I. Write-Off Procedures
   a. A write-off is a request to remove any uncollectible receivable from the sale of a good or services that is at least 1 year old from a department/unit’s account and recognize it as a bad debt expense.
      i. At no time is a department/unit allowed to waive an uncollectable debt without submitting a write-off request.
      ii. Departments/Units may not reduce or cancel payments due from customers.
   b. For units that maintain their receivables within the unit (ex. Soil Testing Lab), invoice write-offs should be requested at fiscal year-end after one year of collection efforts or the receipt of a bankruptcy notice.
      i. The Accounts Receivable Write-Off Request form is due to Texas A&M AgriLife Fiscal Office by the first week of August to be reviewed by Chief Financial Officers for each agency.
         1. Submitted via Laserfiche Work in Progress – Accounts Receivable or via campus mail to MS 2147.
         2. Write-Off amounts should not exceed 10% of the total receivables billed for that particular fiscal year. If the percentage exceeds 10%, a detailed explanation must be attached and signed by the Department Head or Designee.
         3. The request must include the following information:
            a. Departmental procedures for collection of receivables (should be on file with Extension of Credit Approval);
            b. Documentation that the collection procedures have been followed for the invoices being written off;
            c. Documentation/Description of collection efforts to date;
            d. Documentation that customer has been placed on Hold barring future credit being issued.
            e. Copy of bankruptcy notice if applicable
   c. Once approval from Office of General Council has been received by the agency the receivable will be reversed and a bad debt expense will be recorded.
      i. Invoice in FAMIS is cancel, reversing revenue in account.
      ii. Bad Debt entry
         1. Journal Entry
            a. Credit SL – XXXXXX – Revenue code
            b. Debit SL - XXXXXX – 6312/6313
               i. 6312 – Bad debt Other Sales
               ii. 6313 – Bad debt C&G Priv & Other