

LOS ANGELES FIRE DEPARTMENT



FEB 16 2010

MILLAGE PEAKS
FIRE CHIEF

February 3, 2010

BOARD OF FIRE COMMISSIONERS
FILE NO. 10-015

TO: Board of Fire Commissioners

FROM: Millage Peaks, Fire Chief *w.r.*

**SUBJECT: WRITE-OFF OF UNCOLLECTIBLE LAFD CHARGES FOR HIGH-RISE
INSPECTION SERVICES FOR FISCAL YEAR 2007 VALUED OVER \$5,000.00**

| | | | |
|---------------|-----------------------------------|---|------------------------------------|
| 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 Withdrawn |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:

Authorize the Fire Chief to refer to the Board of Review write-off authority of any or all pertinent documentation regarding \$9,079.89 in an uncollectible account (see attachments). This recommendation is based in accordance with the Los Angeles Municipal Code Section 11.04 (Ch. 1, Art. 1).

Findings:

This account has 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 file to the Fire Department and determined this account to be uncollectible, for the reason that all collection efforts have been exhausted.

The staff of Accounting Services, along with the recommendation by the Office of Finance, determined that the unpaid account totaling \$9,079.89 should be written-off. This account is for fiscal year 2007 and valued over \$5,000.00 (see attachments). The write-off would allow the Department's resources to concentrate on collecting recent outstanding accounts.

Conclusion:

It is appropriate that this uncollectible account for fiscal year 2007 be referred to the Board of Review in compliance with the Los Angeles Municipal Code for write-off authority.

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

Attachments

Los Angeles Fire Department

Schedule of Accounts Referred to Board of Review

Individual Invoice over \$5,000

Referral Date: 1/5/2010

| Revenue Source Code | Invoice # | Invoice Date | Customer Name | Invoice Amount | Uncollectible Code | Remarks |
|--|-------------|--------------|---------------|----------------|--------------------|--------------------------|
| 3900 | Fund: 100 | | | | | |
| | HR070004466 | 12/1/2006 | RAMANI, LORI | \$9,079.89 | 7 | FORWARD EFFORTS EXHAUSTE |
| Summary for 'Revenue Source Code' = 3900 (1 detail record) | | | | | | |
| Sum | | | | \$9,079.89 | | |
| Grand Total | | | | \$9,079.89 | | |

ATTACHMENT

LOS ANGELES FIRE DEPARTMENT

Uncollectible / For Write-off by the Office of Finance
Individual Invoices > \$5,000
Recap by Fiscal Year

| Fiscal Year | Revenue High Rise Inspection | Total |
|-------------|------------------------------------|----------|
| 2007 | 9,079.89 | 9,079.89 |
| | | - |
| | | - |
| | 9,079.89 | 9,079.89 |

**LOS ANGELES FIRE DEPARTMENT
TABLE OF CODES**

| REVENUE SOURCE CODE | REVENUE SOURCE |
|---------------------|---------------------------|
| 3883 | FIRE SAFETY OFFICERS |
| 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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February 16, 2010

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

Dear Chairperson Benjamin:

**LAFD WRITE-OFF OF UNCOLLECTIBLE CHARGES FOR HIGH-RISE INSPECTION
SERVICES FOR FISCAL YEAR 2007 VALUED OVER \$5,000.00**

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 this unpaid account from the current 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 \$9,079.89 in an uncollected High-Rise Inspection account for fiscal year 2007 (see attachments). The removal of this unpaid account shall not preclude the City from collecting any sum that later proves to be collectible.

FINDINGS

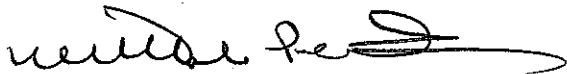
1. The Los Angeles Administrative Code, Chapter 11, Article 1, Section 5.183 provides that the Fire Chief of the Fire Department shall review the status of unpaid accounts to determine whether they are collectible.

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. In addition, three or more statements of accounts were sent in addition to the original invoice. These accounts originated fiscal years 2007 write-off would allow the Department's resources to concentrate on collecting recent outstanding accounts.
3. The staff of Accounting Services, along with the recommendation by the Office of Finance, determined that the unpaid account totaling \$9,079.89 for fiscal year 2007 should be written-off (see attachments).
4. Writing off this account 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,



MILLAGE PEAKS
Fire Chief

Attachments