

REVISED September 24, 2013 - Regular Meeting
Agenda Item #49

Subject

Write-off of Bad Debt

Briefings

None

Contact and/or Presenter Information

Bev Chiotti, Fiscal Service Manager, Utilities Department, ext. 5429

Mike Gore, Director, Utilities Department, ext. 5323

APPROVED in Open Session

Manatee County Board of County
Commissioners

Action Requested

Authorization to write-off bad debts of the Utilities Department not to exceed \$550,000 in Fund 401 (Potable Water/Wastewater) and \$350,000 in Fund 480 (Solid Waste).

Enabling/Regulating Authority

Laws of Florida Special Act 63-1598, Section 7, requires write offs to be approved by the Board of County Commissioners.

Background Discussion

The Utilities Department requests Board approval annually, to write-off a portion of the Accounts Receivable (AR) that is deemed to be not collectible. This is an accounting entry that is made with the assistance of the Clerk of Courts Office and ensures that the Utility's receivables are accurately reflected on the Balance Sheet. The write-off recognizes that a portion of the AR is likely not collectible, but it does not prevent the County from eventually collecting the receivable. After being written off, payment will continue to be pursued through internal efforts and a collection agency.

The Utilities Department is requesting Board approval to write-off up to \$900,000. The write-off affects only inactive accounts, those that have been closed and service for the customer is discontinued. These receivables, over 4,000, are all over 180 days past due, and most are over 360 days past due. Most of these accounts are residential and all have been actively pursued by Utilities staff and the collection agency.

The Utilities Department anticipates bad debt and includes an operating budget line item to recognize this 'cost' of doing business. This budget will offset (or cover) the write-off. The Finance Department (Clerk of Courts) will generate the appropriate entries following Board approval of the write-off.

County Attorney Review

Not Reviewed (No apparent legal issues)

Explanation of Other

Reviewing Attorney

N/A

Instructions to Board Records

Please return a copy to Bev Chiotti, Fiscal Service Manager, Utilities Department
(beverly.chiotti@mymanatee.org). - Snt copy via email to BC - SS - 10/4

Cost and Funds Source Account Number and Name

401-0000000115XXX Accounts Receivable & 480-0000000115XXX Accounts Receivable

Amount and Frequency of Recurring Costs

Non-recurring expense