



Yolo County Housing

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DATE: February 23, 2012
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director *LB*
By: Mark Stern, Finance Director
SUBJECT: **Authorize the YCH to write off Bad Debts of \$17,970 for the Low Income Public Housing Program and Cottonwood Meadows for the Nine Months Ended 12/31/2011**

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 \$17,970 for the nine months ended 12/31/2011.

BACKGROUND / DISCUSSION

Staff requests that the Board authorize the write off of debts that have not been collected throughout the agency over the last nine months.

YCH bad debts are primarily caused by tenants who have moved out without rendering payment of their final closing bills, or by Voucher tenants who terminate assistance without closing their repayment agreements. Staff efforts to locate tenants and collect payment on these accounts have been exhausted. In accordance with policy, Housing Services staff has provided a list of tenant balances that they request be written off due to uncollectibility. Although \$17,970 appears to be a large amount, the percentage of rents billed that it represents is slightly less than the historical average.

After approval by the Board, Housing Services submits write-off documentation to Finance for entry into the Tenant Accounts Receivable system. Uncollectible and written off debts are then forwarded to our Collection Agency for an additional attempt to recover.

FISCAL IMPACT

Periodic bad debt write off improves the quality of YCH financial reporting.

For the nine (9) month period, the bad debts requested to be written off total approximately \$18,000. This amount is 1.20% of total rents charged by the programs during this period.

Write-offs approved by year have been:

	<u>Amount</u>	<u>% of Rent</u>
• 2007-2008	\$29,000	1.29%
• 2008-2009	\$25,500	1.16%
• 2009-2010	\$19,200	1.23%
• 2010-2011 (9 mos)*	\$22,300	1.49%
• YTD 2011-2012(9 mos)**	\$17,970	1.20%

*The 2010-2011 amount includes the final three months of the 2009-2010 fiscal year.

** The YTD 2011-2012 amount includes the final 3 months of the 2010-2011 fiscal year.

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

CONCLUSION

The periodic write off of uncollectable accounts receivable helps in keeping the ledgers of the agency a true representation of debts that have a good chance of being successfully collected. Staff recommends that the Board approve the requested authorization.