



CITY OF ARCHDALE

CITY COUNCIL

MEETING DATE: June 27, 2023

SUBJECT: Resolution Writing Off Uncollectible Utility Accounts

RECOMMENDATIONS OR COMMENTS: Adopt resolution to write-off utility accounts that have been delinquent for 3 or more years.

SUMMARY OF INFORMATION: A policy has been established to provide for write-off of delinquent utility accounts receivable for financial statement valuation. Customers receive their statements around the 1st of each month. A \$10.00 late fee is applied to the account if payment is not received by the 20th. Accounts that remain unpaid past the 4th of the following month have a service interruption and a \$50.00 fee. The utility software system generates a final bill for customers with closed accounts. The system does not continue to bill the customer for unpaid balances. A past due notice is sent to the debtor and then, after the required 90 days, the information is submitted to the NC Debt Set-off Clearinghouse. The NCACC and the NCLM sponsor the Debt Set-off Clearinghouse through which local governments may submit outstanding delinquent debt (totaling \$50 or more) to the NC Department of Revenue to offset against income tax refunds or lottery winnings. The debtor pays a \$15 collection assistance fee to the Clearinghouse. Debt set-off collections from January 1, 2016, through June 16, 2023, amount to \$6,934.70.

Due to the implementation of new financial software, our write-off process was suspended. This allowed time to work through the data from our legacy software. As a result, our last write-off process was conducted in early 2019 writing-off accounts through June 30, 2016.

The current write-off process contains balances billed from July 26, 2016, through December 31, 2019. Going forward this will be a yearly process again. There are 169 accounts, totaling \$19,172.58 to be included in this bad debt write-off process.

ATTACHMENTS: YES NO

SUMMARY OF ATTACHED INFORMATION: Resolution Writing Off Uncollectable Utility Accounts



RESOLUTION

WRITING OFF UNCOLLECTIBLE UTILITY ACCOUNTS

WHEREAS, the Archdale City Council has adopted a policy to review and write off uncollectible utility accounts; and

WHEREAS, the Finance Director has determined that a list of utility accounts totaling \$19,172.58 which is attached hereto and made apart hereof by reference, should be written off as bad debt; and

WHEREAS, the amounts shown on the attached list are considered uncollectible due to statutory limits; and

WHEREAS, continuing to include such amounts in the financial records of the City could result in a distorted balance sheet; and

THEREFORE, be it resolved that the Archdale City Council directs the Finance Director to write off the accounts shown on the attached list totaling \$19,172.58 as uncollectible bad debts in the financial records of the City. The City of Archdale does not waive any rights it may have to collect any of the attached accounts receivable in the future.

Adopted this 27th day of June 2023.

Lewis W. Dorsett, Mayor

ATTEST:

Susan T. Swaim, City Clerk