

Ocean County College, Toms River, NJ

DOUBTFUL
ACCOUNTS
Calculation of the Allowance for
Doubtful Accounts #4702

POLICY

The Allowance for Doubtful Accounts will be calculated annually and recorded in the general ledger based on student accounts receivable at year end (June 30th). Any student account that is delinquent two years or more will be considered doubtful.

An aged receivable report will be generated for all student accounts. A journal entry will be posted for the total of the accounts that are delinquent two years or more. The debit will be posted to the expense account and the credit will be posted to the allowance account; the allowance account will offset the actual account write offs posted on the student ledger.

ADOPTED: January 26, 2009