



**Business & Financial Services
Accounts Receivable Operations
6024 Campus Delivery
Fort Collins CO 80523-6024**

To: Campus Departments

From: Trish Torrez, Accounts Receivable Operations

Re: 2009/2010 Accounts Receivable Bad Debt Assessment Rates

Date: September 23, 2009

Each year, the Accounts Receivable staff evaluates the bad debt for prior year billing activity and updates the bad debt assessment rates for the current fiscal year. These monthly bad debt assessments fund a pooled University allowance that covers accounts that are written off as uncollectible. The rates for fiscal year 2009/2010 are as follows:

Student charges posted to ARIES will receive a bad debt assessment of 0.10%

Commercial charges posted to ARIES will receive a rate of 1.68%

Vet Teaching Hospital rates are reported separately

Receivable accounts undergo a comprehensive collection effort before they are written off. Collection activity includes monthly billing, internal collection attempts by the University's Special Assets department, and ultimately a broad array of State collection efforts. If an account remains unpaid after all these collection activities take place, the State Controller's Office reviews it and grants approval for write-off. At that point, account balances are cleared from the receivable ledgers, but the debt is not forgiven. For students, we hold future-term enrollment, transcripts, and diplomas until the student pays the debt in full.

University holds are not as effective for commercial customers. Individual departments play a major role in helping us monitor delinquent accounts to keep the commercial bad debt rate low. Verifying payment history and customer information at the time of sale such as; address, telephone numbers, SSN, and account number, helps to insure success in the collection of the debt. Despite our best efforts, some accounts remain uncollectable, so we encourage you to be cautious about extending credit to customers who have a bad payment history. To that end, we have holds viewable on ARIESweb that will allow you to see if your customer is currently assigned to a collection agency and/or in write-off status.

We assessed bad debt using these rates the last week in August for revenue recorded in July. Please forward this message to your staff member in charge of budgeting/reconciling for this expense. Feel free to contact me with any questions regarding these rates and the bad debt process for accounts billed through Aries.

Trish Torrez
Accounts Receivable Operations Manager
970.491.6661 phone
970.491.2452 fax
Trish.Torrez@ColoState.Edu

**Student Loans Receivable
(970) 491-6467**

**Fax: (970) 491-2452
Email: AROperations@ColoState.Edu
www.AROweb.ColoState.Edu**

**Student and Commercial Accounts
(970) 491-6466**