I. Policy Statement and Purpose

The Florida Agricultural and Mechanical University (FAMU or University) Board of Trustees establishes the following Policy and Procedures to provide the manner by which the President, or the President’s designee, may settle or write off accounts receivable without action of the Board of Trustees.

The President, or the President’s designee, may settle or write off any account receivable if the amount at issue is $100.00 or less or otherwise not referable to a commercial collection agency. For all other accounts receivable the following shall apply:

A. Settlement of Accounts

1. Eligibility

   No account receivable may be settled unless and until:

   a. It is paid in full, or
   b. The amount not recovered is less than $25,001.00 per account,
   c. The account debtor is not currently a student or employee of the University,
   d. The account is more than 24 months past due and
   e. The account has been referred to a commercial collection agency and that agency has recommended the proposed settlement and has deemed the unpaid balance to be uncollectable.
2. Settlement Agreement

In every instance for which an account receivable is settled for less than the full amount due, the University and the account debtor shall execute a settlement agreement in a form approved by the Office of the General Counsel. At the time of settlement, the President or his designee shall prepare an Internal Revenue Service form 1099 (or its equivalent) to be delivered to the account debtor showing the unpaid amount as ordinary income to the account debtor for the year of settlement.

3. Effect of Settlement

Unless otherwise provided in the Settlement Agreement, settlement of an account receivable under this provision shall extinguish the unpaid balance from the books and records of the University and the University shall take no further action to collect the unpaid balance.

B. Write off of Accounts

1. Eligibility

No account receivable may be written off unless and until:

a. The amount to be written off is less than $25,001.00 per account,
b. The account debtor is not currently a student or employee of the University,
c. The account is more than 24 months past due, and
d. The account has been referred to a commercial collection agency and that agency has deemed the account to be uncollectable.

2. Effect of Write Off

The write off of an account receivable under this provision shall serve only as an accounting function for the books and records of the University. Notwithstanding any write off of an account receivable, the account debtor shall remain liable to the University for the account until the account is settled pursuant to Paragraph A above. The University may continue collection efforts against the account debtor, the write off notwithstanding.

II. Other Accounts Receivable or Other Amounts Owed to the University

This policy does not apply to any account receivable not described herein. Further this policy does not apply to any other debt or obligation owed to the University.