



Financial Services Policy

SUBJECT: Annual Write-Off of Delinquent Utility Accounts

NO: UBO 1.9

Effective: August 10, 2015

Revised: September 3, 2015

APPROVED: Constance P. Sanchez
Constance P. Sanchez
Director of Financial Services

PURPOSE:

To ensure that uncollectible balances are written-off in a timely and expeditious fashion.

I. Annual Write-off of Delinquent Utility Accounts

The Utility Billing Office (UBO) division of the Financial Services Department bills customers on a monthly basis for a variety of utility services. An aging accounts receivable report is run on a monthly basis to monitor the collection of the utility accounts receivables. As part of the year-end closing, a write-off process is run in HTE by the UBO Accounts Manager on the day prior to the fiscal year-end to remove from the accounts receivable balance and from the allowance for doubtful accounts all delinquent accounts that have had no activity for the previous fiscal year. The account status for these accounts changes to "write-off" but the accounts remain with the City's third-party collection agency. Every effort is made to continue collections on these accounts.

On the last day of the fiscal year, a final aging report is run in HTE. All accounts with balances over 120 days old are written off for accounting purposes by the utility accountant. The bad debt expense account is debited and the allowance for doubtful accounts is credited.

QUESTIONS ON THIS POLICY

Questions on this Policy Procedure may be referred to the Director of Financial Services.