



BAD DEBT WRITE OFF POLICY

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1. Purpose

- 1.1. The Bad Debt Write-off policy specify steps that must be taken to designate an account as uncollectible and to remove such accounts from the general ledger account fund balance (e.g. write it off).

2. Objective

- 2.1. This policy sets forth the Fiji National University's policies by which the University will potentially write off uncollectable debts over three years old.

3. Policy

- 3.1. In some circumstances, the Fiji National University may not be able to collect debts in a timely manner from its students, staff and other trade debtors. Further losses may be incurred due to lost or stolen properties such as cash, Laptops or Computers, damaged furniture or stocks.

- 3.2. The debt shall be written off after all economic attempts to recover the amount have failed to be uncollectible by the Director Finance. This process shall be done annually, prior to financial year end.

3.3. An account is determined to be uncollectible if it meets one or more of the following criteria:

- 3.3.1. The University's collection procedures have been followed and the account remains unpaid.
- 3.3.2. The debtor cannot be located, nor any of the debtor's assets.
- 3.3.3. The debtor has no assets and there is no expectation they will have any in the future.
- 3.3.4. The debt is disputed and the college has insufficient documentation to pursue collection efforts.
- 3.3.5. The debt is discharged in bankruptcy.
- 3.3.6. The debtor has died and there is no known estate or guarantor.
- 3.3.7. It is determined that it is not cost effective to continue collection efforts.
- 3.3.8. Other reasons to be considered on case by case basis.

- 3.4. The debt which is past due less than three years with the following exceptional circumstance may be written off as determined by Director Finance and approved by the Vice Chancellor:

- 2.5.1 Death, with death certificate.
- 2.5.2 Serious illness or total or permanent disability, with Doctors & physician's documentation.
- 2.5.3 Incarceration with documentation.
- 2.5.4 Political or civil event or natural disaster which prevents payment of fees.

3.5. The University shall promptly review all accounts written off in accordance with the following guidelines:

- 3.5.1. The Director Finance will approve write-off amounts up to \$1,000 for an individual form describing the debt, collection procedures followed, and action taken to support the write off.
- 3.5.2. The Vice Chancellor will approve write-off of amounts from \$1,001 up to \$5,000.
- 3.5.3. The Director Finance, with the approval of the Vice Chancellor, will submit write-off of amounts over \$5,001 to the Financial Resources Committee for review and endorsement



to the Council for approval. These requests must be accompanied by documentation of collection procedures followed and the reason the account is to be written off.

3.6. The University will flag accounts that have had a write-off as having had an uncollectible balance in the past.

3.6.1. Any future transactions for those account holders, such as registration or transcripts, will be denied until the uncollectible balance is paid in full.

3.6.2. However, this provision will not apply if the debt is fully discharged in bankruptcy or if the account was disputed and the college has insufficient documentation to pursue collections.

3.7. All debts and losses to be written off must be approved by the approved competent authority, after all avenues to collect debt has been fully exhausted.