




June 15, 2015

MEMORANDUM

TO: District Board of Trustees
FROM: Jim Murdaugh, President 
SUBJECT: Accounts Receivable Write-Off

Item Description

Request for approval to write off accounts receivables.

Overview and Background

Pursuant to Section 1010.03, Florida Statutes, the College is submitting for approval, the accounts receivable write-off list for uncollected receivables recorded on or before April 30, 2013. In each instance, the receivable is at least two years old.

Accounts older than two years are written off as receivables for financial reporting purposes; however, the debt remains outstanding as an obligation for the debtor. The debtors are not allowed to register or obtain transcripts until the debt is paid in full. The accounts requested do not include debt outstanding for governmental agencies.

If the debtor is a student and the cumulative amounts due are more than \$250.00, the debt has assigned to the collection agency for additional collection efforts.

The College continues to improve its accounts receivable collection procedures as evident in the 38% reduction of the prior year write-off amount.

The College has also developed strategies designed to minimize the outstanding student accounts receivable balances. Beginning with the Fall 2014 term, the College no longer allows financial aid to hold classes for students in less than six eligible hours. Additionally, students are required to get financial aid clearance prior to complete withdrawal and are counseled on the potential impact of their withdrawal.

Due to the age of these receivables, these initiatives have had minimal effects of the amounts requested to be written off but will have significant impact on future outstanding balances.

The amount requested to be written off is 0.5% of total audited revenues for the fiscal year ended June 30, 2013. Of this amount, 90% are financial aid related debt.

Past Actions by the Board

Board action in June 2014 approved write-offs totaling \$1,007,544.81.

Funding/Financial Implications

Accounts to be written off, totaling \$624,078.39, are summarized below:

RECEIVABLE TYPE	2014-2015 WRITE-OFF AMOUNTS	2013-2014 WRITE-OFF AMOUNTS
Student Debt	\$3,147.82	\$6,350.80
Veterans Deferment	\$41,023.30	\$50,607.97
Returned Checks	\$3,972.91	\$14,242.78
Financial Aid	\$564,175.80	\$916,349.82
Contract and Third Party Debt	\$11,758.56	\$19,993.44
TOTAL WRITE-OFF	\$624,078.39	\$1,007,544.81

Staff Resource

Bobby Jones

Recommended Action

Authorize write-off of accounts receivables.