

Instructions

Accounts Receivable Request to Write-Off Uncollectible Accounts Less than \$3,000

All accounting entries to write-off uncollectible accounts will be initiated by the Accounts Receivable Department. These entries are made for receivable accounts recorded on the UGA Financial Accounting System. Departments must maintain all documentation supporting due diligence on collection efforts (*see guidelines on minimum collection efforts*) on accounts receivable and must also maintain a subsidiary ledger for accounts which have been written-off. Departments should submit the request to the Accounts Receivable Department by June 15th of each year.

- When accounts receivable of \$3,000 or less are ultimately determined uncollectible and due diligence for collection has taken place, the receivable will be written-off. When an account is written-off, the accounts receivable account should be credited and the allowance for doubtful accounts receivable account should be debited. This eliminates the receivable from the books of the campus in compliance with Georgia law.
- Write-off of receivables is based upon the aggregate of the debtor, not on individual transactions. For example, a customer may owe \$4,000 in aggregate, with ten transactions of which no single transaction exceeds \$3,000. In this case, the \$4,000 cannot be written-off.
- After due diligence collection efforts, and submission to a collection agency, if cost effective, the bad debts (less than \$3,000) should be written off against existing reserve accounts.
- Departments should seek assistance from Accounts Receivable when accounts assigned to collection agencies need to be written-off.
- Approval for write-off transactions has been delegated to the chief business officer at each University. The Accounts Receivable Department will obtain such approval at the University level. Additional and final approval for reserves and write-offs will be made by the state auditors.

Please use the form *Request to Write-Off of Uncollectible Accounts Less than \$3,000* and follow these instructions for completing the form:

- 1) Identify the Department name holding the receivables.
- 2) Identify the Receivable Account Number and the Departmental Sales Account number for the receivables.
- 3) Customer Number used by the department to identify the customer.
(Do not use nine digit SSN.)
- 4) Customer Name and Address
- 5) Date of the charge to be written off

- 6) Amount of the charge to be written off. This is the original billing date.
- 7) Has this customer had any previous amounts written off?
- 8) Describe the charge.
- 9) List the all steps taken to collect the charge to be written off.

The Accounts Receivable Department will provide you with a copy of the journal voucher which clears the receivable account of the uncollectible amounts. The department should update their internal records accordingly. If the department receives payment on the written off account, they should contact the Accounts Receivable Department at (706)542-6942 for assistance in processing the payment.