refer to CA1_Customer Payments and Refunds Job Aid

160.30.170.a Apply Customer Payment

For payments received and placed on account, once the invoice number has been determined, apply the payment using the related actions menu of the customer payment by selecting Customer Payment>Apply. This will reverse the entry to the Suspense Fund and record the reduction of the receivable and record 11060 Cash in Treasury or 11070 Undeposited Cash in Treasury.

If the payment has not been deposited, a sample accounting entry is as follows:

Customer	Fund	Fund Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
	FD0012	Suspense Fund	21710	Unapplied Recorded Payment	1,000	
	FD0012	Suspense Fund	11070	Undeposited Treasury Cash		1,000
	FD0001	General Fund	11070	Undeposited Treasury Cash	1,000	
King County	FD0001	General Fund	13145*	Due from Other Governments		1,000

Only basic worktags for this example are included.

*The ledger account is determined by the Customer Category (refer to [Chapter 90 - Statewide Customers and Suppliers](#)).

If the payment has been deposited, a sample accounting entry is as follows:

Customer	Fund	Fund Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
	FD0012	Suspense Fund	21710	Unapplied Recorded Payment	1,000	



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	FD0012	Suspense Fund	11060	Cash in Treasury		1,000
	FD0001	General Fund	11060	Cash in Treasury	1,000	
King County	FD0001	General Fund	13145*	Due from Other Governments		1,000

Only basic Worktags for this example are included.

*The Ledger Account is determined by the Customer Category (refer to [Chapter 90 - Statewide Customers and Suppliers](#)).

160.30.170.b Unapply Customer Payment

Agencies may need to unapply a payment posted to a Customer Invoice. Access the Find Customer Payment report. From the related actions menu of the customer payment you applied, select Customer Payment>Unapply.

If the payments has not been deposited, a sample accounting entry is as follows:

Customer	Fund	Fund Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
King County	FD0001	General Fund	13145*	Due from Other Governments	1,000	
	FD0001	General Fund	11070	Undeposited Treasury Cash		1,000
	FD0012	Suspense Fund	11070	Undeposited Treasury Cash	1,000	
	FD0012	Suspense Fund	21710	Unapplied Recorded Payments		1,000

Only basic worktags for this example are included.

*The ledger account is determined by the Customer Category (refer to [Chapter 90 - Statewide Customers and Suppliers](#)).

If the payment has been deposited, a sample accounting entry is as follows:

Customer	Fund	Fund Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
King County	FD0001	The General Fund	13145*	Due from Other Governments	1,000	
	FD0012	Suspense Fund	11060	Cash In Treasury	1,000	
	FD0001	General Fund	11060	Cash in Treasury		1,000
	FD0012	Suspense Fund	21710	Unapplied Recorded Payment		1,000

Only basic worktags for this example are included.

*The ledger account is determined by the Customer Category (refer to [Chapter 90 - Statewide Customers and Suppliers](#)).



160.30.170.c Cancel Customer Payment

Customer Payments can only be cancelled if the payment has not been deposited. Access the Find Customer Payment report. From the related actions menu of the customer payment identified, select Customer Payment>Cancel.

A sample accounting entry for Canceling a Customer Payment Received and Applied is as follows:

Customer	Fund	Fund Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
King County	FD0001	The General Fund	13145*	Due from Other Governments	1,000	
	FD0001	The General Fund	11070	Undeposited Treasury Cash		1,000

Only basic worktags for this example are included.

*The ledger account is determined by the Customer Category (refer to [Chapter 90 - Statewide Customers and Suppliers](#)).

The Cancel Customer Payment task reverses the prior accounting entry that was created when the payment was received. Refer to [160.30.130 - Customer Payment](#) for other Customer Payment scenario accounting entries that may be reversed.

160.30.170.d Refund Customer Payment

Agencies may need to refund a customer payment or a portion of a payment. Access the Create Customer Refund task and select the customer. You can select the On-Account Payment or Invoice Adjustment available for refund. The refund can be any amount up to the amount available. An accounting entry will not post until the Create Settlement Run task issues the warrant refund payment. **Reference Chapter 180.XX** for more information regarding the Create Settlement Run task.

A sample accounting entry when Create Settlement Run is complete is as follows:

Fund	Fund Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
FD0012	Suspense Fund	21710	Unapplied Recorded Payment	1,000	
FD0012	Suspense Fund	11060	Cash in Treasury		1,000

*Only basic worktags for this example are included.

160.30.170.e Non-Sufficient Funds Returned (Return Customer Payment)



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For additional details about the NSF process [Refer to 160.20.120 - NSF Returns and Collections](#).

For checks related to a Workday Customer Invoice:

- Agency locates the Customer Payment/Deposit transaction.
- Agency enters a Customer Payment Return associated with the original transaction. This reverses the original payment and records two entries simultaneously:

Customer	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
King County	21710	Unapplied Recorded Payments	1,000	
	11060	Cash in Treasury		1,000
King County	13145	Due From Other Governments	1,000	
King County	21710*	Unapplied Recorded Payments		1,000

Refer to CA1_Customer Payments and Refunds Job Aid

Accounting Journal to Record Allowance for 160.30.180 Uncollectible Accounts

The establishment of an allowance for uncollectible accounts is accomplished using an Accounting Journal with a journal source of Accounting Adjustments. Refer to [Section 160.20.130 - Allowance for Uncollectible Receivables](#) for additional details.

160.30.190 Write Off of Accounts Receivable

The following section refers to Workday transactions related to the Workday AR module and only applies to agencies that have opted to use the AR module. Refer to [Chapter 200 Financial Accounting](#) for using accounting journals to record accounts receivable without using the Workday AR module.

To write off an accounts receivable in the Accounts Receivable Module, use the Customer Write off Debt Business Process or the Create Customer Invoice Adjustment task, depending on the fund type the receivable was posted to (Governmental Fund vs Proprietary Fund) and whether an allowance was previously recorded for the invoice. The individual customer invoice(s) is identified in the transaction.

Governmental Fund or Proprietary Fund and Allowance Recorded

Task: **Write off Customer Invoice**

Write-Off reason: **Allowance was recorded**



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Use the Write off Customer Invoice task if an allowance was recorded for the invoice in either a Governmental Fund or a Proprietary Fund. Choose the Write-Off Reason “Allowance was recorded” from the drop down. A sample accounting entry is as follows:

Customer	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
King County	13035	Allowance for Uncollectable Accounts	1,000	
King County	13145*	Due From Other Governments		1,000

Only basic worktags for this example are included.

*The ledger account is determined by the Customer Category (refer to [Chapter 90 - Statewide Customers and Suppliers](#)).

Proprietary Fund and No Allowance Recorded

Task: **Write off Customer Invoice**

Write-Off reason: **Proprietary Fund and No Allowance**

In cases where an allowance account does not have a sufficient balance or where an agency fails to establish an allowance account on an invoice posted to a Proprietary Fund, agencies are to write off uncollectible receivables using the Write off Customer Invoice task, and choose Proprietary Fund and No Allowance as the reason. A sample accounting entry is as follows:

Customer	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
King County	62100	Bad Debt Expense	1,000	
King County	13145*	Due From Other Governments		1,000

Only basic worktags for this example are included.

*The ledger account is determined by the Customer Category (refer to [Chapter 90 - Statewide Customers and Suppliers](#)).

Governmental Fund and No Allowance Recorded

Task: **Create Customer Invoice Adjustment**

Adjustment Reason: **Uncollectible**

Use the Create Customer Invoice Adjustment task then choose Uncollectible as the Adjustment Reason on invoices posted to a Governmental Fund and No Allowance was recorded. This is because the write-off process cannot adjust the original revenue/expense code that was used. A sample accounting entry is as follows:



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Customer	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
King County	4*** or 6***	Revenue or Expenditure Account(s) (with Revenue or Spend Category from original AR Invoice)	1,000	
King County	13145*	Due From Other Governments		1,000

Only basic worktags for this example are included.

*The ledger account is determined by the Customer Category (refer to [Chapter 90 - Statewide Customers and Suppliers](#)).

Refer to Job Aid XXXX