
**BOARD OF COUNTY COMMISSIONERS
HILLSBOROUGH COUNTY
TAMPA, FLORIDA 33601**

BOARD POLICY – SECTION NUMBER: 03.03.02.00

SUBJECT: WRITING OFF BAD DEBT FOR THE UTILITY ENTERPRISE SYSTEM

EFFECTIVE DATE: February 4, 2009

SUPERSEDES: February 4, 1998

Purpose:

To ensure that bad debts incurred by the Utility Enterprise System (the “System”) are written off within a reasonable period to more accurately reflect the System’s current assets.

Policy:

It is the policy of the Board of County Commissioners that bad debts incurred by the System shall be written off as provided herein.

Responsibilities:

Water Resources Services (the “Department”) shall identify all closed customer accounts which are more than 60 days in arrears and for which final billing has been made (the amount of each such account being hereinafter referred to as “Bad Debt”). Except as otherwise provided herein, the Department shall write off each Bad Debt account on the 61st day of its delinquency or if that day is a non-business day, on the first County business day thereafter. The Department shall record the write-off by crediting the closed account in the amount of the Bad Debt and denoting such amount as uncollectible.

Bad Debt shall not be written off:

- Unless the final billing was mailed or delivered to the last known address of the debtor.
- For that portion of the unpaid final billing for which payment terms were accepted by the debtor within 60 days after final billing, unless a default under the payment arrangement with the Department occurs.
- For that portion of the unpaid final billing which a bankruptcy court has approved for recovery by the County, unless a default under the payment arrangement with the Department occurs.

Nothing contained herein shall preclude the Department from seeking or accepting payment on any Bad Debt that has been written off. The Department shall employ any reasonable means available to the County to pursue and collect Bad Debt, subject to the requirements of applicable bond covenants. All such amounts recovered by the Department shall be credited to the pertinent Bad Debt account to reverse the portion of any write-off that was collected. The recovered amount shall also be recorded in the *Bad Debt Recovery Account* in the Department’s Operating and Maintenance budget.

The Department shall provide a detailed list of all Bad Debt accounts and all charges written-off as Bad Debt to the Clerk of the Circuit Court (the “Clerk”) as often as the Clerk deems appropriate. The Clerk will use the Department’s *Daily Accounting Transaction Reports* to charge all Bad Debt that has been written off by the Department against the appropriate expenditure index code in the Department’s Operating and Maintenance budget.

Annually at fiscal year-end, the Department shall provide the Clerk with a detailed *Aged Trial Balance* of all Bad Debt accounts. The Clerk will use the *Aged Trial Balance* to analyze the System's *Allowance for Doubtful Accounts* and to make adjustments in the allowance as appropriate.

The Director of the Department may delegate the Department's responsibilities hereunder as he or she deems appropriate.

Approved by: Board of County Commissioners

Approval Date: May 6, 2009February 4, 1998