

City of Carson City
Request for Board Action

Item # 7A

Date Submitted: 12/9/2008

Agenda Date Requested: 12/18/2008

Time Requested: 10 minutes

To: Mayor and Supervisors

From: Nick Providenti, Director of Finance
Stacey Giomi, Fire Chief

Subject Title: Action to approve the application to remove the uncollectible accounts receivable specified in the application from the records of the Ambulance Fund for a total amount of \$3,250,069.02 in uncollectible accounts receivable.

Staff Summary: NRS 354.256 requires that the Controller apply to the Board for permission to remove uncollectible accounts receivable from the records of the County.

Type of Action Requested: (Check One)

Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does this action require a Business Impact Statement: Yes No

Recommended Board Action: I move to approve the application to remove the uncollectible accounts receivable specified in the application from the records of the Ambulance Fund for a total amount of \$3,250,069.02 in uncollectible accounts receivable.

Explanation of Recommended Board Action: NRS 354.256 requires that the Controller apply to the Board for permission to remove uncollectible accounts receivable from the records of the County.

There presently exist a number of accounts receivable on the records of the Ambulance Fund which are deemed to be uncollectible. These accounts were worked by the Ambulance Billing Office and Advanced Data Processing, Inc.(ADPI). When all avenues available were exhausted accounts were assigned to collection agencies who then worked them until all reasonable collection efforts available to them were also exhausted. Most of the uncollectible amounts are due from transients from out of state who cannot be located, from senior citizens with no income or assets, or from people who are dead or bankrupt. The unpaid amounts will remain on the credit records of the debtors for seven years.

A listing of the accounts deemed uncollectible is attached including amounts, the name of the debtor, the incident number, and the date of the incident. A letter from ADPI is also attached indicating why the debt is uncollectible and the reasons therefore. The total involved is \$3,250,069.02.

The amounts in question have accumulated over the past 6 years. They have already been recorded in an allowance for doubtful accounts on the books of the Ambulance Fund in prior years, and the expense of the bad debts recognized, so no further fiscal impact will result from removing them from the records of the fund. In fact, during the last 6 years, a total of \$4,728,015 have been recognized as bad debts out of total billings for the same period of \$26,722,195. In their audit recommendations for the fiscal year ending June 30, 1996 Kafoury, Armstrong recommends that clearly old and uncollectible balances be written off against the allowance for doubtful accounts at least on an annual basis.