

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-baring 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