

May 18, 2015

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 8918 authorizing the write-off of sixty uncollectible accounts totaling \$109,237.27.

FISCAL IMPACT

This Resolution authorizes the write-off of sixty uncollectible accounts totaling \$109,237.27 from various City departments. Each City department that is responsible for the billing and collection of moneys owed to the City has established written procedures for addressing the collection of monies owed. These procedures have all been followed and have been exhausted; therefore, these accounts are now deemed ready for write-off. Sufficient funds exist in the respective departments' budgets to cover these write-offs.

STAFF CONTACT

Jan Hawn, Finance Director, 452-6846

Sara Lane, Assistant Finance Director, 452-7247

Arnaz Bharucha, Treasury and Disbursements Manager, 452-7252

Finance Department

POLICY CONSIDERATION

Bellevue City Code:

Section 3.37.100, adopted via Ordinance No. 5838, dated November 3, 2008, describes the authority given by the City Council to the Finance Director to write off delinquent accounts receivable that are over one year old and do not exceed \$1,000 per account. Write-off of accounts over \$1,000 that are deemed to be uncollectible must be approved by the City Council. An account may not be written off unless all cost-effective means of collection have been exhausted.

BACKGROUND

The City uses billing and accounts receivable systems to collect many of the fees and charges currently authorized. Some examples of these charges include probation fees, development review and inspection fees, water service installation charges, fees for swim lessons, fire inspections, eCityGov Alliance annual dues, IT charges, etc.

Finance Department Policy/Procedure No. 4 has been updated to provide guidance and consistency in different City departments' active management of their delinquent accounts, the requirement to send past due accounts to a collection agency as described in this policy, and the process for requesting accounts receivable write-offs. Certain departments must comply with specific RCW or WAC requirements relating to their line of business or activities. Departmental processes are documented and these, together with all write-off requests, are reviewed by the Treasury and Disbursements Manager to ensure appropriateness and compliance with the Finance Department policy prior to submission to Council or the Finance Director for write-off.

Detailed account information in relation to these write-offs is provided in Attachment I.

Sixty accounts are recommended for write-off ranging from \$1,005.00 to \$9,575.00, and totaling \$109,237.27. Collection of each of these accounts was initially attempted by City staff and then referred to a collection agency, when appropriate, until all efforts of collection were exhausted. There are several

accounts that are requested to be written off because they are beyond the statute of limitations and have been returned by the collection agency.

EFFECTIVE DATE

If approved, this Resolution becomes effective immediately upon Council adoption.

OPTIONS

1. Adopt the Resolution approving the write-off of sixty uncollectible accounts totaling \$109,237.27.
2. Do not adopt the Resolution and provide alternative direction to staff.

RECOMMENDATION

Option 1.

MOTION

Move to adopt Resolution No. 8918 approving the write-off of sixty uncollectible accounts totaling \$109,237.27.

ATTACHMENTS

1. Uncollectible Accounts
2. Proposed Resolution No. 8918

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

Additional Details for Attachment 1.