

**BEFORE THE BOARD OF TRUSTEES
Of Yakima Valley Libraries**

In the Matter of Uncollectible Debt

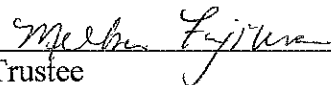
RESOLUTION
#14-002

WHEREAS, there is a need to establish a policy for Uncollectible Debt;

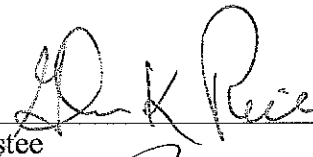
WHEREAS, the Board of Trustees set policy to meet the needs of the library;

BE IT HEREBY RESOLVED by the Board of Trustees for Yakima Valley Libraries the Uncollectible Debt Policy be adopted as written in Attachment A.

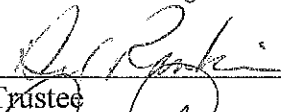
ADOPTED by the Board of Trustees this 24th day of March, 2014.



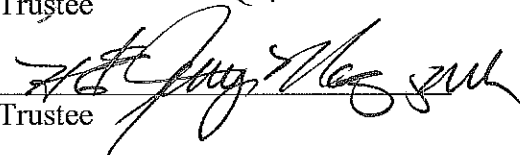
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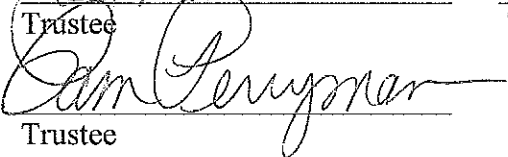
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YAKIMA VALLEY LIBRARIES

Uncollectible Debt Policy

PURPOSE

To delineate criteria for write-off and management of uncollectible debt.

BACKGROUND

Yakima Valley Libraries follows the guidelines for financial reporting under the Budgeting, Accounting, and Reporting System (BARS) for Libraries published by the Washington State Auditor's Office. Under this system, Yakima Valley Libraries reports its financial transactions on a cash basis. Within the financial reporting system, there is no mechanism to record accruals either receivable or payable. However, the integrated library system database does allow for recording of fines, fees, lost materials, and other collection-related debt with regard to Library assets. This information can be forwarded to a collection agency as outlined in library policy and procedure. There is a limit on the length of time that debt can be collected. The purpose of this policy is to establish a policy to allow disposition of uncollectible debt.

POLICY

An account will be considered uncollectible when one or more of the following criteria have been met:

- At least six years have elapsed since the debt was incurred;
- Debt has been discharged through bankruptcy or death of debtor;
- All reasonable and appropriate collection efforts have been exhausted;
- The Library determines that further collection efforts are not in the best economic interest of the Library District;
- A minor's account is in question – each case will be reviewed individually;
- No reasonable expectation of payment can be expected.

PROCESS and AUTHORIZATION

- Write-Off of individual debt of \$1,000 or more must be approved by the Library Board.
- The Board of Trustees authorize the Director to make arrangements to write-off uncollectible accounts of less than \$1,000.
- The Board of Trustees authorize the Director establish ongoing process to manage uncollectible debt.

Adopted: March 24, 2014