



Writing-Off Uncollectible Accounts Procedure

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Objective

Admin adopts MN Management & Budget (MMB) Statewide Operating Policy Number 0505-01, [Writing-Off Uncollectible Accounts Policy](#). MMB's policy requires Admin to develop internal procedures. This procedure explains the steps Admin must take to implement the policy.

General Procedures

| Step | Action | Responsible Party | Timeline |
|------|---|-------------------|-----------|
| 1. | <p>To ensure debt owed to the state, but determined to be uncollectible, is properly written-off in accordance with Minnesota Statutes 16D.09 and 16D.15, and that adequate controls over state agency decisions to write-off account balances and to distinguish account adjustments from write-offs are established both in policy and practice in accordance with state law, statewide policies and generally accepted accounting practices (GAAP).</p> <p>Agency internal policies and procedures must establish a formal process for determining when an account is uncollectible, as well as procedures for the writing-off of debt determined to be uncollectible.</p> | State Agency | As needed |

| Step | Action | Responsible Party | Timeline |
|------|--|-------------------|----------|
| | <p>Accounts determined to be uncollectible must be written-off in a timely manner, in order to ensure debt is properly accounted for in the state's financial accounting records. All write-offs, along with the basis for the decision, must be reported in the corresponding Quarterly Accounts Receivable Report (Excel file) provided to your agency by Minnesota Management & Budget (MMB).</p> <p>Each division/business unit completes and maintains Admin's Accounts Receivable Internal Procedures form to identify the writing-off uncollectible accounts process.</p> | | |

See Also