

CITY OF HIGH POINT

AGENDA ITEM



Title: Authorize Write-off of Delinquent Miscellaneous Accounts Receivables

From: Bobby D. Fitzjohn, Financial Services Director

Meeting Date: June 15, 2020

Public Hearing: No

Advertising Date / N/A

Advertised By: -

Attachments:

PURPOSE:

The Financial Services Department recommend that the City Council authorize them to write-off the delinquent miscellaneous receivables remaining from several prior fiscal years up to Fiscal Year 2015-2016 from the general ledger for accounting purposes.

BACKGROUND:

North Carolina law allows the City to write-off uncollected accounts when they become three years old. It is the City's practice to annually clear the financial records of these outstanding accounts prior to fiscal year end. The City's accounting staff continues to annually review and evaluate the collectability of all outstanding amounts and makes accounting adjustments on the balance sheet.

At recommendation of Financial Services staff, the Public Services Department has changed its credit and billing practices at the landfill and recycling centers which is now reducing any larger balances outstanding for that business line. In accordance with state law, the City is also requesting the write off of unpaid returned checks that have not been able to be processed otherwise. There is a small amount of unpaid permit fees included below. The outstanding amounts for showroom licenses have had liens placed on those properties.

BUDGET IMPACT:

These amounts have already been "reserved" at 100% of their value during the audit for fiscal year June 30, 2019. There is no additional impact for the procedural approval to write these amounts off for accounting purposes. Recoveries of prior amounts written off are recognized as income for collections of prior accounts receivable charged off.

RECOMMENDATION / ACTIONS REQUESTED:

1. City Council is requested to authorize the Financial Services Director to write-off \$16,214 for prior years' original billings through the fiscal year 2015-2016:

Landfill fees	\$12,353
Returned checks	634
Permit fees	450
Showroom licenses	<u>2,777</u>
Total	\$16,214