Purpose

To ensure consistency within the Department, this policy identifies how receivables will be written off in the accounting records of the Utah Department of Transportation (UDOT) and passed to the Office of State Debt Collections (OSDC).

Policy

A. After a receivable has been outstanding for 120 days (90 days past due), the RE document will have its reason code changed to “OSDC-COL”. If the RE is under $10,000 a WO document will be created immediately.

B. Receivables $10,000 and up require State Finance approval to be written off and must be in the collections process for at least 18 months. After 18 months, UDOT may request the write-off from OSDC.

C. If a payment schedule has been set up, the terms of the schedule will be entered in the description field of the header of the RE document, and the reason code will not be changed.

Background

Effective April 27, 2007, the CL document is no longer used.

UDOT has received an exception from OSDC that enables UDOT to immediately create WO documents for receivables under $10,000. OSDC will approve those WOs. OSDC will create WOs for receivables $10,000 and up.

Modifying the RE to reduce the receivable amount to zero does not serve the same function as creating a WO to write off the receivable. If the billing is in error, the RE can be modified to a zero amount, indicating that the receivable should have never existed. If the RE is a valid receivable, however, the WO must be used to reduce the outstanding amount to zero.
Responsibility: Region

Actions

1. Change the RE’s reason code to OSDC-COL.

2. If the RE is less than $10,000; copy forward from the RE to create the WO. Do not use Automatic Numbering for the WO; rather, use the exact Document ID of the RE for the WO.


Responsibility: Comptroller’s Division

4. Use dcART to identify receivables that have been in the collections process for over 18 months, and submit a request to OSDC that those receivables be written off.