



**MEMORANDUM
OFFICE OF THE
AUDITOR-CONTROLLER
COUNTY OF PLACER**

TO: Honorable Board of Supervisors

FROM: Andrew C. Sisk, Auditor-Controller

DATE: December 10, 2013

SUBJECT: Adopt a resolution to authorize and designate the Auditor-Controller to discharge from accountability the collection of bad debt.

ACTION REQUESTED

Adopt a resolution to authorize and designate the Auditor-Controller to order discharge from accountability for certain bad debts and adjust the charges against the Department, as set forth in Government Code Sections 25257 through 25259 and in accordance with Government Code Section 25259.5.

BACKGROUND

Pursuant to Government Code Section 25257, County departments may apply to the Board of Supervisors requesting that the Board discharge the accountability for the collection of bad debts in certain circumstances. Prior to coming to the Board of Supervisors, County departments work closely with the County Auditor-Controller on the proper accounting of the County's receivables.

Pursuant to Government Code Section 25259.5, the Board of Supervisors may instead, by resolution, authorize and designate the County Auditor-Controller to discharge from accountability the collection of bad debt and make the necessary accounting transactions pursuant the requirements set forth in Government Code Section 25258.

The County Auditor-Controller currently has centralized most of the accounts receivable process to ensure compliance with generally accepted accounting principles and to ensure internal controls are operating as designed. With this authorization, the discharge of accountability process will become more efficient and will work in parallel with existing Auditor-Controller fiscal policies. It should be noted these actions do not discharge debt but simply discontinues our collection efforts. Additional procedures will be developed upon adoption.

The resolution also directs that the Auditor-Controller shall periodically, but not less than annually; file a statement with the Board reporting on all such discharges. Any amounts not discharged from accountability by the Auditor-Controller shall be submitted by the department head to the Board of Supervisors for disposition.

FISCAL IMPACT

The discharge of accountability will have no adverse impact on the General Fund. Resources spent on uncollectable accounts will be redirected to current debt collections. Additionally, the County should realize labor cost savings in time spent on compiling and processing numerous discharges of accountability for approval by the Board on its regular agendas.

ATTACHMENT

Resolution

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF PLACER, STATE OF CALIFORNIA**

In the matter of: Adopt a resolution to authorize and designate the Auditor-Controller to discharge the accountability of bad debt as set forth in Government Code Sections 25257 through 25259, in accordance with Government Code Section 25259.5.

Resol. No. _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held December 10, 2013 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairperson, Board of Supervisors

**Attest:
Clerk of said Board**

WHEREAS, Section 25257 of the California Government Code provides for the discharge of accountability if the amount is such as not to justify the cost of collection or collection enforcement is impracticable.

WHEREAS, Section 25258 of the California Government Code states that the application for a discharge from accountability under section 25257 shall include the amount owing, names and addresses of persons liable, the estimated cost of collection, any facts warranting the discharge, and verification by the applicant that the facts stated are true and correct.

WHEREAS, Section 25259 of the California Government Code provides that the board of supervisors may make an order discharging the department, officer or employee from further accountability and direct the county auditor to adjust any charge against the department, officer or employee in a like amount.

WHEREAS, Section 25259.5 of the California Government Code provides that the Board of Supervisors may, by resolution, authorize and designate the county Auditor to exercise the powers set forth in Sections 25257 through 25259. The county Auditor shall periodically, but no less than annually, file a statement with the Board reporting all such discharges.

NOW THEREFORE, BE IT HEREBY RESOLVED in accordance with Section 25259.5 of the California Government Code, the Auditor-Controller is granted the ability to exercise the powers set forth in Sections 25257 through 25259.