



Yolo County Housing

Lisa A. Baker, Executive Director

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DATE: January 14, 2010
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
By: Mark Stern, Finance Director
SUBJECT: **Authorize the YCH to write off Bad Debts of Approximately \$18,000 for the Low Income Public Housing Program and Cottonwood Meadows for the Six Months Ended 12/31/2009**

RECOMMENDED ACTIONS

That the Board of Commissioners:

1. Authorize staff to write off bad debts of the Yolo County Housing Low Income Public Housing Program and Cottonwood Meadows of approximately \$18,000 for the six months ended 12/31/2009.

BACKGROUND / DISCUSSION

In accordance with the approved Accounts Receivable Write Off policy, Real Estate Services and Finance staffs have reviewed the accounts receivable and identified amounts that are deemed to be uncollectible. Assuring that accounts receivable are not misstated protects the integrity of the agency financial statements. Accounts written off are submitted for collection but collections for previous write-offs have been -0- to date.

FISCAL IMPACT

For the six (6) months, the bad debts requested to be written off total approximately \$11,500 from 2009-2010 and \$6,500 from 2008-2009. This amount is 2.46% of total rents charged by the programs. Write-offs by year have been:

- 2007-2008 \$29,000
- 2008-2009 \$25,500 (including the \$6,500 shown above)
- 2009-2010 YTD \$11,500

The list of delinquent accounts is available for review at the YCH Finance Department.

CONCLUSION

We need to ensure that the accounts receivable reflected on the books represent the accounts that YCH would have a good chance of being able to successfully collect. In addition, bad debt accounts turned over to the collection agency sooner have a better chance of being collectible.