

Executive Summary:

County Policy 2755 (Account Receivable, Nonsufficient Payment, Collection and Past-Due Account Write Off), was adopted in March 2021. This policy establishes justification criteria for recording an uncollectible debt write-off. The policy also authorizes specific staff level authority to approve uncollectible debt write-offs for previous years. Fiscal year 2025 transactions will close (pending audit) in March of 2026.

The County's accounts receivable is comprised from three separate financial systems (or systems of record). Those financial systems are in Finance, Library, and Sheriff's Office. The County authorized individual uncollectible debt-write offs in year 2025 totaling \$1,275,705.

Below are charts summarizing the authorized write-offs for 2025. Types of write-offs in these years included administrative errors, de-minimus, age of debt, cost/benefit, hardship, and jail fees. Short definitions follow for all write-off categories. This report is filed annually with the County Board.

Definitions

De-minimus – a past-due account balance under \$30.00 and has been billed for three consecutive billing cycles.

Incidental Jail Fees – Any medical co-pay or urinalysis fee written off upon release of an inmate from custody.

Administrative Adjustments/Errors – accounts that have been adjusted or calculated in error.

Bankruptcy Notice – a past-due account discharged in court filed bankruptcy.

Cost/Benefit Analysis – if it is determined that the time and effort to collect is more than the amount to be collected. Documentation is kept on file.

Hardship – a debtor that has experienced a tragedy or casualty, such as death, illness, accident, fire, or other tragedy. Documentation is kept on file. Hardship write offs include those authorized by MS 641.12 Sub 3(b).

Age of debt – a past-due account which exceeds the statute of limitations (currently six years.)

Judgments – a past-due account that has a judgment or lien assigned and has been inactive for more than 10 years.

