

# Bad Debts Policy

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<b>POLICY:</b> Bad Debts			
<b>POLICY NUMBER:</b>	500.13	<b>CUSTODIAN:</b>	Director of Finance
<b>APV'D DATE:</b>	5/8/2017		
<b>EFFECTIVE DATE:</b>	5/8/2017	<b>REVIEW DATE:</b>	
<b>REFERENCES:</b> Generally Accepted Accounting Principles (GAAP)			

### Part 1. Policy Background and Purpose.

Account receivable balances are deemed uncollectible after non-payment for a period of time. COT will approve the period of time if it is different than a year.

### Part 2. Definitions

Bad debt is the realization that no payment is likely to be received. Also, known as Unrecoverable/uncollectible debts.

Write-offs are expensing the receivable deemed uncollectible to recognize the non-payment of the receivable

### Part 3. Responsibility

Director of Finance

Prepare a list of potential uncollectible tuition/fees and/or bad debt write-offs of student accounts or customers deemed uncollectible due to the account having a balance for more than a year and the debt being student tuition or over payment of funds (Pell or scholarships) for tuition.

Director of Finance will bring forward aging report quarterly for review by the COT.

COT

Oversee the Director of Finance's list of proposed bad debt write-offs.

### Part 4. Policy

Customers who do not pay the balance in a timely manner shall be considered an uncollectible account receivable. When annual audit is performed calculations on collectible receivables shall be performed for balance accuracy.