

SUBJECT: Write-Off of Uncollectible Accounts Receivable Over \$5,000

DEPARTMENT: Finance and Information Systems

STAFF: Kerry Breen, Director of Finance and Information Systems
Michelle Morey, Financial Services Manager

TITLE/RECOMMENDATION

Adopt a Resolution authorizing the write-off of two uncollectible account receivables in the amounts of \$7,319.20 and \$7,497.79

FISCAL IMPACT

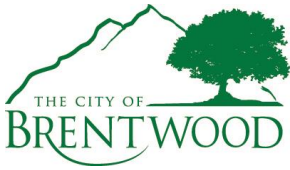
The two uncollectible account receivables total \$14,816.99. This amount would have been credited to the General Fund. It is the City's practice to not record revenues for DUI recovery claims prior to successful collection. As such, there is not a negative implication to the City's General Fund forecast.

The Council/Administrative Policy No. 10-5, Budget and Fiscal Policies, allows the Director of Finance and Information Systems to make budget adjustments for write-offs in accordance with Section 5.9, Uncollectible Receivables and Section 3.3.5., Budget Administration.

BACKGROUND

Council/Administrative Policy No. 10-5, Budget and Fiscal Policies, "Policy" states it is the intent of the City to reflect the value of its receivables and ensure that resources are used efficiently and not devoted to the recovery of uncollectible receivables. Further, any uncollectible account exceeding \$5,000 per transaction or \$50,000, in the aggregate, for any individual debtor requires City Council approval to write-off.

The City has identified two delinquent receivable amounts. Account Receivable "AR" invoice #AR13123, in the amount of \$7,319.20, is related to the cost recovery for a Driving While Under the Influence "DUI" incident. AR invoice #AR13130, in the amount of \$7,497.79, is also for cost recovery due to a DUI incident. Collection efforts have been made per the Council/Administrative Policy No. 10-15, Collection Policy. Both debts are past the California Statute of Limitations of 4 (four) years for this type of debt and therefore, should be written off.



CITY COUNCIL STRATEGIC INITIATIVE

Not Applicable

PREVIOUS ACTION

Previous Action by the City Council is included on Attachment 1.

DATE OF NOTICE

Not Applicable

ENVIRONMENTAL DETERMINATION

Not Applicable

ALTERNATIVE OPTION(S)

Alternative Options to the Staff Recommendation:

1. Do not approve staff's recommendation. The account receivable invoices will remain on the City's accounts thereby not accurately reflecting the collectible receivable balance by \$14,816.99.
2. Continue item with direction for staff to return with additional information.

ATTACHMENT(S)

1. Previous Action
2. Resolution