

MEMORANDUM

PLACER COUNTY AUDITOR CONTROLLER COUNTY OF PLACER

To: Honorable Board of Supervisors

From: Katherine J. Martinis, CPA, Auditor-Controller *KJM*

Date: April 6, 2006

Subject: Request Discharge from Accountability of Uncollectible Account

Action Requested

Request that your Board approve the attached resolution granting the Department of Public Works discharge from accountability for the collection of one delinquent Accounts Receivable for Placer County Transit in the amount of \$10,230.00 that is no longer collectible.

Pursuant to Government Code Section 25257, the Board of Supervisors may grant discharge of accountability for collections of accounts where likelihood of collection does not warrant the expense involved, or the amount thereof has been otherwise lawfully compromised or adjusted. In many cases, the debtor is deceased, has moved out of state, or the statute of limitations applies.

Background

J.B. Hevia & Co. entered into a contract with Placer County on October 23, 1984 to purchase advertising space on the sides of Placer County Transit buses (Auburn and Tahoe). Therefore, an Accounts Receivable in the amount of \$10,230.00 was established for the expected revenue. The Accounts Receivable first became uncollectible in December 1985 and accordingly, an "Allowance for Uncollectible Accounts" was established in the Transit Fund for the same amount. Several attempts were made by the Department of Public Works to collect from December 1985 through August 1987 with no success. On August 1987, the delinquent account was referred to Revenue Services for collection. Revenue Services continued to attempt to collect until March 1991 when the forwarding address was no longer valid. In view of the fact the accounts receivable is a county fee and county fees have a four-year statute of limitation, by 1991 the statute of limitation no longer applied and the Accounts Receivable became uncollectible.

Fiscal Impact

There is no fiscal impact associated with the request to seek relief of accountability from this bad debt, as there is an "Allowance for Uncollectible Accounts" in the general ledger of the Placer County Transit fund in the amount of \$10,230.00.

**Before the Board of Supervisors
County of Placer, State of California**

In the matter of:

Resolution No: _____

Approve a discharge from accountability for the Department of Public Works Transit fund the collection of one delinquent account in the amount of \$10,230.00 that is considered no longer actively collectible by the Revenue Services Division.

Ord. No.: _____

First Reading: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____ by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest: _____
Clerk of said Board

Chairman, Board of Supervisors

WHEREAS, Government Code 25257 provides that any department, officer, or employee of a county may apply to the Board of Supervisors for a discharge from accountability for the collection of any debt owed to the County if the amount is too small to justify the cost of the collection, the likelihood of collection does not warrant the expenses involved, or the amount thereof has been otherwise lawfully compromised or adjusted, and

WHEREAS, the Department of Public Works and Revenue Services have taken steps to pursue the money owed to the Transit fund, and to report all outstanding accounts receivable in compliance with the Auditor-Controller's requirements for reporting and accrual of all accounts receivable, and

WHEREAS, a reconciliation of outstanding Department of Public Works accounts receivable from December 15, 1986 thru March 12, 1991 was completed that identified one delinquent account totaling \$10,230.00, and

WHEREAS, this one account had been previously transferred for collection to the Revenue Services Division, which now considers this accounts no longer actively collectible,

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Supervisors of Placer County hereby approve a discharge from further accountability for the debt listed on the Revenue Services Accounts Deemed Uncollectible for the Department of Public Works, for the collection of one delinquent account totaling \$10,230.00 that is no longer actively collectible.

From: Sandy Conte
To: Cynthia Taylor
Date: 3/27/2006 2:18:06 PM
Subject: J.B. HEVIA AND CO

Hi Cynthia

I checked our records and I do not find an account for the above in our Archives or CUBS system.

In any event, a county fee has a four year statute of limitation. If the account is not paid within four years from the date of entry, Revenue Services will deem it uncollectible.

Please let me know if you have any questions.

Thanks
Sandy

PLACER COUNTY PAS
TRIAL BALANCE BY FUND - SUBFUND
REPORT PERIOD FM 10 FY 2006

PERCENT OF YEAR ELAPSED 083.33%

Fund: 210 Transit Fund		Subfund: 100 Placer County Transit		BEGIN	DEBIT	CREDIT	END
GL ACCT	Norm BAL	SUBSID ACCT	Title	BALANCE			BALANCE
1000	DEBIT		Cash in Treasury	1,547,466.62	5,288.12	0.00	1,552,754.74
1071	DEBIT	3000	Accounts Receivable	478,924.20	0.00	375.00	478,549.20
1080	CREDIT		Allowance for Uncollected Accts/Rec	10,230.00-	0.00	0.00	10,230.00-
1310	DEBIT	1000	Due from Other Funds	39,766.00	0.00	0.00	39,766.00
1320	DEBIT	1000	Due from Other Governments	0.00	0.00	0.00	0.00
1330	DEBIT	100000	Adv to TART 210/120	767,600.00	0.00	0.00	767,600.00
1430	DEBIT		Prepaid Expenses	0.00	0.00	0.00	0.00
1620	DEBIT		Buildings & Improvements	520,653.25	0.00	0.00	520,653.25
1630	CREDIT		Accumulated Deprec Bidg & Imp	445,427.29-	0.00	0.00	445,427.29-
1640	DEBIT		Equipment	4,983,371.32	0.00	0.00	4,983,371.32
1650	CREDIT		Accumulated Depreciation-Equipment	2,086,313.15-	0.00	0.00	2,086,313.15-
1660	DEBIT		Construction in Progress	0.00	0.00	0.00	0.00
2020	CREDIT		Vouchers Payable	0.00	0.00	0.00	0.00
2031	CREDIT		Accounts Payable Inventory	0.00	0.00	0.00	0.00
2050	CREDIT	1000	Due to Other Governments	0.00	0.00	0.00	0.00
2070	CREDIT		Salaries & Benefits Payable	0.00	0.00	0.00	0.00
2080	CREDIT		Compensated Absences Payable	35,788.00-	0.00	0.00	35,788.00-
2211	CREDIT	1000	Deferred Revenues	0.00-	0.00	0.00	0.00-
2212	CREDIT		Deferred Revenues-No Support	0.00	0.00	0.00	0.00
2340	CREDIT	13000	Compensated Leave Balance	14,166.00-	0.00	0.00	14,166.00-
2341	CREDIT		Compensated Leave Balances	62,341.00-	0.00	0.00	62,341.00-
2410	CREDIT		Fund Balance Unreserved/Undesignated	0.00	0.00	0.00	0.00
2420	CREDIT	546000	Designated for FA Acquis	0.00	0.00	0.00	0.00
2420	CREDIT	552000	Designated for Conting	1,519,133.00-	0.00	0.00	1,519,133.00-
2430	CREDIT		Capital Contributions	0.00	0.00	0.00	0.00
2440	CREDIT	2000	R/E Reserved for Contingencies	0.00	0.00	0.00	0.00
2440	CREDIT	4000	R/E Reserved for FA Acq	0.00	0.00	0.00	0.00
2440	CREDIT	17000	R/E Reserved for Encumbrances	0.00	0.00	0.00	0.00
2440	CREDIT	548000	Reserved for FA Acq	0.00	0.00	0.00	0.00
2444	CREDIT		Net Assets Invstd in Cap Assets Net Dbt	2,972,284.13-	0.00	0.00	2,972,284.13-
2450	CREDIT	2000	Unreserved R/E - Available	0.00	0.00	0.00	0.00