Fact Sheet Excel Attachment: Accounts Receivable Tab Reference Tool

Definition of Accounts Receivable
Accounts receivable are general ledger assets used to record sales made on credit to external customers (not other University departments) for goods or services which have been delivered to or used by the customer as of June 30, but for which the customer has not yet paid us as of June 30.

NOTE: Accounts receivable on self-supporting funds are required to be reported through Banner AR (see https://www.obfs.illinois.edu/bfpp/section-5-receivables/obtain-access-banner-accounts-receivable-banner-ar) unless the unit has an approved Banner AR exemption (see https://www.obfs.illinois.edu/bfpp/section-5-receivables/request-an-exemption-from-using-banner-ar). Accounts receivable should only be listed on the Fact Sheet Excel Attachment if the unit has an approved Banner AR exemption or has missed the Accounts Receivable critical cutoff deadline.

Definition of Uncollectible Accounts Receivable
Uncollectible accounts receivable (also known as an allowance for doubtful accounts) are general ledger contra assets that offset total accounts receivable. They are used to record receivables that are highly unlikely to be collected due to a customer who is either unable or unwilling to pay. Uncollectible accounts receivable are not the same as write-offs and these AR should continue to be reported as outstanding until you work with University Student Financial Services and Cashier Operations (USFSCO) or UAFR to process the write-off to remove the AR from your fund.

Examples of Accounts Receivable (AR):
The following are some common examples of transactions that should be recorded as a year-end receivable:
- Amounts owed to the University for the sale and delivery of goods (e.g., t-shirts, publications, etc.) to an external customer as of June 30.

Examples of Transactions that are NOT Accounts Receivable
The following are some common examples of transactions that should NOT be recorded as a year-end receivable:
• **Deposit in Transit**
  o Deposit in transit are where the University has received the money as of 6/30 but it has not been recorded in the system of record (Banner). This is not recorded as a receivable because the external customer has paid the University as of 6/30.

  o An example of this would be a check the University receives on or before 6/30 but that is not deposited with USFSCO until 7/1 or after. UAFR receives this information from USFSCO and records this to the system of record (Banner) through a different process as a Deposit in Transit.

• **Receivables from other University Units/Departments**
  o The University would only record receivables from external customers, and would not record receivables from other University units/departments. This is not recorded as a receivable because the University does not want to overstate revenue on the financial statements.

  o An example of this would be if Unit A buys a good or service from Unit B, and a journal voucher or feeder is used to pay Unit B for the good/services provided to Unit A.

• **Receivables that have been recorded to the applicable 53nnn receivable account codes in Banner as of 6/30**
  o Units that use Banner AR (SAR/GAR) to record their receivables should only report transactions that missed the Banner AR critical cutoff deadline (calendar date 6/30). Receivables that have been recorded in Banner as of 6/30 should not be listed on the Fact Sheet as the University does not want to duplicate the receivable entry in Banner.

  o An example of this would be if the unit provided a service to an external customer on 6/27, and on 6/30 submitted the receivable to USFSCO through Banner AR.

**Completing Your Fact Sheet**

Now that you understand the definition of accounts receivable and what should and should not be completed, we are now ready to complete the Fact Sheet Excel Attachment. However, before we start to go through these required fields, please keep in mind the tips below:

• Make sure you are using the most recent version of the Fact Sheet Excel Attachment found at the following website: [https://www.obfs.uillinois.edu/accounting-financial-reporting/year-end-procedures/fact-sheets/](https://www.obfs.uillinois.edu/accounting-financial-reporting/year-end-procedures/fact-sheets/)

• When copying data over from another spreadsheet, paste the information in using the "Paste Values" option. This will help ensure the formatting and formulas on this spreadsheet work correctly.

• To see a completed example of a Fact Sheet Attachment, refer to the Fact Sheet Excel Attachment Example: [https://www.obfs.uillinois.edu/accounting-financial-reporting/year-end-procedures/fact-sheets/](https://www.obfs.uillinois.edu/accounting-financial-reporting/year-end-procedures/fact-sheets/)

• Completion of the following steps are required in order to complete the fact sheet year-end accounts receivable adjusting entry.
• If you have any questions, refer to the “Who to Ask” page: https://www.obfs.uillinois.edu/accounting-financial-reporting/who-to-ask/.

**Step 1: C-FOAPAL Information**

Enter the complete C-FOAPAL into Columns A through G.

This typically would be the same C-FOAP that you will use to deposit the funds when received from the customer.

• The C-FOAP (Chart – Fund Organization Account Program) **is required** to complete the fact sheet year-end accrual entry. The activity code and location code are optional.

• Enter an account code which accurately reflects the activity of the transaction generating the receivable. This typically would be the revenue account code (3nnnnn) that will be used to deposit the funds when received from the customer.

• If you have any questions, please refer to the Account Codes section of UAFR’s Who to Ask list: https://www.obfs.uillinois.edu/accounting-financial-reporting/who-to-ask/types-questions/#account-codes

For example, if ABC Company owes you money for a University produced training manual that you sold prior to June 30th, then you would list the C-FOAPAL that you plan to post the revenue to once it is received. In this example 305200 “University Produced Publication Sales Revenue” would be the appropriate revenue account code.

![C-FOAPAL Chart](image)

**Step 2: Customer Name and Description of Customer Base**

Enter the customer name or description of the customer base in Column H.

• Customers should only include those **external** to the University. Other University of Illinois departments/units should **not** be listed as accounts receivable.

Enter whether the customer is a State of Illinois agency or not in Column I with a “YES” or “NO” from the dropdown. Note, for State of Illinois agencies, list one customer per line and do not group together customers.

Some examples of customer could be:

• An external company name, such as ABC Company
• A group of like-kind customers, such as receivables from various conference attendees who owe money for a conference registration who missed the 6/30 GAR deadline; or,

• An institution funded by the State of Illinois, such as another State of Illinois public university or Illinois Department of Corrections. For these types of customers, you would select “YES” in Column I.

Step 3: Gross Receivable Amount
Enter in the "Gross Receivable Amount" (Column J) the total receivable amount as invoiced to the customer. This would be the amount owed to you from the external customer.

  • Enter the total amount due from the customer regardless of if the activity crosses fiscal years. The Fact Sheet Excel Attachment calculates the portion of the receivable relating to the fiscal year that is closing.

For example, if you have three conference attendees that owe you each $250 for attending a conference that crosses fiscal years, you would enter $750 in the gross receivable column.

Step 4: Description of the Receivable
Enter in the "Description of Receivable" (Column K) the description of the good or service provided as of 6/30 to the external customer.
See below for examples of accounts receivable description:

```
Description of the Receivable
Professional Training Manuals
Conference Registration Fees
Professional Training Services
```

**Step 5: Start Date and End Date of Service Period Covered by the Sale**
Enter the start date and end date of the service period covered by the sale.

- The service dates should begin on or prior to June 30th of the fiscal year closing.
- If the receivable is for a tangible good, the start and end date would be the same date.

For example, if you have a conference that your department is owed conference registration revenue from an external customer that starts on 6/28/20nn and ends on 7/3/20nn, then you would input these dates into the Start Date and End Date fields. If your unit sells manuals that delivered FOB Delivery on 6/15/20nn that they are owed money for, then you would put 6/15/20nn into both the Start Date and End Date fields.

```
| Start Date of Service Period Covered by the Sale or Date the Goods Were Sold |
| End Date of Service Period Covered by the Sale or Date the Goods Were Sold  |
| 6/15/20nn                           | 6/15/20nn                           |
| 6/28/20nn                           | 7/3/20nn                            |
| 6/15/20nn                           | 6/28/20nn                           |
```

**Step 6: Uncollectible Accounts Receivable**
Enter either “YES” or “NO” from the dropdown to indicate whether or not full payment is expected in Column N. If “NO” is selected, enter the estimated uncollectible amount in Column O.

- If the customer is expected to pay the full amount that they owe, then select "YES" from the drop-down menu.
- However, if it is expected that the customer will never pay the full amount they owe for one reason or another, then select "NO" from the drop-down menu.
- This question is to help determine whether an "Allowance for Doubtful Accounts" entry needs to be recorded in Banner for any receivables which are expected to be uncollectible.
- Any amount entered into Column O will be recorded as an "Allowance for Doubtful Accounts" in Banner as of 6/30 to record an allowance and bad debt expense for receivables which we
do not expect to receive payment for. If this does not apply to your receivables, leave this field blank or enter a zero.

- For questions on how to write off a receivable, contact https://www.obfs.uillinois.edu/usfsco/who-to-ask/

For example, if your unit provides professional services to an external company throughout the fiscal year, and the external company has not yet paid you for these services and you have received notice that they do not plan to pay you due to declaring bankruptcy, then you would select “YES” from the drop-down menu and enter the amount that you estimate will go unpaid.

<table>
<thead>
<tr>
<th>Do You Anticipate that the Customer Will Pay You in Full for the Amount They Owe?</th>
<th>If You Answered &quot;NO&quot; to the Previous Question, What is the Estimated Amount Which Could Go Unpaid?</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>$100.00</td>
</tr>
<tr>
<td>NO</td>
<td>-</td>
</tr>
<tr>
<td>YES</td>
<td>$75.00</td>
</tr>
</tbody>
</table>

**Step 7: Save and Upload**

Once you have completed the “Accounts Receivable” tab of the Fact Sheet Excel Attachment, review the other tabs of the Fact Sheet Excel Attachment to see if you have any other accruals, deferrals, or inventory for resale to report.

If you do not have any other accruals, deferrals, or inventory for resale to report, save the Excel, and upload it as an attachment to the fact sheet application.