

**SBCTC Memorandum**

July 20, 2021

**TO:** BAR

**FROM:** John Ginther, Director  
Accounting and Business Services  
State Board for Community & Technical Colleges


**SUBJECT: Unearned Revenue/Accounts Receivable/Allowance for Doubtful Accounts**


In ctcLink, revenue and accounts receivable entries are generated as soon as a student registers, which means at year end, revenue and receivables are overstated because it is future period activity. Summer and Fall tuition needs to be moved from revenue to unearned revenue (Step 1). Then receivables applicable to Summer and Fall need adjusted against unearned revenue (Step 2). These adjustments will result in reporting revenue for the current fiscal year only, reporting the amount of receivables that are legally enforceable as of June 30<sup>th</sup>, and reporting unearned revenue as the amount of cash received applicable to future fiscal periods.


**Step 1: Unearned Revenue**


1. **Run the query** after July 1<sup>st</sup> of the current year: **'QCS\_SF\_ACCTG\_LN\_TERM\_REV\_SRC'** (SF Rev Source for Unearned Amt) in Campus Solutions. Beginning the evening of July 1<sup>st</sup>, Campus Solutions SF journal generates to the new fiscal year so all unearned revenue will have been recorded in the prior fiscal year.


**QCS\_SF\_ACCTG\_LN\_TERM\_REV\_SRC - SF Rev Source for Unearned Amt**

Business Unit GL  

Operating Unit (or blank)  

Acctg Date not greater than  

From Item Term  

To Item Term  

[View Results](#)

'Business Unit GL' = Enter WAxxx (example WA000 for State Board)

'Operating Unit (or blank)' = Optional. A multi-college district can run this query by college (example: Spokane Falls Community College = '7172'. Single college district can leave this blank.

'Acctg Date not greater than' = Enter the last day of the fiscal year. Example: 06/30/2021 for FY21.

'From Item Term' = First term in the new fiscal year. Example: Summer Quarter =2215

'To Item Term' = Last term in the new fiscal year for which the may have enrolled students. Example: Fall Quarter =2217.

There is no harm in extending the 'To Item Term' to Winter quarter if you believe someone may have registered for Winter.

2. **Query Results.** These are the fields returned by the query.

- Run Date
- GL Unit
- Journal
- Date
- Item Term
- Operating Unit
- Acct
- Fund
- DeptID
- Class
- Proj/Grt
- ActivityID
- Sum Amount
- Reference
- Item Type
- Line Descr
- Line Date
- Unit
- Acctg Date
- Period
- Year
- Status

3. **Summarize the Results.** We recommend creating a pivot table with the desired values needed. You may elect to record Unearned Revenue at the full chartstring level or at a single chartstring level. Since colleges' financial statements are presented as a single column, either method is acceptable. Here is an example of the pivot table results for one college at the revenue and term level:

Account	Fund 060	146	148	149	522	524	528	561	570	840	846	860	Grand Total
4000020	(71,201.20)			(535,903.61)	(71,510.99)			(17,195.35)				(26,735.52)	(722,546.67)
4000040	(28,103.70)			(390,100.77)	(13,260.90)			(12,516.60)				(14,602.95)	(458,584.92)
4000050			(26,234.00)		(21,152.00)	(2,227.72)	(6,912.00)		(6,912.00)	(765.38)			(64,203.10)
4000060			(106,710.00)							(18,652.98)			(125,362.98)
4000065		(133,610.73)											(133,610.73)
4000105			6,870.00	23.38	1,545.50		392.00	0.75	392.00		-	0.87	9,224.50
4000110	692.02			72,813.26	517.12			2,336.21			-	2,769.60	79,128.21
4010020			(10.00)										(10.00)
4030060			(95.00)										(95.00)
<b>Grand Total</b>	<b>(98,612.88)</b>	<b>(133,610.73)</b>	<b>(126,179.00)</b>	<b>(853,167.74)</b>	<b>(103,861.27)</b>	<b>(2,227.72)</b>	<b>(6,520.00)</b>	<b>(27,374.99)</b>	<b>(6,520.00)</b>	<b>(19,418.36)</b>	<b>-</b>	<b>(38,568.00)</b>	<b>(1,416,060.69)</b>

4. **Create a Journal.** In Period 13 create an adjusting journal entry with a ADB date of 6/30/20YY with an automatic reversal date. [Select the highlight 'Reversal' link.](#) By using an automatic reversing journal you will not need to remember to reverse the journal in the new fiscal year.

Complete the Journal Entry Reversal by selecting On Date Specified by User with a Reversal Date of 7/1/20YY.

5. **Record the journal lines.** You should record the Unearned Revenue at the Fund/Class/Department/Project ID (for Bldg Fee)/State Purpose/Account level.

**Debit Revenue:** Fund/Class/Department/Project ID (for Bldg Fee)/State Purpose/40xxxx

**Credit Unearned Revenue:** Fund/Class/Department/Project ID (for Bldg Fee)/State Purpose/2040010

6. **Review the Reversing Journal** in the new fiscal year.

## Step 2: Accounts Receivable Adjustment

1. **Schedule the query QCS\_SF\_ACCTNG\_LN\_ACCT\_TERM2** in Campus Solutions to determine the amount of outstanding receivables as of 6/30/20xx year end. In Navigator, select Reporting Tools > Query > Schedule Query. Select the “Add a new Value” tab and enter a Run Control ID (this is unique to you, so describe it in a way that will make sense) and click “Add”. In the Query Name Field, enter the query **QCS\_SF\_ACCTNG\_LN\_ACCT\_TERM2** (or use the search function to find it).

**Schedule Query**

Run Control ID AR\_YE\_BAL Report Manager Process Monitor

Query Name

\*Description

2. A parameters box will pop up as follows:

**QCS\_SF\_ACCTNG\_LN\_ACCT\_TERM2**

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GL Unit (Required)

Journal ID (Optional)

\*Fiscal Year (Required)

Accounting Period (Optional)

ID (Optional)

Ext Org ID (Optional)

From Item Type: (Optional)

To Item Type: (Optional)

From Item or Acct Term (Opt)

To Item or Acct Term (Opt)

From Account (Optional)

To Account (Optional)

'GL Unit' = Enter WAxxx (example WA000 for State Board)

'Fiscal Year' (required). = 2021 for data as of 6/30/2021

'From Item Term or Acct Term' = First term in the new fiscal year. Example: Summer Quarter =2215

'To Item Term or Acct Term' = Last term in the new fiscal year for which the may have enrolled students. Example: Fall Quarter =2217.

There is no harm in extending the 'To Item Term' to Winter quarter if you believe someone may have registered for Winter.

Once you have entered the parameters, click "OK".

3. Click "Save" at the bottom of the screen and then click "Run" at the top of the screen to go to the process scheduler screen.

### Schedule Query

Run Control ID AR\_YE\_BAL Report Manager Process Monitor **Run**

Query Name

\*Description

[Update Parameters](#)

Prompt Name	Value
BUSINESS_UNIT_GL	<input type="text" value="WAxxx"/>
JOURNAL_ID	<input type="text"/>
FISCAL_YEAR	<input type="text"/>
ACCOUNTING_PERIOD	<input type="text"/>
EMPLID	<input type="text"/>
SF_EXT_ORG_ID	<input type="text"/>
ITEM_TYPE	<input type="text"/>
ITEM_TYPE	<input type="text"/>
ITEM_TERM	<input type="text" value="2215"/>
ITEM_TERM	<input type="text" value="2217"/>

- On the "Process Scheduler Request Screen", select "Type"=Web and "Format" = TXT, then click OK.

### Process Scheduler Request

User ID CTC\_LCARAMBOT Run Control ID AR\_YE\_BAL

Server Name  Run Date

Recurrence  Run Time

Time Zone

**Process List**

Select	Description	Process Name	Process Type	Type	Format	Distribution
<input checked="" type="checkbox"/>	PSQUERY	PSQUERY	Application Engine	<input type="text" value="Web"/>	<input type="text" value="TXT"/>	<a href="#">Distribution</a>

- This will take you back to the Schedule query screen where you will see “Process Instance” number that indicates the query is running. Make note of the number, then click on Report Manager.

**Schedule Query**

Run Control ID AR\_YE\_BAL Report Manager Process Monitor **Run**

Query Name

\*Description

[Update Parameters](#)

Process Instance:58161701

- Report Manager.** Once the query is complete, a completion date and time will populate on the list. Click on the “Report” Name.

back

**List** Explorer Administration Archives

**View Reports For**

Folder  Instance  to

Name  Created On  Last  1 Days

**Reports**

1-5 of 5 | View All

Report	Report Description	Folder Name	Completion Date/Time	Report ID	Process Instance
1 Student Fin Trans w Acct Term	STUDENT FIN TRANS W ACCT TERM	General	07/28/21 3:57PM	3642729	58161701
2 SF Trans w ItemAcct Term in FY	SF TRANS W ITEMACCT TERM IN FY	General	07/28/21 3:37PM	3642702	58161590
3 SF Trans w ItemAcct Term in FY	SF TRANS W ITEMACCT TERM IN FY	General	07/28/21 3:36PM	3642697	58161582
4 Student Fin Trans w Acct Term	STUDENT FIN TRANS W ACCT TERM	General	07/28/21 8:52AM	3641577	58153707
5 Student Fin Trans w Acct Term	STUDENT FIN TRANS W ACCT TERM	General	07/28/21 8:52AM	3641576	58153703

- Report.** Click on the .csv file to open the report in excel.

**Report**

Report ID 3642729      Process Instance 58161701      [Message Log](#)  
 Name PSQUERY      Process Type Application Engine  
 Run Status Success

Student Fin Trans w Acct Term

**Distribution Details**

Distribution Node local      Expiration Date 08/27/2021

**File List**

Name	File Size (bytes)	Datetime Created
<a href="#">AE_PSQUERY_58161701.log</a>	100	07/28/2021 3:57:46.086311PM PDT
<a href="#">QCS_SF_ACCTNG_LN_ACCT_TERM2-58161701.csv</a>	100,844,644	07/28/2021 3:57:46.086311PM PDT

**Distribute To**

Distribution ID Type	Distribution ID
User	CTC_LCARAMBOT

8. **Query Results.** These are the fields returned by the query.

- Run Date
- Line
- In Process
- GL Unit
- Journal
- Date
- Line #
- Acct
- Fund
- Program
- DeptID
- Proj/Grt
- Class
- Chartfield2
- Operating Unit
- Amount
- Status
- Line Descr
- Status
- Line Date
- Unit
- Template
- Acctg Date
- Status
- Instance
- Currency
- Period
- Year
- Amount
- Ledger

ID  
Item Nbr  
Acct Term  
Item Term  
Item Type

9. **Summarize the Results.** We recommend creating a pivot table with the desired values needed. You may elect to adjust at the full chartstring level or at a single chartstring level. If you include a term in your pivot data, make sure you are using Acct. Term. Since colleges' financial statements are presented as a single column, either method is acceptable. Here is an example of the pivot table results for one college at the receivable balance and term level:

Sum of Amount	Fund												Grand Total
Acct	60	146	148	149	522	524	528	561	570	840	860	Grand Total	
1011010	397,345.11			3,253,190.49	243,276.51			104,381.64			145,008.83	4,143,202.58	
1011020		3,100.00	668,654.87			47,961.64	51,252.50		0.00	8,015.00		778,984.01	
<b>Grand Total</b>	<b>397,345.11</b>	<b>3,100.00</b>	<b>668,654.87</b>	<b>3,253,190.49</b>	<b>243,276.51</b>	<b>47,961.64</b>	<b>51,252.50</b>	<b>104,381.64</b>	<b>0.00</b>	<b>8,015.00</b>	<b>145,008.83</b>	<b>4,922,186.59</b>	

10. **Create a Journal.** In Period 13 create an adjusting journal entry with a ADB date of 6/30/20YY with an automatic reversal date. [Select the highlight 'Reversal' link.](#) By using an automatic reversing journal you will not need to remember to reverse the journal in the new fiscal year.
11. **Record the journal lines.** You should record the Unearned Revenue at the Fund/Class/Department/Project ID (for Bldg Fee)/State Purpose/Account level.
- Debit Unearned Revenue:** Fund/Class/Department/Project ID (for Bldg Fee)/State Purpose/2040010  
**Credit Accounts Receivable:** Fund/Class/Department/Project ID (for Bldg Fee)/State Purpose/1011010 (SF Tuition Receivable) or 1011020 (SF Fees Receivable)
12. **Review the Reversing Journal** in the new fiscal year.

### **Step 3: Allowance for Doubtful Accounts Adjustment**

When calculating year-end allowance for doubtful accounts, make sure that you are *excluding* the summer and fall term amounts adjusted in step 2.

As stated in SAAM 90.20.70.b (21) the financial records must reflect the **amount of receivable that is actually expected to be collected**. The amount that is estimated to be uncollectible must be noted and subtracted from the total accounts receivable balance. This is done through specific accounts, which indicate a reduction of the receivable. At year-end, if it is determined that not all receivables will be collected, the allowance account must reflect the amount estimated to be uncollectible.

In governmental or expendable trust funds (Fund types 1 and 3) the allowance account (1010115) is offset with a revenue account (4000010) for tuition.

In proprietary fund types (Fund type 4) the allowance account (1010115) is offset with a bad debt expense account (5081270).

Colleges must maintain documentation demonstrating the logic used in determining the current allowance for doubtful accounts and the actual worksheets to determine the value. You should have these available for the auditors for both financial statement and compliance accounts.