

**CLOVER PARK TECHNICAL COLLEGE
POLICY**

CHAPTER	SECTION	TITLE	HISTORY		
3	25	Accounts Receivable Collection and Write-Offs	Adopted 2010	Campus Forum	Reviewed 2020
			Revised 2017		Next review 2023

POLICY

Past due receivables are to be followed up promptly and in a manner that is cost-effective.

APPROVAL:	
By: _____ Dr. Joyce Loveday	Date: _____
Board Chair Review: _____	Date: _____

**CLOVER PARK TECHNICAL COLLEGE
PROCEDURE**

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PROCEDURE

A. Definitions:

Receivables: Receivables are the amounts to be collected from private individuals, businesses, agencies, accounts or other governmental units. Clover Park Technical College will promptly record receivables when the asset or revenue recognition criteria have been met or the underlying accounting event has occurred and the amount is determinable. (OFM SAAM 85.54.10)

Past due: A receivable shall be determined to be past due when payment is not received within thirty (30) days of the invoice date.

B. Collections:

When a receivable is thirty (30) days outstanding from the original invoice date, second notices will be generated and sent to the debtors. If an original notice has been returned due to it not being deliverable, an email or telephone contact should be attempted.

When a receivable is sixty (60) days outstanding from the invoice date and the invoice is greater than or equal to \$100, debtors will be placed on hold and sent a third and final notice, indicating that their account may be sent to a collection agency if it remains unpaid. If the debtor is a student with amounts owing of less than \$100 in a quarter, the student account will be placed on hold prior to registration for the subsequent quarter.

Thirty (30) days following the third and final notice being mailed, the invoice series has been completed. If the invoice has not been paid in full and the debt is greater than or equal to \$100 and has become ninety (90) days past due, the debtor will be assigned to a collection agency for further action.

Other placements on hold: Students are placed on hold at the time that Library invoices are processed. Students are placed on hold at the end of the current month for unpaid daycare invoices. Students with unofficial charges are placed on hold within 60 days of the charge. No invoices are generated for unofficial charges, however, past due statements are mailed to students after 30 days.

Upon placing an account on hold, the college should not provide any further services to such individual (staff, student or former student). If a person is denied a request for service due to an outstanding debt, they will be notified that the services will not be provided until the debt is satisfied. The notification will include a copy of WAC 495C-122 which states their right to an adjudicative proceeding.

The college will document all efforts made toward the collection of receivables and interest may be charged on past due receivables in accordance with OFM guidelines. For NSF checks, the College will send a letter to notify customers that a check has been returned for non-sufficient funds. The amount of the NSF check is then entered into customer accounts, along with a returned check fee. The customer is then placed on hold and services to the customer will not be provided until the debt is paid. NSF debts that are not paid may be assigned to a collection agency after the appropriate procedures outlined above are complete.

C. Write-Offs:

When it has been determined by the Director of Budget and Finance that collection efforts by the Finance Department will not result in payment of the amount due, the account will be considered uncollectible and removed from the financial records. The Director of Budget and Finance is responsible for determining that due diligence has been exercised in attempting to collect receivables.

For uncollectible accounts up to \$2,500, the Director of Budget and Finance identifies and authorizes the accounts to be written off. Documentation for write-offs should include the collection procedures followed and the reasons the account is considered uncollectible.

For uncollectible amounts over \$2,500, the Attorney General's Office (AG) should be consulted to ensure that cost-effective methods to collect the receivables have been exhausted. The AG either provides authority to write off the account or recommends further collection activity by the College.

On a quarterly basis, the Director of Budget and Finance will provide the Vice President for Finance & Administration a record of all amounts written off during the quarter.

Accounts that meet one or more of the following criteria may be written off:

Accounts returned by a collection agency as uncollectible.

The debt has been discharged in bankruptcy.

Accounts that are over three years old.

Accounts owed by companies no longer in business.

Accounts owed by a debtor who has died.

Residual amounts under \$100; collection amount is insufficient to warrant collection efforts.

Costs exceed benefits of further collection procedures.

Disputed accounts with insufficient documentation to pursue collection efforts.

Other reasons may be considered on a case-by-case basis.

Collection attempts for students who are currently enrolled should be pursued and not written off except where prohibited due to bankruptcy or other special circumstances.

Accounts that have been turned over to a collection agency should not be written off unless it has been determined that the possibility of collection is remote.

All holds on a student's account shall remain in effect until the obligation has been paid. When the receivable has been written off, the hold may be removed from the account.

Delinquent accounts of employees will result in notification of their supervisors.

APPROVAL:	
By: <u><i>Lisa R Beach</i></u>	Date: <u>12/15/2020</u>
Lisa Beach, co-Interim Vice President for Finance and Administration	