

# Write-Off Accounts

FIN-ACC-500



## About This Policy

**Effective Dates:**

11-01-1999

**Last Updated:**

11-01-1999

**Responsible University Administrator:**

Vice President and Chief Financial Officer

**Policy Contact:**

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## Scope

All Indiana University units and employees.

## Policy Statement

Accounts Receivable balances over 12 months old lacking current Productive Activity are to be written off. Debts may be written-off prior to 12 months if they are coded as deceased, bankrupt, or if collection efforts have been exhausted. It is encouraged that delinquent nonstudent accounts be turned over to external collection agencies after all collection efforts have been exhausted by the department and by any respective campus office charged with collecting delinquent accounts.

On or before August 31st, all organizations must supply the Office of the Treasurer - Accounts Receivable with a detailed listing of all writeoffs for the prior fiscal year for review by executive management. These reporting requirements will be handled centrally for the Office of Research Administration. Information required in the detailed listing includes:

1. Total credit sales for the year
2. June 30 Aged Receivables Report (if information is not present in the Quali Financial System Accounts Receivable Module)
3. List and provide justification for retaining any accounts over 12 months old without productive activity
4. Information detailing write-offs:
  - # Customer name and address
  - # Invoice number
  - # Invoice date
  - # Original invoice amount and remaining unpaid balance
  - # Explanation of reason for write-off

This policy applies to all auxiliary enterprises, student and non-student receivable accounts. This policy specifically excludes accounts being administered by Student Loan Administration.

## Reason For Policy

To ensure that uncollectible monies are written-off in a timely and expeditious fashion.

## Definitions

**Productive Activity:** Having a recent (within 30 days) promise to pay, in writing and signed by the debtor, or a current payment plan in place on the account.

**Aged Receivable Report:** June 30 Aged Receivable report should include customer name and outstanding balance, aged receivables for current, 30, 60, 90 and 120 days. Report should be system generated by KFS accounts receivable or by accounts receivable system previously approved for use by the Office of the Treasurer in consultation with campus administration.

## History

This policy was established on November 1, 1999.