Title: ALLOWANCE/WRITE OFF POLICY

It is the responsibility of each LCTCS institution to establish an allowance for bad debt and write off policy for its college. The write-off policy should address any internal control issue and should have a level of approval consistent with the amount of exposure to the institution. Write-offs shall be made only after an aggressive system of collection has been pursued in each individual case. The policy shall be subject, but not limited, to the following:

- Delinquent account receivables (defined as not having been paid after their due date) that are deemed to be uncollectible shall be 100% reserved annually.
- Although the uncollected account may have been removed from the books and records, the institution shall continue to seek collection of the account.
- Actual write-offs of delinquent accounts shall be made at the end of no more than the second (2) year.

Compliance

In accordance with LRS 39:79, each LCTCS institution shall submit a report regarding debts and receivables owed to the Office of Statewide Accounting and Reporting Policy on a quarterly basis. A copy of the quarterly reports shall also be provided to the Sr. Vice President for Finance & Administration of the LCTCS system office at the time they are submitted to the Office of Statewide Accounting and Reporting Policy. Additionally, any single account to be written off that is greater than $5,000 shall be reported to the President of the LCTCS. All recording of accounts receivable, allowances and write-offs should be in accordance with generally accepted accounting procedures and those of the state.