

# WRITE-OFF POLICY AND PROCEDURE

## **WRITE-OFF POLICY**

This policy applies to Public Housing program where tenants may owe the program for charges consisting of dwelling rent, late fees, damages, etc. once the dwelling unit is vacated.

It is the policy of the Montgomery Housing Authority to make every reasonable effort to collect all monies owed for rent, late fees, excess utilities, damages (other than normal wear and tear), and other charges. Montgomery Housing Authority's staff will make every effort to collect these charges promptly when due and will initiate all procedures related to the collection of overdue amounts, including all steps related to the termination and eviction of the tenant for unpaid charges.

A write-off of a tenant account receivable may only occur once the unit is vacated.

Upon the determination that the vacated tenant account receivable balances likely will not be collected, a list of uncollectable tenant accounts shall be presented to the Finance Department to write off the tenant account balances.

## **WRITE-OFF PROCEDURES**

### **Determination of Accounts Considered Uncollectable**

Property Managers are tasked with the responsibility of reviewing vacated accounts to determine the accounts that are considered uncollectable. The following conditions are to be used to determine if an account is uncollectable:

1. If a tenant has vacated a dwelling unit without a forwarding address and owes rent, utilities, damages, fraud payments, or other charges in excess of their security deposit, the Property Manager will attempt to locate the tenant and collect the charges due.
2. If, after two (2) months from the date of vacancy or the date the account becomes delinquent for rent, utilities, damages, fraud payments or other charges, the balances owed remains uncollected and all attempts to collect the overdue accounts have failed, the account will be deemed uncollectable.

### **Approval and Documentation of Write-off**

Once the Project Managers have identified the accounts that are considered uncollectable, the Project Managers will present a list of the uncollectable tenant accounts to the Asset Manager.

This list will be presented to the Asset Manager on a monthly basis.

The Asset Manager, in conjunction with the Finance Director, will review each project's list of accounts considered to be uncollectable.

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On a monthly basis, the Asset Director and Finance Director review the tenant accounts receivable report to identify and research any balances that appear unreasonable. When applicable, updates regarding the eviction process are also requested.

## **Accounting for Write-off**

The Asset Manager provides the monthly write-off report to Accounting. Once the Accounting Manager completes the review, the Accountant writes off the debt and enters the debt into the Municipal Intercept System, as well as EIV debts owed.

## **Miscellaneous**

In addition, if the Montgomery Housing Authority contracts with a collection agency, account balances will be turned over to the agency for collection.