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| Title of Policy: | **Bad Debt Write-Off** | **Pg 1-2** |
| Section #: | Section 4 |  |
| Approval Date: | **February 9, 2021** |  |
| Revision Date: |  | Policy 4.1 |

**Policy**

KWD will actively pursue the collection of delinquent accounts, regularly review the status of delinquent accounts, and write-off amounts determined to be uncollectible. Utility accounts which have been delinquent for more than ninety (90) days can be turned over for collection to a collection agency.

Delinquent accounts should be written off during the fiscal year the account is determined to be uncollectible.

A delinquent account will be considered uncollectible after the appropriate collection procedures have been followed and if it meets one or more of the following criteria:

* The debt is disputed, and KWD has insufficient documentation to pursue collection efforts;
* The cost of further collection efforts will exceed the estimated recovery amount;
* The amount is under $20 and remains unpaid after one year;
* The account remains unpaid after the applicable period for commencement of a recovery action (statute of limitations);
* The delinquent account holder cannot be located or the debtor’s assets cannot be located;
* The delinquent account holder has no assets or no assets can be found;
* The delinquent account holder has died and there is no known estate or guarantor;
* The debt is discharged through legal action (bankruptcy or court judgment);

At least annually, the Manager will prepare a list of the delinquent accounts which meet the criteria for designation as an uncollectible account for approval by the Kingston Water Board. The list must include account number, and account balance of the uncollectible accounts being written off. The Kingston Water Board shall approve the list of delinquent accounts as uncollectible, and the uncollectible accounts shall be written off.

If a delinquent account has been turned over for collection or has been written off as uncollectible, the delinquent account holder will not be allowed to sign up for new service by KWD at any location until all delinquent accounts in the name of the account holder and all collection costs for the delinquent accounts have been paid.