

The Stuff ALAC Expects You to Know

Receivable Write-off Verbiage

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Each receivable write-off request must reference a legal source of authority on the memorandum sent to ALAC. Here is a list of common write-off reasons as well as legal authority that supports it. Note: The Office of Financial Policy often changes the arrangement of their volumes and chapter, so these references are as of February 2013.

Write-off FEHB debt for an employee on active military duty:

Station XXX is requesting the below receivable(s) be written-off per [The Veterans Benefits Improvement Act of 2004, Public Law 108-454, 5 U.S.C. 8906e, 5 U.S.C. 8905a](#), as the employee is on active military duty.

Write-off of debts that have not been collected by TOPs one year after referral:

Station XXX is requesting the below receivable(s) be written-off per Office of Financial Policy – Volume XII – Chapter 1I – Termination of Collection Action and Close Out of Debt, as the debt has not been collected by TOPs one year after referral.

Write-off of debts that is not cost effective to pursue:

Station XXX is requesting the below receivable(s) be written-off per Office of Financial Policy – Volume XII – Chapter 1 – VA Debt Collection Standards, as it is not cost effective to pursue debts under \$XX.XX.

Write-off of debts that are under \$25.00:

Station XXX is requesting the below receivable(s) be written off per Office of Financial Policy – Volume XII – Chapter 1I – Termination of Collection Action and Close Out of Debt, as the debt is under the \$25.00 threshold and [CHOOSE ONE:] (a) The first collection letter was returned, (b) No payment or reply from the debtor was received within 30 days, or (c) The debtor has refused to pay the debt

Write-off of debts where the debtor is deceased:

Station XXX is requesting the below receivable(s) be written off per Office of Financial Policy – Volume XII – Chapter 1I – Termination of Collection Action and Close Out of Debt, as the debtor is deceased, has left no estate, and the Government has no prospect of collection from the estate.

Write-off outstanding debts over two years old:

Station XXX is requesting the below receivable(s) be written off as they have not been collected within two years and are not in current payment plans. Guidance for the write-off includes: Office of Financial Policy – Volume XII – Chapter 1I – Termination of Collection Action and Close out of Debt; Office of Management and Budget Circular No. A-129 – Chapter 5 – Section E1 – Termination of Collection, Write-off, Use of Currently Not Collectible, and Close-out.