

BANGLADESH RURAL ELECTRIFICATION BOARD  
DHAKA, BANGLADESH.

PBS INSTRUCTION 200-30

**SUBJECT: WRITE-OFF PROCEDURE OF BAD DEBTS (কু-খণ্ড) / UNCOLLECTIBLE ACCOUNTS (অনাদায়ী হিসাব).**

**I. PURPOSE:**

This Instruction sets forth to provide the guidelines for charging bad debts against the accumulated provision for bad debts and to describe the procedures which are to be followed in writing off bad debts.

**II. POLICY:**

It is first and foremost that the collection and disconnection procedures on delinquent accounts shall be diligently pursued in accordance with the prescribed procedures set forth in the PBS Instruction 300-30.

The provisions for bad debts, as described herewith, does not relieve the PBS officers and staff of their responsibility to collect accounts in a timely manner and to disconnect accounts for non-payment.

The PBS shall terminate the membership of any member/consumer, as provided in Article V, Section 7 (a)(iv) of the Samity By-Laws, and shall adjust the consumer deposit and membership fee with the amount billed for electric service if that bill remains unpaid for ninety (90) days from the date of the bill.

**Revision:**

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Original Date	Reviewed by	Approved by	Page	Revision No.
21.08.1985	BREB	BREB Board	1	3
Revisions : 03/1996, 24/12/2013, 19/02/2020				

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### III. GENERAL:

A. The PBS will adjust Consumer Deposits and Membership Fees to all such accounts which have been disconnected for non-payment of bill or for causes repugnant to PBS Policies and Guidelines, if the bills and other charges so issued to such offending consumer/member is not paid within a maximum period of ninety (90) days from the date of the bill.

B. After adjustment of the Consumer Deposit and Membership Fees to the member/consumer unpaid accounts, any remaining credit balance shall be payable to the relevant consumer. This payment shall be made to him/her only after applicable fees and fines have been assessed by the PBS and such fees and fines are adjusted in full from the payable.

C. If there remains an unpaid balance after the adjustment of the Consumer Deposits and Membership Fees to the member/consumer unpaid accounts, the PBS shall exert an all-out effort for realization of such unpaid balance. If the amount is Tk 5,000 or more, a court case is warranted. If the amount is less than Tk 5,000, the PBS may exercise this option as per Electricity Act, Section 54-A. If such remaining unpaid balance less than Tk 5,000 Or as per BREB Act -2013 still remains uncollected for one (1) year from the date of bill, the PBS shall go for action to write-off such unpaid balance.

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D. The writing off of unpaid amounts from accounts receivable is the final step in the bill collection process. This step should be taken only after all other reasonable means of collection have been taken. A list of uncollectible accounts as per attached format (**Annexure-01**) shall be presented to the Board of Directors at least four (4) times a year/quarterly with a view to adopting Board proposal for writing off unpaid bills. Then the PBS shall send the proposal to BREB along with the list of uncollectible accounts for approval.

E. After having the approval from BREB, the PBS shall write-off the total remaining balance of such unpaid accounts by debiting Account No. 144- Accumulated Provision or Uncollectible Accounts. The total of all accounts to be written off cannot exceed the credit balance in Account # 144 "Accumulated Provision for Uncollectible Accounts".

F. Detail records must be maintained for the accounts written-off in the event of restoring electric service facilities to a terminated consumer/member in future. The concerned expunged consumer/member shall be required to pay all bad debts previously written off plus other charges and deposits as per PBS policies before the connection can be restored. Any amounts collected on accounts previously written off as bad debts shall be credited to Account No. 144- "Accumulated provision for uncollectible accounts".

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G. Each PBS shall make provisions for uncollectible accounts each month.

This provision shall be 0.5% of the billed revenue. The percentage of this provision, if necessary, may be re-fixed from time to time with the approval from BREB.

H. The accounting for transactions to accomplish items A through G above, are as follows:

1. To accrue monthly provision for uncollectible accounts:

Dr. Acct. 904 - Uncollectible accounts

Cr. Acct. 144 - Accumulated provision for uncollectible accounts - Credit

2. To adjust Consumer Deposits to Consumer Accounts:

Dr. Acct. 225.10 - Consumer deposits

Cr. Acct. 142 - Consumer accounts receivable

3. To adjust Membership Fees to Consumer accounts:

Dr. Acct. 200 - Memberships

Cr. Acct. 142 - Consumer accounts receivable.

4. To write off bad debts:

Dr. Acct. 144 - Accumulated provision for uncollectible accounts

Cr. Acct. 142 - Consumer accounts receivable

5. To record collection from any consumer, dues from whom previously written off:

Dr. Acct. 131 - Cash

Cr. Acct. 144 - Accumulated provision for uncollectible accounts

A copy of the bad debts list, which records the transaction of 2,3 and 4 above, shall be attached to the Journal Voucher.

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## Attachment to Instruction 200-30

----- PALLI BIDYUT SAMITY Date:-----

## LIST OF UNCOLLECTIBLE ACCOUNTS TO BE CHARGED AS BADDEBTS

Sl No	Consumer account number	Membership number	Consumer's Name	Date of Disc.	Date of Service removed	Billing month	No. Of Month Bill outstanding	Total Amount outstanding	Consumer deposit	Membership fee	Net amount uncollectible
1	2	3	4	5	6	7	8	9	10	11	9-10-11=1
<b>Totals</b>											

## Note:

Two(2) lists are required

(1) For adjusting consumer deposits and membership fees

(2) For charging bad debts of uncollectible subject to PBS Board proposal and BREB approval

To be prepared in three(3) copies:

**Distribution:**

- (1) For Board proposal
- (2) Attach to Journal Vouchers for adjusting consumer Deposit and membership fees
- (3) Retain for file

**Board of Directors**

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