



## CNA HealthPro

### Protecting Accounts Receivable Records

Should an event such as a fire or flood destroy your accounts receivable (A/R) records, you would be unable to identify those patients with an outstanding balance on their account, making collection of the fees difficult.

#### Backup Systems

Whether your accounts receivable records are computerized or on paper, you should take steps now to minimize the possibility of a loss of information.

In electronic systems, the best method is to consistently and routinely back up your A/R records, storing the electronic duplicate at an off-site location. Practice management software is available that makes protecting your information a simple task. Check with your software vendor to be certain you are capturing all the needed information when you run your backup tape or R-CD. You may also want to ask your accountant to identify the data that must be captured for maximum protection.

Although computers make it easy to maintain duplicate records, they also present certain risks. Computer malfunctions may occur at any time, potentially resulting in the loss of crucial data. This makes it even more important that accounts receivable information be backed up regularly.

You can back up your paper records by photocopying ledger cards or creating a master log of account balances. Similar to computer backup data, paper copies should be stored off-site. You may wish to consider storing the master A/R records in a fireproof cabinet or safe each night.

Some dentists routinely send a backup of the accounts receivable record to their accountant or other financial service. This backup allows the office to easily replace any missing data and identify the outstanding accounts so payment can be requested.

#### Mitigating Data Loss

If A/R information is lost, there are sometimes ways to mitigate the damage. Prior billings sent to patients may be reconciled with deposits from bank records to determine the current account balance. A full review of the dentist's accounting process may provide sufficient information to calculate the balance owed.

The best way to control the risk of losing accounts receivable information is to routinely back up your A/R data and store the backup off-site. Consult with your accountant and your computer system vendor to determine the protocol best suited for your practice.

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