

NWF Health Network Policy & Procedure

Series: 1300: Financial Management

Policy Name: Collection and Write-Offs

Policy Number: 1319

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Policy

It is the policy of NWF Health Network, Inc. (NWFHN), to establish and assure uniformity in the follow-up and placement of delinquent self-pay balances in collection. To achieve this goal, NWFHN will:

1. Provide a fair and aggressive collection of all outstanding accounts.
2. Establish procedures to write-off uncollectible accounts.

Procedure

A. During a fiscal year, outstanding accounts receivable will be written-off in accordance with the following:

1. If the total receivable from any one individual or organization is Ten Thousand Dollars (\$10,000.00) or less, the Chief Financial Officer (CFO) may authorize the debt to be written off if he/she believes the debt is uncollectable.
2. Write-offs of debts over Ten Thousand Dollars (\$10,000.00), which the CEO believes are not collectable, may be authorized only by a vote of the Board of Directors.
3. Delinquent accounts may be assigned for collection to either legal counsel or a collection agency, or taken to small claims court, as the CEO deems appropriate. Collection efforts will continue even after write-off until collected or the attorney, collection agency or small claims court deems further efforts will be futile or not cost-effective.

B. If a deposited check is returned for non-sufficient funds:

1. Returned checks and notifications from the banks are sent to the administrative office, date stamped, and then forwarded to the CFO, Director of Finance and Accounting or designee.
2. A first-time return is re-deposited, unless the reason is the account has been closed.
3. Notices received regarding an item returned due to a closed account or items denied for a second time are researched and a copy forwarded to the appropriate department for collection. The cash receipt transaction is reversed via journal voucher.
4. The appropriate department will proceed to collect on the NSF check, credit card or bank draft.
5. The following steps are taken for collections:
 - a. If payment is not made within thirty (30) days, a follow up phone call is made by the program director.
 - b. If payment is not made within sixty (60) days, another phone call is made, and a letter is sent.
 - c. If payment is not made within ninety (90) days, the receivable is written off or assigned for collection in accordance with *Section A.*, above.