

September 18, 2018

LOS ANGELES FIRE DEPARTMENT



RALPH M. TERRAZAS
FIRE CHIEF

August 31, 2018

BOARD OF FIRE COMMISSIONERS
FILE NO. 18-097

TO: Board of Fire Commissioners

FROM: *RMT* Ralph M. Terrazas, Fire Chief

SUBJECT: WRITE-OFF OF UNCOLLECTIBLE LOS ANGELES FIRE DEPARTMENT
CHARGES FOR BRUSH INITIAL INSPECTION FEES FROM FISCAL
YEARS 2013-14 THROUGH 2015-16 (APRIL 2014 THROUGH
NOVEMBER 2015)

FINAL ACTION:	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

SUMMARY

Los Angeles Municipal Code Section 11.04 (Ch. 1, Art. 1) provides that any Board, Commission, or Head of a Department may prepare a report setting forth findings regarding the status of unpaid accounts. This report may then be submitted to the Collections Board of Review for appropriate actions. Submitted for this write off request are 8,358 uncollected charges, ranging between \$69 and \$72, for brush initial inspection fees billed in Fiscal Years 2013-14 through 2015-16 (April 2014 through November 2015) amounting to \$548,087.73.

These accounts were billed following Citywide Collection Guidelines. They were referred to the City's contractor, Transworld Systems, Inc., and then for an additional six month secondary collection with Municipal Services Bureau. These accounts were subsequently deemed to be uncollectible and were returned to the Department from May 2017 through November 2017. Accounts totaling 8,293 are past the statute of limitations.

In line with Citywide Collection Guidelines, the staff of Accounting Services determined that the unpaid accounts amounting to \$548,087.73 should be written off.

RECOMMENDATIONS

That the Board:

Authorize the Fire Chief to refer to the Collections Board of Review all pertinent documentation regarding \$548,087.73 in uncollectible accounts for write-off authority.

FISCAL IMPACT

With the removal of these uncollectible accounts from the Department's outstanding balance, the Department's resources are more efficiently utilized on more recent outstanding accounts. The write-off of these unpaid accounts shall not preclude the City from collecting any sum that later proves to be collectible. Writing off these accounts would be consistent with Generally Accepted Accounting Principles. This is also consistent with existing City policy to reflect the accurate status of accounts in the City's financial statements so as not to overstate the revenue.

Board report prepared by Carmela Espiritu, Department Chief Accountant, Accounting Services Section, Administrative Services Bureau.