



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Treasurer-Tax Collector



Date: October 10, 2012

Board Meeting Date: December 11, 2012

Special Notice / Hearing: None

Vote Required: Majority

To: Honorable Board of Supervisors

From: Sandie Arnott, Treasurer-Tax Collector
Girdie Bernard, Division Manager, Revenue Services

Subject: Request for Relief of Accountability of Delinquent Accounts

RECOMMENDATION:

Adopt a Resolution authorizing discharge of accountability for collection of costs, fines, fees and assessments for the County of San Mateo for accounts that became uncollectible in fiscal years 2008-2009, 2009-2010 and 2010-2011.

BACKGROUND:

The Revenue Services Division is responsible for collecting monies for services rendered or for fines against persons who do not make payment. Typical collection accounts include medical and clinic services for indigent care, court fines, probation fines, and private defender fees.

Government Code Section 25257 provides that the County can seek relief from collection efforts for uncollectible accounts by writing off uncollectible debts after collection efforts are unsuccessful. County Administrative Memorandum Number D-10 provides that such accounts be taken to the Board of Supervisors to request relief. Pursuant to this provision, we are now submitting a write-off request for accounts that became uncollectible in fiscal years 2008-09, 2009-10, 2010-11. The write-off of these accounts will not impact the County's financial statement because the Controller is already treating these accounts as uncollectible for accounting purposes.

DISCUSSION:

A detailed summary for each fiscal year is attached. Uncollectable accounts presented for abandonment for FY 2008 through 2011, include \$33,966,747.05 for indigent care provided by the Medical Center and \$1,566,825.95 for collections for various other departments. . The time to collect on all of these accounts, under applicable statutes of limitation, has run and the accounts are therefore uncollectible. Collection efforts on all accounts have been attempted and exhausted by both the Revenue Services

Division and an outside collection agency. The likelihood of collection on all of these accounts does not justify the expense involved in collection. The reasons for the uncollectability of the accounts fall into five categories. The five categories are:

- Accounts that were too small to warrant further collection efforts. Examples include: initial account balances that were too small and remaining balances on accounts that were too small. The uncollectible funds in these accounts for fiscal years 2008-11 total \$42,007.78. No individual account in this category has uncollectible funds in excess of \$10,000.
- Accounts that lacked sufficient information for collection. Examples include: debtors identified by name and general delivery address but without any other information and debtors who moved and could not be located. The uncollectible funds in accounts under \$10,000 for fiscal years 2008-11 total \$962,406.91. The uncollectible funds in accounts over \$10,000 for the same period of time total \$183,315.19.
- Accounts on which all collection efforts and options were exhausted. Examples include: accounts that were worked by Revenue Services staff and then referred to outside collection agencies and returned as uncollectible. The uncollectible funds in accounts under \$10,000 for fiscal years 2008-11 total \$21,197,271.91. The uncollectible funds in accounts over \$10,000 for the same period of time total \$11,965,082.82.
- Accounts for which the debtor had no resources to pay. Examples include: debtors who died and left no estates; debtors who died and left insolvent estates and debtors who were bankrupt and had no attachable assets. The uncollectible funds in accounts under \$10,000 for fiscal years 2008-11 total \$903,406.17. The uncollectible funds in accounts over \$10,000 for the same period of time total \$250,890.01.
- Accounts that were erroneously established and billed at the point of service. Examples include: debtors who received services while incarcerated and debtors who received care or services while they were minors. The uncollectible funds in these accounts under \$10,000 through fiscal years 2008-11 totals \$29,192.21. There are no uncollectible funds in accounts over \$10,000.

Attachments A, B, and C provide a detailed listing of recommended write-offs by fiscal year, type of account, and department, as well as a detailed listing of the 492 accounts over \$10,000 recommended for relief of accountability. Attachment D is a summary of all three fiscal years.

Pursuant to the Terms of Government Code section 25258(b), the names of the assesseees or persons liable and the amounts owed by each is incorporated by reference in this application and are permanently maintained by the County.

By signature above, we hereby verify, on information and belief, that the facts stated herein are true and correct.

County Counsel has reviewed and approved the resolution as to form.

This resolution contributes to the Shared Vision 2025 outcome of a Collaborative Community by collecting accounts receivable within guidelines that are mutually agreeable to our clients, such as the Medical Center, Probation and various other county departments, while meeting City, County, State and Federal laws and regulations. Administrative Memorandum D-10 states Revenue Services will seek relief of accountability from the Board of Supervisors when the statute of limitations has expired or when the debtor has declared bankruptcy.

PERFORMANCE MEASURE(S):

Measure	FY 2012-13 Actual	FY 2013-14 Projected
Percent of debtors contacted within five days of receipt.	100%	100%

FISCAL IMPACT:

By virtue of the age and condition of the accounts, these amounts are deemed uncollectible. The accounts are not included in the amount provided to the Controller as collectible and thus will not affect the County's financial statement.