



## WRITE-OFF OF RECEIVABLES

**Policy Title:** Write-Off of Receivables

**Policy Type:** Administrative

**Policy Number:** #41-10 (2014)

**Approved:** 12/16/2021

**Responsible Office:** Office of the Controller/Financial Services

**Responsible Executive** Vice President for Finance and Administration

**Applies to:** Applies to all current and former students, employees and organizations of the University

### POLICY STATEMENT

This policy is to establish the authority to enforce collection on all receivables and the subsequent removal of the debt from the University's financial accounting records.

### TABLE OF CONTENTS

### PAGE NUMBER

Definitions .....	1
Contacts .....	2
Stakeholder(s) (For Administrative Policy) .....	2
Write-Off of Receivables: Policy Contents).....	2
Education and Compliance	3
Publication.....	3
Review Schedule.....	3
Related Documents .....	3
Forms.....	4

### DEFINITIONS

**Set-Off debt:** Administered by the Department of Taxation, known as the Commonwealth Debt Set-Off Collection Program. The program allows for the offset of Commonwealth payments to individuals and vendors, to include, but not limited to, state income tax returns and lottery winnings.

**Receivables:** Money owed to the University for goods and services rendered by the University.

**Write-off:** A financial transaction that removes an account balance, which has been determined to be uncollectible, from the University's financial accounting records.

## **CONTACT(S)**

The Office of the Controller/Financial Services officially interprets this policy. The Vice President of Finance and Administration is responsible for obtaining approval for any revisions as required by BOV Policy # 01 (2014) *Creating and Maintaining Policies* <https://www.nsu.edu/policy/bov-01.aspx> through the appropriate governance structures. Questions regarding this policy should be directed to The Office of the Controller/Financial Services.

## **STAKEHOLDER(S)**

University students, faculty and staff

## **WRITE-OFF OF RECEIVABLES POLICY CONTENTS**

Accounts will be written-off the University's financial accounting system when collection procedures have been conducted without results and management deems the accounts uncollectible. Write-offs will be authorized by the Vice President for Finance and Administration. Accounts written off will not be considered settled and may be reinstated upon renewed contact with the debtor. After write-off, these accounts shall continue to be submitted to an external collection agency and Department of Taxation for debt set-off proceedings.

The Student Accounts Office will review the collection status of all past-due accounts and make recommendations to the University Controller and the Vice President for Finance and Administration, regarding those accounts that are determined to be uncollectible on a quarterly basis.

The Vice President for Finance and Administration will report all write-off activity to the President and the Board of Visitors annually.

Any account over four months old (90-121 days after the end of the semester) and internal collection procedures have been followed and documented may be approved for write-off.

Upon write-off the following procedures will be followed:

1. The account will be submitted to the Virginia Debt Set-off Program if greater than \$5.00 after being written off.
2. The account will be placed with the University's collection agency if greater than \$50.00.
3. Account will be assigned to the Attorney General's office (AGO) or its designated attorneys if greater than \$3,000.00 and more than 59 days past due. If the account has not been assigned to an attorney because the University believed the debt was uncollectible, documentation of how this was determined must be on file. Accounts without valid notes or contracts or for which the responsible party cannot be located are eligible for write-off without litigation efforts. Exceptions to sending accounts over \$3,000.00 to the AGO include having a written payment agreement signed by the debtor or financial aid pending disbursement.

4. Accounts of any amount, regardless of age, may be approved for write-off upon receipt of bankruptcy discharge, death certificate, certification of permanent disability or accounts determined uncollectible by the University.

The University will maintain a record of the written-off accounts and will attempt to collect the debt on the account in cases where there is renewed contact with the debtor.

## **EDUCATION AND COMPLIANCE**

The Office of the Controller shall make available to all affected parties the training on the requirement of this policy.

Compliance with this policy will be reviewed upon the conclusion of any review by the Commonwealth's agencies, University Internal Audit department or the annual Agency Risk Management and Internal Control Standards (ARMICS) review.

## **PUBLICATION**

This policy shall be widely published and distributed to the University community. To ensure timely publication and distribution thereof; the Responsible Office will make every effort to:

- Communicate the policy in writing, electronic or otherwise, to the University community within 14 days of approval;
- Submit the policy for inclusion in the online Policy Library within 14 days of approval;
- Post the policy on the appropriate Website; and
- Educate and train all stakeholders and appropriate audiences on the policy's content as necessary. Failure to meet publication requirements does not invalidate this policy.

## **REVIEW SCHEDULE**

- Next Scheduled Review: 12/16/2024
- Approval by, date: President, 09/24/2014
- Revision History: 05/16/1995; 07/01/1996; 09/24/2014; 06/01/2015; 01/03/2018; 12/16/2021
- Supersedes: Accounting Policy and Procedures No. 17

## **RELATED DOCUMENTS**

1. CAPP Manual- Topic 20505: Accounts Receivable:

[https://www.doa.virginia.gov/reference/CAPP/CAPP\\_Topics\\_Card\\_inal/20505.pdf](https://www.doa.virginia.gov/reference/CAPP/CAPP_Topics_Card_inal/20505.pdf)

2. Office of the Attorney General Collections Policy:

[https://www.doa.virginia.gov/forms/Accounts\\_Receivable/CollectionProcedures.pdf](https://www.doa.virginia.gov/forms/Accounts_Receivable/CollectionProcedures.pdf)

3. Department of Taxation Set-off Program:

<https://www.tax.virginia.gov/sites/default/files/inline-files/SETOFFPROGRAMGUIDE.pdf>

## **FORMS**

There are no forms associated with this policy and procedures.