



Department Source: Finance
To: City Council
From: City Manager & Staff
Council Meeting Date: October 7, 2019
Re: Uncollectible receivables

Executive Summary

The City has accounts receivable for utilities and other items that become uncollectible. The attached report details the uncollectible accounts receivable for the FY2017, FY2018 and FY2019 years. The report submitted to Council on September 16, 2019 did not include account detail. At the September 16, 2019 meeting it was asked what city collection processes are and that information is also included with this report.

Discussion

Section 2-208(13) of the City code provides that the director of finance will establish a policy and procedure for determining and handling uncollectible accounts, as well as report the total amount of bad debt write-offs to the City Council on an annual basis. Accounts for which the City no longer has a legal claim are written off including those discharged in bankruptcy. The last time write offs were reported to Council was in 2016. The delay was caused by implementation of new utility billing and accounting systems; however, bad debt expense and allowance for estimated uncollectible amounts continued to be recorded and therefore the delay does not impact operating statements.

Attached are reports which show the names, addresses and amounts written off in accounts receivable related to utility accounts, miscellaneous receivables, home energy loans, special assessment taxes and employee health club deducts.

A separate report lists the collection processes for each type of receivable.

Fiscal Impact

Short-Term Impact: None
Long-Term Impact: None

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Legislative History

Date	Action
07/15/2019	B184-19 Ordinance 23934 amending Chapter 2 of the City Code as it relates to accounts receivable collection and write-off policies and procedures.
09/16/2019	REP78-19 Uncollectible Receivables

Suggested Council Action

Acceptance of the report.