



**POLICY ON BAD DEBT TO BE WRITTEN OFF**



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## TITLE AND COPYRIGHT

<b>Title</b>	<b>Policy on Bad Debt to be Written Off</b>
<b>Approval Date</b>	27 November 2009
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## DOCUMENT CONTROL DETAILS

<b>Master document</b>	Documentation Control Centre
<b>Electronic Version</b>	<a href="http://www.univen.ac.za/intranet/hr/documentation/docs">www.univen.ac.za/intranet/hr/documentation/docs</a>
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<b>Reference</b>	<b>POL/FIN43/2009 Rev 1</b>



## TABLE OF CONTENTS

Title and Copyright	2
Document Control Details	2
Table of Contents	3
1. Purpose	4
2. Definition	4
3. Rules	4
4. Procedures	4
5. Forms	4
6. Related Policies and Documentations	4
7. Regulatory Framework	5
8. Review Date	5
9. Record of Changes	5
10. Approval	5



## 1. PURPOSE

It is a policy of the University of Venda to write-off bad debt during a financial year.

## 2. DEFINITION

Bad debt is written off for student accounts in arrears for more than a year and when the debt is irrecoverable by UNIVEN and by external collection agencies. Bad debt is also written off in cases of the death of the debtor, insolvency or when the entity or individual is under administration. Amounts smaller than R250, are written off twice a year to minimize collection costs.

## 3. RULES

Bad debt is written off if a student's account is in arrears, the debt is either irrecoverable, or the student is not traceable. The student will be prevented from registering with the University unless the amount written off is paid in full.

It is the policy of UNIVEN to:

- 3.1 write off twice a year unrecoverable student account balances less than R250;
- 3.2 write off special cases during the year due to, for example, death, insolvency, or the individual being under administration. Copies of documents e.g. death certificates or under administration documents must be attached;
- 3.3 write off amounts in arrears for a 1 year period that are irrecoverable by the Collections section or the external collection bureau;
- 3.4 that student accounts are blocked for registration, exam results and diplomas, until bad debt is recovered;
- 3.5 write back to Recovery Cost amounts recovered on the student's accounts;
- 3.6 approve the writing off of bad debt by Director Finance at his / her discretion;
- 3.7 make use of external Collection agencies at the discretion of the Director Finance; and
- 3.8 make use of external attorneys, if worthwhile, at the discretion of the Director Finance.

## 4. PROCEDURE

- 4.1 Prepare motivation for approval with the supporting documents by the Department of Finance.



4.2 Upon approval, capture the journal.

4.3 Create stop block codes on the system to prevent registration, exam results and diploma on all these accounts.

4.4 A list of the unsuccessful cases with the External Collection Agencies, are given back to the University of Venda to be written off and placed on ITC.

#### 4.4 FORMS

A covering letter authorised and signed by the Director Finance is used.

#### 6 RELATED POLICIES AND DOCUMENTATIONS

Policy on providing cashier services

#### 7 REGULATORY FRAMEWORK

GAAP  
King III report on Corporate Governance  
Higher Education Act (Act 107 of 1997)

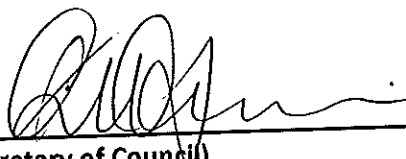
#### 8 REVIEW DATE

This policy will be reviewed after three years or as and when the need arises.

#### 9 RECORD OF CHANGES

REVISION	DATE	AUTHOR(S)	DESCREPTION

#### 10 APPROVAL

  
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Registrar (Secretary of Council)