

**Student Affairs Business Process Document**  
**Created for: Sindecuse Health Center Accounts Receivable**  
**Revised: October 20, 2011 (Created June 16, 2011)**

**Accounts Receivable**

**Background**

Accounts receivable (A/R) for Sindecuse Health Center (SHC) clinic and pharmacy is generated from insurance billings. As of July 1, 2011, the delay in charges waiting to be posted to student accounts has been minimized and therefore those charges will not be part of the SHC A/R balance and are handled by the WMU Accounts Receivable department. Prior to July 1, 2011, there had been a two week delay in the posting of charges to student accounts so those were included previously.

Since approximately 2006, the recording of A/R for outstanding SHC receivables has gone through a number of changes. During fiscal year 2011, A/R was not recorded in the general ledger on a monthly basis. For fiscal year 2011 only, the appropriate A/R balance was recorded as of June 30, 2011. In addition, the offset to the A/R balance will not be recorded in a separate A/R revenue or expense account code beginning with fiscal year 2011. The A/R offset will be recorded as revenue in each designated department.

Additionally, beginning with fiscal year 2011, an A/R balance will be recorded for the pharmacy area. The pharmacy A/R balance will be recorded in accordance with Generally Accepted Accounting Principles (GAAP). By beginning to record A/R in FY2011, it created an appearance of an increase in revenue for the pharmacy area for the fiscal year, but this was simply a one-time revenue entry that is required to comply with GAAP.

Beginning with fiscal year 2012, SHC clinic and pharmacy A/R will be recorded on a monthly basis. The balance in 43-0000000-1297 will be equivalent to the month-end balance for SHC clinic and pharmacy A/R combined.

**Process**

Unless otherwise specified, the process below applies to both clinic and pharmacy A/R.

The A/R balance for the clinic should agree to the monthly report (as of the last day of the month) from Point and Click (PNC). The SHC Medical Systems Administrator will serve as the primary individual for running the report. The SHC Director of Business Services will be the back-up.

The A/R balance for the pharmacy should agree to the monthly report (as of the last day of the month) from the SRS A/R program. The SHC Chief Pharmacist will serve as the primary individual for running the report. The SHC Pharmacy Technician will be the back-up.

Beginning with July 2011, the A/R balance will be recorded on a monthly basis, as of the last day of the month. The Director of Business Services, SHC will be responsible for ensuring timely and accurate recording of A/R to the general ledger and related record keeping.

The actual A/R balance will be reflected in 43-0000000-1297. Account code 1297 is specifically designated for SHC; therefore, the balance of 1297 should be equal to the combined total of the clinic and pharmacy A/R. The JES must be submitted no more than two business days subsequent to the last business day of the month. If the JES is processed during the following month, the "Post to Prior Period" box must be checked when processing the entry. The "Begin Period Reversal" box must always be checked (regardless of the processing date) when processing A/R entries. Checking this box will cause the journal entry to be automatically reversed during the monthly closing process.

Clinic A/R should be processed as follows:

Debit 43-0000000-1297 for the entire A/R balance  
 Credit 43-5303010-8983 for the counseling services portion of clinic A/R  
 Credit 43-5303120-8983 for the pharmacy portion of clinic A/R  
 Credit 43-5303140-8983 for the diagnostics portion of clinic A/R  
 Credit 43-5303160-8983 for the medical portion of clinic A/R  
 Credit 43-5303190-8983 for the sports medicine portion of clinic A/R  
 Credit 43-5303220-8983 for the nursing portion of clinic A/R  
 Credit 43-5303240-8983 for the health education portion of clinic A/R  
 Credit 43-5303250-8983 for the social work portion of clinic A/R

Always check "Begin Period Reversal"  
 Check "Post to Prior Period" if processing in the following month

Pharmacy A/R should be processed as follows:

Debit 43-0000000-1297 for the entire A/R balance  
 Credit 43-5303120-8913 for the entire A/R balance  
 Always check "Begin Period Reversal"  
 Check "Post to Prior Period" if processing in the following month

EXAMPLE:

Clinic: June 30 A/R Balance = \$240,000

<u>Fund/CC</u>	<u>Department</u>	<u>Debit</u>	<u>Credit</u>
43-0000000-1297	All zeros	\$240,000	
43-5303010-8983	Counseling Services		\$20,060
43-5303120-8983	Pharmacy		\$44,060
43-5303140-8983	Diagnostics		\$30,004
43-5303160-8983	Medical		\$86,737
43-5303190-8983	Sports Medicine		\$38,657
43-5303220-8983	Nursing		\$11,448
43-5303240-8983	Health Education		\$7,034
43-5303250-8983	Social Work		<u>\$2,000</u>
Total		\$240,000	\$240,000

Pharmacy: June 30 A/R Balance = \$300,000

<u>Fund/CC</u>	<u>Department</u>	<u>Debit</u>	<u>Credit</u>
43-0000000-1297	All zeros	\$300,000	
43-5303120-8913	Pharmacy		<u>\$300,000</u>
Total		\$300,000	\$300,000