

LOS ANGELES FIRE DEPARTMENT



JUL 21 2009

DOUGLAS L. BARRY
FIRE CHIEF

July 13, 2009

BOARD OF FIRE COMMISSIONERS
FILE NO. 09-087

TO: Board of Fire Commissioners

FROM: Douglas L. Barry, Fire Chief

DLB

**SUBJECT: WRITE-OFF OF 5 UNCOLLECTIBLE LAFD CHARGES FOR SERVICES OF
FIRE SAFETY OFFICERS, INSPECTION RESTITUTION & HIGH RISE
INSPECTION FOR FISCAL YEARS 1999-2005 EACH VALUED OVER
\$1,000.00**

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 Withdrawn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

Recommendations: That the Board:

1. Authorize the Fire Chief to refer to the Board of Review any or all pertinent documentation regarding \$14,667.60 in uncollectible accounts for write-off authority. This recommendation is based on the findings, listed below.
2. Direct the Commission Executive Assistant II to forward the letter to the Board of Review for consideration and approval.

Findings:

1. The 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 Board of Review for appropriate actions.
2. All accounts have been submitted to the Office of Finance for collection and subsequently assigned to the City's contracted collection agency for further collection but proved to be unsuccessful. The agency has closed and returned the delinquent files to the Fire Department and determined these accounts to be uncollectible for the reason that all collection efforts have been exhausted.

3. Three or more statements of accounts have been mailed in addition to the original invoice. These accounts originated from fiscal years 1999-2005 and some now past the statute of limitations; therefore the Department has no legal means of collecting these balances. The Department's resources are more efficiently utilized on recent outstanding accounts.
4. The staff of Accounting Services along with the recommendation by the Office of Finance determined that the attached list of unpaid accounts amounting to \$14,667.60 should be written-off. These individual accounts are for fiscal years 1999-2005 each valued over \$1,000.00 (see attachments).

Conclusion:

In view of the above findings, it is appropriate that these uncollectible accounts for fiscal years 1999-2005 be referred to the Board of Review in compliance with the Los Angeles Municipal Code for write-off authority.

Upon your Board's approval, Board of Review and Council consideration/approval will be initiated.

Board report prepared by Emma Pangilinan, Accountant II, Accounting Services Unit.

Attachment

Los Angeles Fire Department

Schedule of Accounts Referred to Board of Review

Individual Invoice over \$1,000

Referral Date: 7/8/2009

Revenue Source Code	Invoice #	Invoice Date	Customer Name	Invoice Amount	Uncollectible Code	Remarks
3883	Fund: 100					
	FS050010362	6/30/2005	BUENA VISTA LOFTS LLC	\$5,024.00	8	Bunkruptcy, no assets
	FS990003067	6/30/1999	N.E.C. GROUP INC	\$1,525.00	4	STATUTE OF LIMITATIONS EXPI
Summary for 'Revenue Source Code' = 3883 (2 detail records)				\$6,549.00		
Sum						
3886	Fund: 100					
	IR050006845	11/8/2004	SMITH, DAVID	\$1,665.00	7	FORWARD EFFORTS EXHAUSTE
Summary for 'Revenue Source Code' = 3886 (1 detail record)				\$1,665.00		
Sum						
3900	Fund: 100					
	HR020001455	11/16/2001	MURPHY, RALPH I	\$4,891.16	7	FORWARD EFFORTS EXHAUSTE
	HR030002302	11/22/2002	JACOBSON, DOUG	\$1,562.44	7	FORWARD EFFORTS EXHAUSTE
Summary for 'Revenue Source Code' = 3900 (2 detail records)				\$6,453.60		
Sum						
Grand Total				\$14,667.60		

Wednesday, July 08, 2009

Page 1 of 1

ATTACHMENT

LOS ANGELES FIRE DEPARTMENT

Uncollectible / For Write-off by the Office of Finance
Individual Invoices > \$1,000
Recap by Fiscal Year

Fiscal Year	Revenue Fire Safety Officer	Revenue Inspection Restitution	Revenue High Rise Inspection	Total
1999	1,525.00			1,525.00
2001			4,891.16	4,891.16
2002			1,562.44	1,562.44
2004		1,665.00		1,665.00
2005	5,024.00			5,024.00
	6,549.00	1,665.00	6,453.60	14,667.60

**LOS ANGELES FIRE DEPARTMENT
TABLE OF CODES**

REVENUE SOURCE CODE	REVENUE SOURCE
3883	FIRE SAFETY OFFICERS
3886	INSPECTION RESTITUTION
3900	HIGH RISE INSPECTION FEES

UNCOLLECTIBLE CODE	UNCOLLECTIBLE REASON
1	Unable to locate debtor
2	Cost of collection exceeds probable return
3	Debtor deceased
4	Statute of limitations expired
5	Insufficient evidence to establish liability
6	Judgement obtained/unable to locate assets
7	Forward effort exhausted
8	Other (see remarks)
9	Debt erroneously billed

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FIRE DEPARTMENT

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FIRE CHIEF

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August 6, 2009

Louis J. Benjamin, Chairperson
Board of Review
Office of the Controller
Room 300, City Hall East

Dear Chairperson Benjamin:

**WRITE-OFF OF 5 UNCOLLECTIBLE LAFD CHARGES FOR SERVICES
OF FIRE SAFETY OFFICERS, INSPECTION RESTITUTION & HIGH RISE
INSPECTION FOR FISCAL YEARS 1999-2005 EACH VALUED OVER \$1,000.00**

BACKGROUND

Los Angeles Administrative Code, Chapter 11, Article 1, Section 5.183, provides that the Fire Chief of the Los Angeles Fire Department (LAFD) shall review the status of uncollectible accounts to determine whether they are collectible. He shall refer those accounts determined to be uncollectible to the Board of Review in accordance with the Los Angeles Municipal Code, Article 1, Section 11.04, for appropriate action. The removal of these 5 unpaid accounts from the current Fire Safety Officers, Inspection Restitution & High Rise Inspection accounts shall not preclude the City from collecting any sum that later proves to be collectible.

RECOMMENDATIONS

It is recommended that the Honorable Board of Review approve the write-off of 5 individual accounts totaling \$14,667.60 in uncollected Fire Safety Officers, Inspection Restitution & High Rise Inspection accounts for fiscal years 1999-2005 (see attachments). The removal of these unpaid accounts shall not preclude the City from collecting any sum that later proves to be collectible.

FINDINGS


1. The Los Angeles Administrative Code, Chapter 11, Article 1, Section 5.183 provides that the Fire Chief of the Fire Department shall review the status of unpaid accounts to determine whether they are collectible.

He shall refer those accounts determined to be uncollectible to the Board of Review in accordance with the Los Angeles Municipal Code, Article 1, Section 11.04, for appropriate action.

2. All accounts have been submitted to the Office of Finance for collection and subsequently assigned to the City's contracted collection agency for further collection. All attempts by the agency to collect utilizing applied collection processes have been unsuccessful. The agency has closed and returned the delinquent files to the Fire Department and determined these accounts to be uncollectible for reason that all collection efforts have been exhausted.
3. In addition, three or more statements of accounts were sent in addition to the original invoice. Accounts originated from fiscal years 1999-2005 and some, now past the statute of limitations; therefore the Department has no legal means of collecting these balances. The Department's resources will be more efficiently utilized on recent outstanding accounts.
4. The staff of Accounting Services along with the recommendation by the Office of Finance determined that the 5 unpaid accounts amounting to \$14,667.60 for fiscal years 1999-2005 should be written-off. (see attachments)
5. Writing off these accounts would be consistent with General Accepted Accounting Principles. This is also consistent with existing City policy to reflect the accurate status of accounts in the City's financial statement so not to overstate the revenue.

If you require additional information, please contact Accountant II Emma Pangilinan at (213) 978-3452.

Very truly yours,



DOUGLAS L. BARRY
Fire Chief

Attachment