

**ACCOUNTS RECEIVABLE COLLECTIONS**  
**(1987)**

**3621**

Purpose/Use: Collection of accounts receivables.

Reference/Authority: Accounting Procedures Handbook, Sections 3624, 3630, and 3632  
Government Code 13943.2;  
SAM 8710.1, 8776.55, 8790.1-.8.

Source: DAO - Accounts Receivable unpaid invoice file.

Forms/Related Documents: Delinquent Accounts Receivable, AO-271;  
Invoice, AO-223A;  
Letter;  
Report of Collections, AO-197.

Due Date(s): AO-271 - Monthly  
Letter 30, 60, and 90 days after date of AO-223A.

Distribution: See procedures.

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As Invoices (AO-223As) are prepared and forwarded to debtors a copy of AO-223A is forwarded to the DAO-Accounts Receivable-Cashier who maintains a suspense file of unpaid invoices. DAO-Accounts Receivable-Collections must monthly:

- Prepare a Delinquent Accounts Receivable (AO-271) listing all unpaid accounts receivables remaining in the file.
  - Make a copy of all unpaid AO-223As.
- Prepare as follows the appropriate letter in a sequence of collection letters for all accounts receivables due thirty or more days after the date of the AO-223A as shown on AO-271:
  - If due 30 days, explain the reason for accounts receivable and request payment.
  - If due 60 days, explain the reason for accounts receivable, reference the original letter, and demand payment.
  - If due 90 days, explain the reason for accounts receivable, reference prior letters and state that offset will be made against Franchise Tax Board refunds or any other amounts the state owes the debtor if payment is not received. Send letter, certified, with return receipt request.

- Make notations of activity in Remarks: section of AO-271.
- File copies of all letters in 30-, 60-, and 90-day files.
- Forward copies of all letters to appropriate region.

Forward a copy of all AO-271s listing accounts receivables due 90 days or more to immediate supervisor for direction.

Update AO-271 as copies of AO-197s showing collections for accounts receivable are received from DAO-Accounts Receivable-Cashier.

**FORMS AND/OR FORMS SAMPLES: RETURN TO ISSUANCE HOME PAGE FOR FORMS/FORMS SAMPLES SITE LINK.**

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