

Accounting for Bad Debts Related to Trade Receivables

Written by: David H. Grumer, CPA, Partner, Citrin Cooperman

Sourced by: Annette Waggoner, Commercial Collection Agencies of America, through Fred Wasserspring, Chief Financial Officer, Lyon Credit Services, Inc.

Current Accounting During 2019

The concept in generally accepted accounting principles (often referred to as "GAAP") is that impairment of receivables shall be recognized when, based on available information, it is probable that a loss has been incurred based on events and conditions existing at the date of the financial statements. In other words, present GAAP requires an "incurred loss" methodology for recognizing bad debts that...

Upcoming Events

[March Forum](#)

March 16 - 18, 2020
Charleston, SC

[August Forum & EXPO](#)

August 10 - 12, 2020
Portland, OR

[October Forum](#)

October 26 - 28, 2020
Fort Lauderdale, FL

This article is only available to members of the Credit Research Foundation (CRF).

Interested in reading more? Join CRF to gain access to this and hundreds of other resources! [CLICK HERE](#) for membership information.

Members should [LOGIN](#) to view the full article.

About the Author



Dave Grumer is a partner with more than 30 years of experience providing business consulting, tax, and audit services. A leading member of the firm's Financial Services Industry Practice, he advises clients primarily in the financial services industry, including registered investment advisors, registered brokers and dealers, and various investment companies. Dave's work with clients is grounded in his experience in a wide variety of business activities that requires a deep understanding of each clients' operations and cash flows in order to apply his knowledge of the latest developments in accounting, taxation, and compliance.