

Doubtful and Bad Debts Policy

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1. This policy outlines the procedure all Associations will follow when writing off doubtful and bad debts.
2. The purchase and procurement policy must be followed for purchases and after an invoice is overdue all avenues and methods of communication must be tried to contact the debtor.
3. After 120 days, if the invoice has not been paid, then the debt is moved to the doubtful debt list
4. After 180 days, if the debt has still not been paid, then the Finance Officer will write the debt off and record this
5. Before moving the debt to the doubtful debt list and before writing the bad debt off, all efforts must be made to communicate with the debtor and understand why the debt has not been paid.
6. Once a bad debt is written off, the debtor must be recorded in case the Association deals with this debtor in the future.