CORPORATE WRITE-OFF POLICY STATEMENT

Official Corporate Policy Document

COMPANY NAME	DOCUMENT ID / REFERENCE
______________________	______________________
EFFECTIVE DATE	**REVIEW CYCLE**
______________________	______________________
POLICY OWNER	**APPROVED BY**
______________________	______________________

1. PURPOSE

This policy defines the parameters, guidelines, and authorization limits for writing off uncollectible accounts receivable, unsellable inventory, obsolete assets, or other unrecoverable balances. The primary objective is to ensure that the financial records of the company reflect accurate valuations and that all write-offs are conducted transparently, with proper authorization, and in compliance with applicable accounting standards and regulatory requirements.

2. SCOPE

This policy applies to all departments, business units, and subsidiaries of ______________________. It covers all categories of assets subject to potential impairment or uncollectibility, including but not limited to trade accounts receivable, notes receivable, inventory, property, plant and equipment, and intangible assets.

3. GENERAL POLICY PRINCIPLES

1. Write-offs must only be initiated after all reasonable collection, recovery, or liquidation efforts have been exhausted.
2. Every write-off transaction must be thoroughly documented with adequate supporting evidence of the asset's impairment or uncollectibility.
3. Write-offs must be recorded in the proper accounting period in which the loss is identified and confirmed.
4. The process must maintain separation of duties to prevent fraud, ensuring that the individual initiating the write-off is not the sole approver or the person responsible for recording the journal entry.

4. WRITE-OFF CRITERIA

An asset may be considered for a write-off under the following circumstances:

1. **Accounts Receivable:** The debtor has filed for bankruptcy, the debt is legally barred by the statute of limitations, collection agencies have returned the account as uncollectible, or the cost of further recovery efforts exceeds the outstanding balance.
2. **Inventory:** The items are physically damaged, expired, obsolete, or otherwise unusable and possess no realizable scrap value.
3. **Fixed Assets:** The asset is lost, stolen, destroyed, or decommissioned and has no remaining economic utility or salvage value.

5. AUTHORIZATION MATRIX

No write-off may be processed without the appropriate level of authorization as outlined below:

WRITE-OFF VALUE THRESHOLD (USD / LOCAL)	REQUIRED LEVEL OF AUTHORIZATION	REQUIRED APPROVER SIGNATURE
Up to ____________	____________________	____________________
From __________ to __________	____________________	____________________
From __________ to __________	____________________	____________________
Above ____________	____________________	____________________

6. REPORTING AND MONITORING

A summary report of all approved write-offs must be prepared quarterly by the finance department and submitted to the Chief Financial Officer and the Audit Committee. This report must detail the reasons for the write-offs, the recovery efforts made, and any preventative recommendations to minimize future losses.

7. POLICY REVIEW

This policy statement is subject to annual review by the Finance and Internal Audit Departments to ensure alignment with changing business conditions, statutory regulations, and international financial reporting standards.

8. APPROVALS AND SIGN-OFF

PREPARED BY (FINANCE REPRESENTATIVE)

Name: ____________________

Title: ____________________

Signature: ____________________

Date: ____________________

AUTHORIZED APPROVER

Name: ____________________

Title: ____________________

Signature: ____________________

Date: ____________________