

Town of Williston

Non-Collectible Receivables

Purpose:

To establish a policy concerning the determination of when accounts receivable are considered as non-collectibles.

Background:

Miscellaneous accounts receivable are services or charges that are billed to the user rather than being paid for at the time of service. Examples are: clerk fees for recording and use of the vault and copier for repeat customers, false alarm fees, sewer allocation fees and highway use fees. In some cases, the responsible party has moved away, gone out of business or cannot be located. It over states the Town's financial position to continue to carry these receivables on the books, when, in fact, there is little likelihood that they will be collected.

Guidelines:

1. At the end of each fiscal year, the town finance director and the town accounts receivable clerk will review the list of accounts receivable and make recommendations to the Town Manager of non-collectible receivables.
2. All non-secured accounts receivable which are more than two years old and in limited situations accounts receivable less than two years old, will be reviewed and unless special circumstances exist may be considered as non-collectible subject to the following conditions:
 - a. All non-secured accounts receivable of less than \$50 will automatically be considered as non-collectible.
 - b. Non-secured accounts with an individual value of greater than \$50 but less than \$500 will be reviewed on an individual basis, documented and sent to the Manager for his approval
 - c. If the annual aggregate dollar amount of non-collectible accounts receivable is greater than \$5,000, or if any individual account is greater than \$500, the Town Manager will ask the Selectboard to review and approve those items.

April 3, 2006

3. Once the list is approved by the Town Manager, and where necessary, the Selectboard, the finance director will then adjust the General Ledger to decrease the amount of accounts receivable, and lower the corresponding revenue amount. The accounts receivable clerk will mark the affected accounts as non-collectible and discontinue sending monthly statements.

Adopted this day of April 2006.

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