



Department Source: Finance

To: City Council

From: City Manager & Staff

Council Meeting Date: April 1, 2024

Re: Uncollectible Receivables & Adjustments

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 FY24.

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 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.

Fiscal Impact

Short-Term Impact: None

Long-Term Impact: Same as short-term impact

Strategic & Comprehensive Plan Impact

[Strategic Plan Impacts:](#)

Primary Impact: Primary, Secondary Impact: Secondary, Tertiary Impact: Tertiary

[Comprehensive Plan Impacts:](#)

Primary Impact: Primary, Secondary Impact: Secondary, Tertiary Impact: Tertiary



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
04/3/2023	REP18-23 Uncollectible Receivables

Suggested Council Action

Acceptance of the report.