

**EASTERN WEST VIRGINIA COMMUNITY & TECHNICAL COLLEGE**

**BOARD OF GOVERNORS**

**POLICY NO. BP-7.7**

**TITLE:                      ACCOUNTS RECEIVABLE MANAGEMENT**

**SECTION 1.              GENERAL**

1.1    Scope -                      This policy sets forth standards for exercising due diligence in the determination and write off of uncollectible accounts receivables.

1.2    Authority -

Past due receivables should be reviewed on a regular, quarterly basis, considering the age of all accounts receivable, the number of accounts that are one year or more past due for write-off, and an estimate of uncollectible accounts receivable amounts.

Past due accounts receivable deemed to be uncollectible must be written off in the accounting system and then no longer recognized as an accounts receivable for management and financial reporting purposes. The College must make every reasonable effort to collect an account before a write-off. Due to the sensitivity and due diligence standards, all write-offs of uncollectible accounts receivable require the written approval of the President. The internal standards for determining an uncollectible account shall be outlined in administrative regulations.

When a debt or account receivable is determined to be uncollectible, the debt may be written off from the financial accounting records and no longer should be recognized as an account receivable for financial reporting purposes. However, determining that the debt is uncollectible does not cancel the legal obligation of the debtor to pay the debt, except as determined by federal or state law or other legal authority.

A previously written-off account receivable should be restored upon tender and acceptance of a payment. The receivable account must be reestablished and/or reinstated for processing in accord with appropriate practices.

### **SECTION 3            DELEGATION OF AUTHORITY**

The responsibility for implementation and interpretation of this policy is delegated to the President.

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**BOARD OF GOVERNORS, CHAIR**

February 1, 2004  
**DATE**