



701 East Broadway, Columbia, Missouri 65201

Department Source: Finance

To: City Council

From: City Manager & Staff

Council Meeting Date: March 2, 2026

Re: Uncollectible Receivables & Adjustments for FY26

Impacted Ward: Citywide

Executive Summary

The City has accounts receivable for utilities and other items that become uncollectible. The attached report details the uncollectible accounts receivables and bank adjustments for FY26.

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 write-off of bad debt is an accounting best practice that needs to be done on an annual basis. The writing-off of bad debt does not necessarily prevent the City from collecting on written-off outstanding balances.

In addition to account write offs, adjustments to the City's general ledger pooled cash and credit card account, and the Accounts Payable, Payroll, and Self Insurance sweep accounts are listed in the report. These periodic adjustments are necessary to correct clerical errors in order for the general ledger to reconcile to the bank statements.

Attached are reports, which show the names, addresses, and amounts, written off in accounts receivable related to utility accounts, miscellaneous receivables, and special assessment.

A separate report lists the collection processes for each type of receivable as well as the bank reconciliation process.

Fiscal Impact

Short-Term Impact: None.

Long-Term Impact: None.

Strategic & Comprehensive Plan ImpactStrategic 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

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
03/17/2025	REP15-25 Uncollectible Receivables

Suggested Council Action

Acceptance of the report.