

Abatement Procedure for Uncollectible Accounts Receivable

Act 497 of 1983, as amended by Act 908 of 1985, established procedures for the various state agencies to abate uncollectible monies owed them. Financial Affairs is responsible for requesting the abatement of uncollectible accounts receivable from the Department of Finance and Administration (DFA).

Determination of Uncollectability

The University of Arkansas diligently and actively pursues the collection of their accounts and notes receivable using the following methods:

- Contacting the debtor by telephone or letter within a reasonable time after an account becomes past due.
- Referral of the account to an external collection agency unless the amount is less than \$50.00.
- Pursuing set-off of debt against income tax refunds as allowed by Act 372 of 1983 as amended.
- Pursuing other means of collection that are deemed feasible and economically justifiable by the University of Arkansas.

Abatement of Debt

When all reasonable efforts have been exhausted and the debt is determined to be uncollectible, Financial Affairs certifies, in writing, compliance with the above procedures and refers the debt to the Chief Fiscal Officer of the State of Arkansas.

The Chief Fiscal Officer of the State will notify the University, in writing, when the request for abatement is approved.

All documentation relating to the abatement request is maintained by Financial Affairs and is available for audit review.

Revised November 30, 2011
Revised December, 2002
Revised May, 1998
January 1, 1993