



FINANCE POLICY

EMC Reviewed: January 14, 2013
Policy Council Review: First Reading February 6, 2013
Approved by Board: BM No.13: 2012-2013
EMC Reviewed: October 17, 2019
Board Approved: BM #14:2019-2020 December 5, 2019,

NAME: BAD DEBTS

PURPOSE:

The purpose of this policy is to establish a consistent method in determining write offs to bad debt and to referring accounts to an outside agency for collection in an effort to minimize bad debt, maximize cash flow and ensure that the accounts receivable balance is appropriately stated. As a trustee of public funds, the Board intends that the College will make a reasonable effort to collect outstanding debts while remaining sensitive to the circumstances of particular situations.

POLICY:

1. Approved write-offs of uncollectable accounts shall be written off to bad debt.
2. When collection attempts have been unsuccessful, the Chief Financial Officer (CFO), may forward the debt to a collection agency for additional collection efforts on behalf of the college without further notice to the student, customer, client or organization.
3. In the case of larger debts that can not be recovered by usual means (short of court action), the Chief Executive Officer (CEO) may approve legal action up to and including small claims court. Legal action beyond small claim court requires notification and approval by the Board.
4. Uncollectible amounts shall be approved for write off to bad debt as follows:
 - The Chief Executive Officer (CEO) may approve bad debt up to \$10,000.
 - The Board of Directors must approve bad debt over \$10,000.
5. The consequences in this policy which apply to students who acquire outstanding debts to the College, should be published on the Great Plains College website.