

<b>OREGON ACCOUNTING MANUAL</b>		Number 10.30.00.PO
Oregon Department of Administrative Services State Controller's Division		Effective Date July 1, 2001
Chapter	<b>Internal Control</b>	.1 OF .2
Part	<b>Revenues</b>	
Section		Approval  Signature on file at SCD

Authority      **ORS 291.015**  
                    **ORS 293.590**

### Revenue Controls

- .101 Management must establish and maintain adequate internal controls over revenue. At a minimum, these controls should provide evidence of the following:
- a. Revenue transactions occurred and that cash and revenue amounts exist as recorded.
  - b. All revenue transactions are recorded and nothing has been excluded from the accounts.
  - c. Revenue is properly classified as to source, mathematically correct, and entered appropriately into the accounting system. Restricted revenue is classified separately to show restricted rights and obligations.
  - d. Revenue is recognized in the proper period, neither postponing current period recordings to the next period nor accelerating next-period transactions into the current-year accounts.
  - e. Revenue transactions are reported in accordance with accounting principles and in compliance with applicable legal, administrative, and budget requirements.

### Accounts Receivable

- .102 Recording uncollected revenues (revenues earned but not received) results in the recognition of receivables. Receivables include loans, notes or similar obligations owed to the agency and must be recorded in the accounting records. Accounts receivable generally arise from the sale of goods or the rendering of services, but accounts receivable also arise from other sources, such as overpayments of entitlements. Accounts receivable include the amounts due for goods and services provided by state agencies to other state agencies, local governments, nonprofit organizations, and others.
- .103 Adequate internal control over receivables must be established and maintained. Adequate controls must include, at a minimum: separation of duties or appropriate compensating controls, proper authorization of transactions, and timely reconciliations. Collection documentation will include a record indicating the action taken, person performing the action, and the date of the action. Collection documentation must also include summaries of collection efforts and results, summary totals of accounts written off, and results of using other collection expertise.

Documentation should also include other information deemed necessary to aid in identifying effective collection programs and areas that need improvement. A cumulative history can aid in the improvement of receivables management and collections.

- .104 Accounts receivable will be aged and analyzed. The analysis will be documented and will include, at a minimum, the aging of accounts receivable balances, descriptions and summaries of payees or debtors and evaluation of the quality of the accounts receivable for management review and appropriate action.
- .105 Refer to Oregon Accounting Manual Chapter 35, Accounts Receivable Management, for details regarding Liquidated and Delinquent Accounts, as well as Interagency Receivables, Billings, and Payments.