

SUMNER-BONNEY LAKE SCHOOL DISTRICT

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Policy No. 6060

Management Support

Uncollectible Accounts

PURPOSE: This policy provides guidance for the management of, and accounting for, uncollectible accounts receivables and applies to those assets owed to the District by employees, students, customers, or vendors that meet the definition of uncollectible.

Generally Accepted Accounting Principles (GAAP) require the school district to make every effort to collect receivable balances and to evaluate and write off receivables determined to be uncollectible. Additionally, the District intends to comply with Section 7 of the Washington State Constitution and debt write-off will be based upon the inability to collect, and therefore not a gift of public funds. As to student accounts receivables, the Board recognizes the District's duty to provide students with a free public education and that principals of equity should be considered when evaluating whether a student debt is uncollectible.

A central accounts receivable system shall be maintained to meet the needs of the District and provide necessary accounting information for financial reports. The Superintendent, or designee, shall have the authority to declare any accounts receivable uncollectible and depending on amount, direct such to be properly recorded in the general ledger or recommended to the Board of Directors to be written off. All accounts so declared, regardless of amount, shall be reported to the Board of Directors in a manner which maintains a student's privacy to the extent allowable under the law.

The Superintendent or designee will establish procedures for making every effort to collect account receivable balances and to evaluate the circumstances surrounding the debt including, in the case of a student or their parent/guardian, their need for financial assistance, and write off account receivables determined to be uncollectible.

Legal References: Washington State Constitution, Article 8, Section 7
Washington Attorney General Opinions, AGO
1991 No. 7- March 4, 1991

Policy Reference: 3520 – Student Fees, Fines, and Charges

Adoption Date: August 2023

Classification:

Revised Dates: