

Account Receivable Collection and Write-Off Policy

1. PURPOSE

- 1.1 To establish standard guidelines for County departments and elected offices for the collection and write-off of accounts receivables.
- 1.2 Define the authority for the write-off of receivables.
- 1.3 Communicate to County Elected Officials, Department Heads, and Employees the formal policy of the Hidalgo County Commissioners' Court regarding the collection of accounts receivables.

2. SCOPE

- 2.1 This policy applies to all County departments and elected offices that are governed by the Hidalgo County Commissioners' Court with account receivables under Fund 1200 – Road & Bridge and Fund 1315 – TXDOT, including but not limited to road construction projects, TXDOT related projects, and Precinct Interlocal Cooperative Agreements.

3. POLICY

- 3.1 The Budget Officer shall supervise and report on the county's collection efforts and will have authority to sign and submit miscellaneous claims, as well as any other required reimbursement forms to the State for TXDOT related reimbursements on behalf of the County.
- 3.2 Offices/Departments shall notify and provide any and all supporting documentation to the Department of Budget and Management when a contract has been approved that will require reimbursement or lump sum payment from a federal, state, or other local government entity.
- 3.3 The Department of Budget and Management shall collect promptly, efficiently, and in a thoroughly accountable manner all county receivables for which they are responsible.
- 3.4 The Department of Budget and Management is to send a follow up statement once a month to all past due accounts for road construction project, TXDOT related agreements, and/or Interlocal Cooperative Agreements with other local government agencies.

HIDALGO COUNTY, TEXAS
ADMINISTRATIVE POLICY MANUAL

Procedure: ARC.1
Page: 2 of 2
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- 3.5 If the contracted entity submits a written dispute of the debt, the Department of Budget and Management in coordination with the originating department/office will have 30 days to evaluate the validity of the dispute and respond to the contracted entity of their decision.
- 3.6 All records related to receivable and collection efforts must be maintained in accordance with the County general records retention schedule.

4. WRITE-OFF CRITERIA

- 4.1 The Department of Budget & Management may have accounts written off if the billing and collection procedures detailed in this policy have been exhausted.
- a. The debt is disputed and the County has insufficient documentation to pursue collection efforts;
 - b. It is reasonably estimated that the cost of collecting the debt would be equal or exceed the amount of the debt;
 - c. The type of debt;
 - d. The length of time the debt has been outstanding (10 years or more);
 - e. The debtor's status; or
 - f. The District Attorney's – Civil Litigation Division has made the determination that all legally appropriate collection efforts have been unsuccessful.
- 4.2 Any write-off request, outside of Section 4.1, must be approved by Hidalgo County's Commissioners' Court.

5. EXCEPTION

- 5.1 Grant related receivables maintained by the Auditor's Office (i.e. CTIF Grant, BCAP, etc.) are not governed by this policy.
- 5.2 Any other exceptions to this policy must be approved by Commissioners' Court prior to implementation.