

Resolution Number 2014-12  
Resolution Regarding Modification to the Fiscal Policy Manual of the  
Illinois Health Information Exchange Authority

WHEREAS, the Budget and Finance Committee of the Illinois Health Information Exchange (“ILHIE”) Authority Board has submitted for the Board’s consideration its recommendation for approval of a modifications to the ILHIEA Fiscal Policies Manual originally adopted by the Board pursuant to Resolution 2014-05 (“Policy Modification”);

WHEREAS, on September 14, 2014, the Budget and Finance Committee of the Illinois Health Information Exchange Authority (“ILHIE Authority”) Board voted to recommend to the Board that the Board adopt the Policy Modification, a copy of which is attached hereto and incorporated herein by reference;

WHEREAS, the Board has reviewed, endorses and wishes to adopt the Policy Modification; and

WHEREAS, the Board wishes to direct the Authority’s Executive Director to take further action to implement the Policy Modification.

BE IT RESOLVED BY THE ILLINOIS HEALTH INFORMATION EXCHANGE AUTHORITY, AS FOLLOWS:

Section 1. Authority. This resolution is adopted pursuant to Section 15(e) of the Illinois Health Information Exchange and Technology Act, 20 Illinois Compiled Statutes 3860/1 et seq.

Section 2. Policy Modification.

RESOLVED, the Board hereby directs Raul Recarey, as Executive Director of the ILHIE Authority, to take any and all necessary steps to implement the Policy Modification, including as listed below:

Modify the Fiscal Policies Manual, to include the Policy Modification including implementing nonsubstantive modifications and clarifications; and

Post the Fiscal Policies Manual, including the Policy Modification to the ILHIE Authority’s website;

Section 3. Enactment. This resolution shall take effect immediately. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Ayes:

Nays:

Abstain:

Absent:

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Kerri L. McBride  
Secretary

## **Proposed change to ILHIE Authority Fiscal Policies Manual that was approved by ILHIE Authority Board on May 21, 2014.**

September 16, 2014

### **Proposed Revision:**

## **ACCOUNTS RECEIVABLE MANAGEMENT**

### **Account Collection Procedures**

Standard payment policy is payment is due within thirty (30) calendar days after the invoice date. On at least on a monthly basis, the past due accounts receivable report is reviewed to identify delinquent balances. A First Notice is sent when a customer's payment has not been received more than thirty (30) calendar days after the date of the invoice and a Second Notice is sent when a customer's payment has not been received more than sixty (60) calendar days after the date of the invoice. When a customer's payment has not been received more than ninety (90) calendar days after the date of the invoice, a Final Notice is sent to the customer and the customer's account will be suspended if payment is not received by the ILHIE Authority within thirty (30) calendar days of the Final Notice.

An account receivable is deemed uncollectible after the customer is one hundred and twenty days (120) late. With the approval of the Executive Director, the Chief Financial Officer will write off the customer balance and the customer's service will be terminated.

### **Current Policy:**

### **Write-Off Authorization Procedures**

Standard payment policy is payment is due within thirty (30) calendar days after the invoice date. On at least on a monthly basis, the past due accounts receivable report is reviewed to identify delinquent balances. A second notice is sent when a customer is over thirty (30) days late and a third notice is sent when a customer is over sixty days (60) late. When a customer is over ninety days (90) late, the account is reviewed by the Chief Financial Officer and members of the executive team and a decision is made to either give the customer a final payment date or to close their account.

It is the policy of the ILHIE Authority to ensure that all available means of collecting receivables have been exhausted before write-off procedures are initiated. Write-offs are initiated by Chief Financial Officer. If an account receivable is deemed uncollectible after the customer is over ninety days (90) late, approval by the Executive Director is required before the account is closed and the customer balance is written off.

### **Allowance for Doubtful Accounts**

Because it is possible that not every customer will honor every its obligation to the invoice from the ILHIE Authority, it is the policy of the ILHIE Authority to maintain a reserve for uncollectible receivables. This reserve represents the amount of uncollected invoices that the ILHIE Authority never expects to collect. At the end of each fiscal year, the allowance for doubtful accounts is adjusted based on the following factors:

1. An analysis of outstanding, aged accounts receivable
2. Historical collection and bad debt experience

Year-end adjustments to the reserve for uncollectible accounts shall be performed by the Chief Financial Officer.

This reserve account will be used in the following year to write off those items that are deemed uncollectible from the prior year after further collection efforts have been abandoned, as described in the previous section.