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**Seattle Community Colleges - District 6 (SCCD)**

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**Agency: 670****Audit Report:** 6756**Finding Number:** 001**Finding:** Seattle Community Colleges did not comply with its own policies and procedures over delinquent accounts receivables.**Resolution:** The District now has a dedicated staff member working on receivables and as a liaison with the collection agency with which the District has contracted. The District is working aged receivables more timely to identify delinquent accounts and comply with its procedure. The accounts receivable subsidiary ledger will be reconciled with the general ledger by June 30, 2009. The District is still in the process of writing off the older uncollectable accounts or sending them to collections.

Specifically, the District is taking the following steps:

- Reviewing the accounts receivable unbilled charges report every ten business days for any new activities and invoicing sponsoring agencies.
- Monitoring any short paid invoices and sending outstanding balance notices with documentation supporting the open balance.
- Monitoring aged receivables and taking the following action:
  - At thirty days past due, a late notice is issued and sent to the customer with a copy of an open invoice attached.
  - At sixty days past due, a second late notice is issued advising that the account will be turned over to collections.
  - At ninety days past due, a final statement is issued with notice the account will be turned over to the collection agency. Prior to sending the account to the collection agency, a notice is sent to the appropriate campus office to ensure payment was not received at the campus. Once verified, the account is sent to the collection agency.

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**Agency: 670****Audit Report:** 6756**Finding Number:** 002**Finding:** Seattle Central Community College's Culinary Arts Department lacks adequate controls over cash-handling and liquor purchases.**Resolution:** The cash register in One World Dining has the capacity for user ID and this functionality is used. Cash registers in Square One and the Pastry do not have this capacity. The Department plans to purchase a new point-of-sale system in 2010 which will address this issue. In the meantime, the following alternate controls are in place:

- Deposits are prepared by one employee, reviewed by the fiscal specialist, and reviewed again by the cashiers.
- Voids are prepared at the time the error is made, signed by the student/hourly staff, and reviewed by the instructor and/or department staff.

Petty cash is no longer being used for liquor purchases. The District's new process has the following steps: The Department determines the need, obtains prices from the liquor store, prepares and submits an invoice voucher for approval to the associate dean or designee and the Business Office. It is then sent to the District's accounting office and a check is prepared. The instructional technician purchases the liquor with the check, and the order and receipt are reviewed by the fiscal specialist or designee. A weekly inventory of the liquor is now being maintained and is reviewed by the associate dean.

The District has a written cash control procedure, which was distributed to the Department on November 21, 2008. A specific procedure was written for liquor purchases and was also distributed on November 21, 2008.

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