Accounts Receivable – Transfer to Tax Roll

Transferring Accounts Receivable (AR) balances to the tax roll implies the customer delinquent balance will be collected from the county, and not a collection agency. This procedure usually starts in October with a delinquency 30 day notification for the transfer to the tax roll. After the 30 day compliance period has been met, payments should be entered for the remaining delinquent customers.

The recommended procedure is to enter payments in AR, labeled "Transfer to Tax Roll". This will create a receivable in the Accounts Receivable Clearing (ARC) account. Create a journal entry in General Ledger to relieve the AR clearing (ARC) account, with an offset to a "Due from Tax Roll" account or tax roll fund.

Follow these steps to remove the transfer amounts:

1. Enter a payment:
    a. Accounts Receivable > Customers > Enter Payments.
    b. Change the payment date to the last day of the compliance period.
    c. Change the Description to "Transfer to tax roll", you may want to add the year (YYYY) to the description as well.
    d. The payment amount should correspond to the remaining delinquent balance and not exceed the October notification amount.
2. Apply Payment(s) to the delinquent invoices, if necessary.
3. Enter a JE in the General Ledger.
    a. DR (Debit +) – Due from Tax Roll, or tax roll fund.
    b. CR (Credit -) – AR Cash Clearing (ARC) account

When the payment(s) are received from the county, the cash receipt or CRJE journal entry should offset the "Due from County" account or tax roll fund.

1. Cash Receipting.
   a. Distribution – Due from Tax Roll, or revenue in the tax roll fund.
   b. Payment – Common Bank account ($).
2. Journal Entry (CRJE)
   a. DR (Debit +) – Common Bank account ($).
   b. CR (Credit -) – Due from Tax Roll, or revenue in the tax roll fund.