

September 20, 2011

**LOS ANGELES FIRE DEPARTMENT**



BRIAN L. CUMMINGS  
FIRE CHIEF

SEPTEMBER 7, 2011

BOARD OF FIRE COMMISSIONERS  
FILE NO. 11-132

TO: Board of Fire Commissioners

FROM: Brian L. Cummings, Fire Chief

SUBJECT: WRITE-OFF OF UNCOLLECTIBLE LAFD CHARGES FOR SERVICES OF FIRE SAFETY OFFICERS, INSPECTION RESTITUTION, NON-COMPLIANCE INSPECTION FEE, HIGH RISE INSPECTION FEE EACH VALUED MORE THAN \$5,000 FOR FISCAL YEARS 1995-1996 TO 2006-2007

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 Withdrawn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 \$49,620.45 in uncollectible accounts for write-off authority. This recommendation is based on the summary findings, listed below.
2. Direct the Commission Executive Assistant I to forward the letter to the Board of Review for consideration and approval.

**Summary:**

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. These uncollected services for Fiscal Years 1995-1996 to 2006-2007 consist of five accounts each valued more than \$5,000 amounting to \$49,620.45.
3. All accounts originated from Fiscal Years 1995-1996 to 2006-2007 and are past the statute of limitations: therefore, the Department has no legal means of collecting these balances.

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 \$49,620.45 should be written off. These individual accounts are for Fiscal Years 1996 through 2007, each valued over \$5,000.00 (see attachment).

**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 removal of these unpaid accounts from the City's Financial Management System 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 statement so as not to overstate the revenue.

**Conclusion:**

In view of the above findings, it is appropriate that these uncollectible accounts each valued more than \$5,000 amounting to \$49,620.45 for fiscal years 1996 through 2007 be referred for write-off authority to the Board of Review in compliance with the Los Angeles Municipal Code.

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

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

Attachment

**LA FIRE DEPARTMENT**

**ACCOUNTS RECEIVABLE (FROM THE CITY FINANCIAL MANAGEMENT SYSTEM) BALANCES AS OF 8/31/11  
OVER STATUTE OF LIMITATIONS WITH INVOICE DATES AS OF 8/31/2007 FOR WRITE-OFF**

Accounts \$5,000 & Over

RE Hdr Record Date	RE Vendor Legal Name	RE Doc ID	RE Doc Dept Code	Fund	Reve-nue Source	Dept Reve nue Source	AR
29-Jun-96	ACADEMY TENT	FS000000016	38	100	4113	3883	5,496.00
	<b>Fire Safety Officer Cost Recovery</b>	<b>Summary</b>				<b>1</b>	<b>5,496.00</b>
13-Dec-04	NEW DANA STRAND PARTNERS	IR050007260	38	100	4116	3886	19,399.00
14-Jun-07	FRAYCHINEAUD DEREK	IR070011556	38	100	4116	3886	10,462.50
	<b>Inspection Restitution</b>	<b>Summary</b>				<b>2</b>	<b>29,861.50</b>
11-Jan-05	VAN NUYS PLYWOOD & LUMBER CO	NC050000011	38	100	4119	3890	8,228.00
22-Nov-02	STEVENS STAN	HR030002291	38	100	4121	3900	6,034.95
	<b>High-Rise Inspection Fee</b>	<b>Summary</b>				<b>2</b>	<b>14,262.95</b>
	<b>Grand Total</b>					<b>5</b>	<b>49,620.45</b>

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**FIRE DEPARTMENT**

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FIRE CHIEF

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September 7, 2011

Shane Min, Chairperson I  
Office of the Controller  
Room 300, City Hall East  
200 North Main Street  
Los Angeles, CA 90012

**Subject: WRITE-OFF OF UNCOLLECTIBLE LAFD CHARGES FOR SERVICES  
OF FIRE SAFETY OFFICERS, INSPECTION RESTITUTION, NON-  
COMPLIANCE INSPECTION FEE, HIGH RISE INSPECTION FEE EACH  
VALUED MORE THAN \$5,000 FOR FISCAL YEARS 1995-1996 TO  
2006-2007**

**BACKGROUND**

Los Angeles Administrative Code, Chapter 10, Article 4, Section 22.210.2, provides that the Fire Chief of the Los Angeles Fire Department shall review the status of unpaid ambulance 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 unpaid accounts from the current Financial Management System from the current Fire Safety Officers, Inspection Restitution, Non-Compliance Inspection Fee, High Rise Inspection Fee accounts shall not preclude the City from collecting any sum that later proves to be collectible.

All these accounts originating from Fiscal Years 1995-96 to 2006-07 are now past the statute of limitations: therefore, the Department has no legal means of collecting these balances.

Submitted for write-off are five accounts each valued over \$5,000 for uncollected Fire services amounting to \$49,620.45 for Fiscal Years 1995-1996 to 2006-2007.

**RECOMMENDATION**

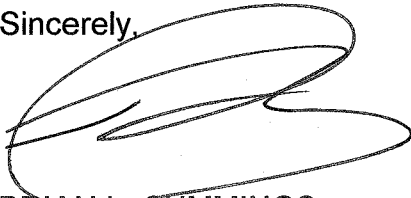
It is recommended that the Honorable Board of Review approve the write-off of \$49,620.45 of five uncollected Fire service accounts for Fiscal Years 1995-1996 to 2006-2007.

**FINDINGS**

1. The Los Angeles Administrative Code, Chapter 10, Article 4, Section 22.210.2, provides that the Fire Chief of the Los Angeles 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 Section 5.182 of the Los Angeles Administrative Code for appropriate action.
2. All five accounts are valued more than \$5,000 and originated from Fiscal Years 1995-1996 to 2006-2007 are 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 more recent outstanding accounts.
3. 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 and not overstate revenue.
4. The removal of these unpaid accounts from the current Financial Management System shall not preclude the City from collecting any sum that later proves to be collectible.

If you require additional information, please contact Carmela Espiritu, Fire Department Chief Accountant of the Administrative Services Bureau at (213) 978-3477.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Cummings', with a large, stylized loop at the end.

**BRIAN L. CUMMINGS**  
Fire Chief

Attachments