



County of Riverside
OFFICE OF THE AUDITOR-CONTROLLER
STANDARD PRACTICE MANUAL

SUBJECT: BILLING ADJUSTMENTS

SECTION:	7	CATEGORY: ACCOUNTS RECEIVABLE
SUB-SECTION:	703	
REVISED/ LAST REVIEWED:	3/22/02	APPROVED BY: <i>Robert Byrd</i>

PURPOSE: To provide uniform instructions to adjust accounts receivable balances.

SCOPE: Applies to County departments, agencies, special districts, and authorities, that are governed by Riverside County Board of Supervisors, and/or which maintain funds in the County Treasury.

POLICY: All areas within the scope are required to formulate and document billing adjustments following the guidelines stated in this policy for approval by the Auditor-Controller.

PROCEDURE:

1. County departments and agencies will regularly review accounts receivable balances to identify immaterial adjustments that should be made in order to accurately report amounts that are expected to be collected by the county.
2. Authorizations will be obtained for accounts receivable adjustments prior to their recognition in the County's General Ledger. Authorization thresholds for adjustments should be established by each organization. Such thresholds will be developed by department or agency management, subject to review by the Auditor-Controller for consistency with the Policy. In developing the thresholds, consideration will be given to:
 - a) Statutory or regulatory program requirements involving adjustments.
 - b) Applies to County departments, agencies, special districts, and authorities, that are governed by Riverside County Board of Supervisors, and/or which maintain funds in the County Treasury.
3. Departments will determine internal approval procedures for billing adjustments due to errors.
4. After required authorizations are obtained, the departments and agencies will record the adjustments in order to reasonably reflect the amounts due from customers in their accounting records.

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