

# Kids Central, Inc. System of Care Policy & Procedure

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**Series:** Finance, Accounting and Contracts

**Policy Name:** Collections and Write-Offs

**Policy Number:** 931

**Origination Date:** 08/23/06

**Revision Date:**

**Authority:**

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## **Policy:**

It is the policy of Kids Central, Inc. to establish and assure uniformity in the follow-up and placement of delinquent self-pay balances in collection. In order to achieve this goal, Kids Central will:

1. Provide a fair and aggressive collection of all outstanding accounts.
2. Establish procedures to write-off uncollectible accounts.

## **Procedure:**

1. Government Funds:
  - a. Unpaid accounts are reviewed semi-monthly
  - b. Accounts outstanding 60 days – The Finance department will ensure that a phone call is initiated that requests payment within 10 days.
  - c. Accounts outstanding 90 days or more – A letter will be sent by the Chief Financial Officer requesting immediate payment.
2. By the end of the fiscal year, outstanding accounts receivable will be written-off in accordance with the following policy.
  - a. If the total receivable from any one individual or organization is \$100 or less, the CEO may authorize the debt to be written off if he/she believes the debt is uncollectable.
  - b. Write-offs of debts over \$100, which the CEO believes are not collectable, may be authorized only by a vote of the KCI Board of Directors.
  - c. Delinquent accounts may be assigned for collection to either legal counsel or a collection agency, or taken to small claims court, as the CEO deems appropriate. Collection efforts will continue even after write-off until actually collected or the attorney, collection agency or small claims court deems further efforts will be futile or not cost-effective.

## **Approved By:**

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Cynthia A. Schuler, Chief Executive Officer

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Date