AR.06 – Manage Bad Debt

1. Need to evaluate bad debt
   - Run aging report
2. Review aged accounts
3. Calculate bad debt and determine write-offs
   - Write off debt?
     - No
       - Add a note to the transaction to track bad debt/collections if appropriate
     - Yes
       - Write off receivable
4. In approval range?
   - Yes
     - Process Journals (GL.02)
   - No
     - Notify approver(s) to review transaction
5. Approve?
   - Yes
     - Approve write-off
   - No
     - Reject write-off
6. Inform responsible party