

October 2, 2012

LOS ANGELES FIRE DEPARTMENT



BRIAN L. CUMMINGS
FIRE CHIEF

September 20, 2012

BOARD OF FIRE COMMISSIONERS
FILE NO. 12-158

TO: Board of Fire Commissioners

FROM: Brian L. Cummings, Fire Chief

SUBJECT: WRITE-OFF OF UNCOLLECTIBLE LAFD CHARGES FOR SERVICES OF FIRE SAFETY OFFICERS, CONSTRUCTION PLAN CHECKING, HIGH RISE INSPECTION FEES, INSPECTION RESTITUTION, AND NON-COMPLIANCE INSPECTION FEES EACH VALUED LESS THAN \$5000 FROM FISCAL YEARS 2007-08 THROUGH 2008-09.

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 Withdrawn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 \$29,058.10 in uncollectible accounts for write-off authority. This recommendation is based on the summary findings, listed below.
2. Direct the Commission Executive Assistant II to forward the attached letter and summary report 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 billed from September 2007 through September 2008 consist of 63 accounts amounting to \$29,058.10.
3. All these accounts were billed following Citywide Billing Guidelines and were referred to the City's outside collection agency, NCO Financial Systems, Inc. for collection and were deemed to be uncollectible. All accounts billed from

September 2007 through September 2008 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 \$29,058.10 should be written off. These individual accounts are each valued less than \$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 for fiscal years 2008 through 2009 (Sept 2007 to Sept 2008) 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 consideration/approval will be initiated.

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

Attachment:

- 1) Letter – Write-off of uncollectible LAFD charges for services of Fire Safety Officers, Construction Plan Checking, High Rise Inspection Fees, Inspection Restitution, and Non-Compliance Inspection Fees each valued less than \$5000 from Fiscal Years 2007 – 08 Through 2008 – 09.
- 2) Summary write-off report other Fire Services.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

September 19, 2012

TO: Shane Min, Chairperson I
Office of the Controller

FROM: Brian L. Cummings, Fire Chief
Los Angeles Fire Department



SUBJECT: WRITE-OFF OF UNCOLLECTIBLE LAFD CHARGES FOR SERVICES OF FIRE SAFETY OFFICERS, CONSTRUCTION PLAN CHECKING, HIGH-RISE INSPECTION FEES, INSPECTION RESTITUTION, AND NON-COMPLIANCE INSPECTION FEES, EACH VALUED LESS THAN \$5000, FROM FISCAL YEARS 2007-08 THROUGH 2008-09

BACKGROUND

Los Angeles Administrative Code, Chapter 11, Article 1, Section 5.182, 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 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, Construction Plan Checking, High Rise Inspection Fee, Inspection Restitution, and Non-Compliance 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 2007-08 (Sept 2007) to 2008-09 (Sept 2008) are now past the statute of limitations: therefore, the Department has no legal means of collecting these balances.

Submitted for write-offs are 63 accounts, each valued less than \$5,000, for uncollected Fire services amounting to \$29,058.10.

Submitted for this write-off request are 13,758 accounts returned from May 2012 through August 2012 by NCO Financial Systems collection agency for uncollected ambulance service billings, each valued less than \$5,000, amounting to \$9,394,661.60 for Fiscal Years 2004-05 to 2010-11.

RECOMMENDATION

It is recommended that the Board of Review approve the write-off of \$29,058.10 of 63 uncollected Fire service accounts for Fiscal Years 2007-08 to 2008-09.

FINDINGS

1. The Los Angeles Administrative Code, Chapter 11, Article 1, Section 5.182, 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 these accounts were billed following Citywide Billing Guidelines and were referred to the City's outside collection agency, NCO Financial Systems, Inc. for collection and were deemed to be uncollectible. All the 63 accounts, valued less than \$5,000, originated from Fiscal Years 2007-08 (Sept 2007) to 2008-09 (Sept 2008) and are 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, Department Chief Accountant, Administrative Services Bureau at (213) 978-3477.

Attachment

LAFD AGED RECEIVABLES (BILLED SEPT 2007 TO SEPT 2008) FOR WRITE OFF SUBMISSION (FROM CARR 1441-1800 DAYS OLD FROM 9/12/12)
CONSTRUCTION SERVICES, FIRE SAFETY WATCH, HIGH RISE, INSPECTION RESTITUTION, NONCOMPLIANCE FEE

				Count	Amount
				63	29,058.10
Age Category	Invoice Type	Department Revenue Source		Invoice Number	Total AR Amount
1441-1800	38DP - Division 15 (Construction)	3892 - CONSTRUCTION PLAN CHECKING	AMIR LLC	DP080001956	21.66
1441-1800	38DP - Division 15 (Construction)	3892 - CONSTRUCTION PLAN CHECKING	MERUELO MADDUX PROPERTIES	DP080001964	21.66
1441-1800	38DP - Division 15 (Construction)	3892 - CONSTRUCTION PLAN CHECKING	MERUELO MADDUX PROPERTIES	DP080001999	43.32
1441-1800	38DP - Division 15 (Construction)	3892 - CONSTRUCTION PLAN CHECKING	1645 VINE, LP	DP080002013	121.00
1441-1800	38DP - Division 15 (Construction)	3892 - CONSTRUCTION PLAN CHECKING	CTAC INC	DP080002028	121.00
1441-1800	38DP - Division 15 (Construction)	3892 - CONSTRUCTION PLAN CHECKING	MERUELO MADDUX PROPERTIES	DP080002051	671.43
1441-1800	38DP - Division 15 (Construction)	3892 - CONSTRUCTION PLAN CHECKING	1645 VINE, LP	DP080002058	121.00
1441-1800	38DP - Division 15 (Construction)	3892 - CONSTRUCTION PLAN CHECKING	LINCOLN ASB PLAYA VISTA LLC	DP080002167	21.66
1441-1800	38DP - Division 15 (Construction)	3892 - CONSTRUCTION PLAN CHECKING	AMIR LLC	DP080002193	86.64
1441-1800	38DP - Division 15 (Construction)	3892 - CONSTRUCTION PLAN CHECKING	URBAN BUILDERS INC.	DP080002276	43.32
1441-1800	38DP - Division 15 (Construction)	3892 - CONSTRUCTION PLAN CHECKING	AMIR LLC	DP080002320	64.98
1441-1800	38DP - Division 15 (Construction)	3892 - CONSTRUCTION PLAN CHECKING	AMIR LLC	DP080002391	389.86
1441-1800	38DP - Division 15 (Construction)	3892 - CONSTRUCTION PLAN CHECKING	WD PARTNERS	DP090002618	242.00
			Sub- Count / Totals for Write Off	13	1,969.53
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	FAIRFAX HIGH SCHOOL	FS080014652	45.82
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	ELS	FS080014682	45.82
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	CLASSIC PARTY RENTALS	FS080014857	18.72
			Sub- Count / Totals for Write Off	3	110.36
1441-1800	38HR - High-Rise Annual Billing	3900 - HIGH-RISE INSPECTION FEE	EBERLY, CHARLES	HR080004583	1,620.00
1441-1800	38HR - High-Rise Annual Billing	3900 - HIGH-RISE INSPECTION FEE	GATES, JOHN	HR080004605	1,812.32
1441-1800	38HR - High-Rise Annual Billing	3900 - HIGH-RISE INSPECTION FEE	CAMERON DUANE	HR080005056	941.77
1441-1800	38HR - High-Rise Annual Billing	3900 - HIGH-RISE INSPECTION FEE	NOCE WILLIAM	HR080005081	2,536.83
1441-1800	38HR - High-Rise Annual Billing	3900 - HIGH-RISE INSPECTION FEE	NOCE WILLIAM	HR080005082	790.97
1441-1800	38HR - High-Rise Annual Billing	3900 - HIGH-RISE INSPECTION FEE	WILLIAMS RICHARD T	HR080005083	680.60
			Sub- Count / Totals for Write Off	6	8,382.49
1441-1800	38IR - Inspection Restitution	3886 - INSPECTION RESTITUTION	FACILITIES PROTECTION SYSTEMS	IR080012541	96.66
			Sub- Count / Totals for Write Off	1	96.66
1801+	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	CBM SPECIAL EVENTS	FS080014341	384.00
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	ALONG CAME MARY	FS080014404	45.82
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	PARAMOUNT PICTURES	FS080014542	716.80
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	UNIVERSAL CITY STUDIOS	FS080014543	87.07
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	PARAMOUNT PICTURES	FS080014581	787.20
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	SET MASTERS/44 PROPS	FS080015217	352.00
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	15/40 PRODUCTIONS	FS080015302	448.00
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	GILMORE ASSOCIATES	FS080015403	416.00
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	STAPLES CENTER	FS080015442	678.40
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	STAPLES CENTER	FS080015480	588.80
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	STAPLES CENTER	FS080015490	288.00
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	IMS LIMITED	FS080015554	256.00
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	MITIE TUCKER EVENT PRODUCTION	FS080015690	256.00
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	LA LA ORGANIZING COMMITTEE	FS080015718	934.40
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	TRAILER CENTER	FS080016001	45.82
1441-1800	38FS - Fire Safety Watch	3883 - FIRE SAFETY OFF COST RECOVERY	BEST BUY	FS08014885C	320.00
			Sub- Count / Totals for Write Off	16	6,604.31
1801+	38IR - Inspection Restitution	3886 - INSPECTION RESTITUTION	D.C. ASSOCIATES	IR080011978	134.46
1441-1800	38IR - Inspection Restitution	3886 - INSPECTION RESTITUTION	CHUBB-A UTC FIRE & SECURITY CO	IR080012156	540.00
1441-1800	38IR - Inspection Restitution	3886 - INSPECTION RESTITUTION	D.C. ASSOCIATES	IR080012487	96.66
1441-1800	38IR - Inspection Restitution	3886 - INSPECTION RESTITUTION	D.C. ASSOCIATES	IR080013221	540.00
1441-1800	38IR - Inspection Restitution	3886 - INSPECTION RESTITUTION	D.C. ASSOCIATES	IR080013522	540.00
1441-1800	38IR - Inspection Restitution	3886 - INSPECTION RESTITUTION	AMIR LLC	IR080013606	96.66
1441-1800	38IR - Inspection Restitution	3886 - INSPECTION RESTITUTION	AMIR LLC	IR080013607	96.66
1441-1800	38IR - Inspection Restitution	3886 - INSPECTION RESTITUTION	AMIR LLC	IR080013608	144.99
1441-1800	38IR - Inspection Restitution	3886 - INSPECTION RESTITUTION	KMK DESIGN	IR080013652	135.00
1441-1800	38IR - Inspection Restitution	3886 - INSPECTION RESTITUTION	D.C. ASSOCIATES	IR080013675	540.00
1441-1800	38IR - Inspection Restitution	3886 - INSPECTION RESTITUTION	D.C. ASSOCIATES	IR080013676	540.00
1441-1800	38IR - Inspection Restitution	3886 - INSPECTION RESTITUTION	ABS PROPERTIES	IR090013742	96.66
1441-1800	38IR - Inspection Restitution	3886 - INSPECTION RESTITUTION	ABS PROPERTIES	IR090013743	96.66
			Sub- Count / Totals for Write Off	13	3,597.75

LAFD AGED RECEIVABLES (BILLED SEPT 2007 TO SEPT 2008) FOR WRITE OFF SUBMISSION (FROM CARR 1441-1800 DAYS OLD FROM 9/12/12)
CONSTRUCTION SERVICES, FIRE SAFETY WATCH, HIGH RISE, INSPECTION RESTITUTION, NONCOMPLIANCE FEE

Age Category	Invoice Type	Department Revenue Source		Count	Amount
				63	29,058.10
				Invoice Number	Total AR Amount
1441-1800	38NC - Non-Compliance Fee	3890 - NON-COMPLIANCE INSPECTION FEES	CONRAD BRIAN	NC080000033	675.00
1441-1800	38NC - Non-Compliance Fee	3890 - NON-COMPLIANCE INSPECTION FEES	GLASSWERKS GROUP	NC080000034	270.00
1441-1800	38NC - Non-Compliance Fee	3890 - NON-COMPLIANCE INSPECTION FEES	NEW VISION ASSETS INC	NC080000042	2,565.00
1441-1800	38NC - Non-Compliance Fee	3890 - NON-COMPLIANCE INSPECTION FEES	LOSSI, EDWIN	NC080000046	316.00
1441-1800	38NC - Non-Compliance Fee	3890 - NON-COMPLIANCE INSPECTION FEES	HADDOCK, GARY C	NC080000049	1,580.00
1441-1800	38NC - Non-Compliance Fee	3890 - NON-COMPLIANCE INSPECTION FEES	GLASSWERKS GROUP	NC080000050	316.00
1441-1800	38NC - Non-Compliance Fee	3890 - NON-COMPLIANCE INSPECTION FEES	GARCIA, EDGAR	NC080000051	316.00
1441-1800	38NC - Non-Compliance Fee	3890 - NON-COMPLIANCE INSPECTION FEES	AMOS, STEVE	NC080000053	316.00
1441-1800	38NC - Non-Compliance Fee	3890 - NON-COMPLIANCE INSPECTION FEES	NELSON, SCOTT	NC080000055	711.00
1441-1800	38NC - Non-Compliance Fee	3890 - NON-COMPLIANCE INSPECTION FEES	MITCHELL, CHARLES	NC080000056	632.00
			Sub- Count / Totals for Write Off	10	7,697.00
1441-1800	38UT - Underground Tank	3886 - INSPECTION RESTITUTION	ATHERTON MARITAL TRUST	UT090000600	600.00
			Sub- Count / Totals for Write Off	1	600.00
			49 Total NCO Returns 6/28-8/2/12 (old accts recalled)		19,710.52
			14 Total Will be Recalled/For Write Off		9,347.58
			63 Total for Write Off Submission		29,058.10