

Title of Policy	BAD DEBTS
Policy Number	FIN-006
Approval Body	Board of Directors
Policy Steward	Finance Department
Operational Lead	Vice President, Finance and Administration
Approval/Effective Date	June 17, 2025
Proposed Date of Review	June 2030

## **CONTEXT AND PURPOSE**

Great Plains College has a responsibility to prudently manage public funds by collecting outstanding debts while being sensitive to the circumstances of individual debtors. This policy establishes a consistent approach to managing and writing off bad debts, including the appropriate use of collection agencies and legal action, to ensure that the College's accounts receivable balances are accurate and that financial stewardship is maintained.

## **SCOPE**

This policy applies to all debts owed to the College by students, clients, customers, or other external parties. It governs the process for identifying uncollectible accounts, the use of collection agencies, legal action, and the approval and recording of bad debt write-offs.

## **DEFINITIONS**

**Bad Debt:** Amounts determined to be uncollectible after all reasonable collection efforts have been exhausted.

**Write-off:** The formal accounting process of removing an uncollectible debt from the College's financial records.

**Collection Agency:** A third-party service contracted to pursue debt collection on behalf of the College.

**Small Claims Court:** A legal forum for recovering debts within the monetary limits prescribed by provincial legislation.

## **POLICY STATEMENTS**

### **A. COLLECTION EFFORTS**

- A. 1 The College will make all reasonable efforts to collect outstanding debts, taking into account individual circumstances.

- A. 2 When internal collection efforts are unsuccessful, the Vice-President, Finance and Administration (VPFA) may forward debts to a collection agency for further action without additional notice to the debtor.

**B. LEGAL ACTION**

- B. 1 The Vice-President, Finance and Administration (VPFA) may authorize legal action up to and including small claims court to recover outstanding debts.
- B. 2 Legal action beyond small claims court requires notification to and approval from the Board of Directors.

**C. APPROVAL OF BAD DEBT WRITE-OFFS**

- C. 1 The CEO may approve the write-off of bad debts up to \$10,000 per individual instance.
- C. 2 Each instance of bad debt write-off over \$10,000 requires the approval of the Board of Directors.
- C. 3 The cumulative total of bad debts written off in any given year does not require Board approval if each individual instance is below \$10,000 and in compliance with this policy.

**D. TRANSPARENCY**

- D. 1 The College will publish information about the consequences of outstanding student debts and its debt collection practices on its website to ensure clarity and transparency.

**RELATED POLICIES AND SUPPORTING DOCUMENTS**

[Other Fees | Great Plains College](#)

- Great Plains College Late Fee Guidelines FINAL APPROVED.pdf