



INFORMATIONAL MEMORANDUM

TO: Finance Committee

FROM: Vicky Carlsen, Finance Director

BY: Cindy Wilkins, Fiscal Specialist

CC: Mayor Ekberg

DATE: 9/12/2022

SUBJECT: Cancellation of Accounts Receivable

ISSUE

Each year a resolution comes before the Council for the cancellation of uncollectable accounts receivable. For 2022, these items include: False Alarms equaling \$27,866.60, Miscellaneous Billings equals \$6,457.85 for a grand total of \$34,324.45.

BACKGROUND

The process for tracking accounts receivable is quite thorough. The steps below are followed prior to preparation of the attached write-off resolution.

- Invoice is sent to the recipient by the Finance Department payable in 30 days.
- If payment is not received within 30 days, the receivable is forwarded to our collection agency, Armada Corp., and placed into pre-collect status.
- At this time, Armada sends a Delinquency Notice to debtor notifying them of the past-due status of the receivable and asks them to contact the City to make payment. Payments can still be made directly to the City while in pre-collect status.
- Once 30 days has passed in pre-collect status, the receivable then rolls over to active collections. At the onset of active collections, a letter is sent to the debtor notifying them of status change and advising that all payments must now be made through the collection agency.
- When in active collections status, debtor is contacted both by phone and letter. A search is made for assets with which the debt could be satisfied. Once the debt has been in active collections for 45 days, it is then reported to the national credit bureaus.
- The last process in the collections cycle is the pursuit of legal action. This includes attaching checking accounts, garnishments and lawsuits.
- It should be noted that while a debt may be written off our books: it is still active in Armada's collection process.

DISCUSSION

The proposed amount of the 2022 Cancellation of Accounts Receivable is \$34,324.45. This is an annual housekeeping item.

FINANCIAL IMPACT

The financial impact of cancelling \$34,324.45 will be to reduce our accounts receivable balance by this amount. Please note that while we are writing off the accounts receivable for accounting purposes., the accounts are still being actively worked for collection purposes except for those accounts where a responsible party cannot be identified. Accounts covered by bankruptcy law cannot be pursued.

RECOMMENDATION

The Council is being asked to approve the annual resolution authorizing the cancellation of Accounts Receivable and to forward this item to the Regular Meeting Consent Agenda of 09/19/22.

ATTACHMENTS

Proposed Draft Resolution
Attachment A – 2022 AR Write-Offs
Attachment B – Historical Write-Offs

DRAFT

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TUKWILA, WASHINGTON, ORDERING THE
CANCELLATION OF PAST DUE ACCOUNTS
RECEIVABLES**

WHEREAS, certain receivables and checks have been deemed uncollectable after efforts by both the City and a collection agency have been unsuccessful; and

WHEREAS, the City will continue to pursue these receivables when practical;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Miscellaneous Accounts Receivable. The total of \$34,324.45 (per Attachment A) is deemed uncollectable.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2022.

ATTEST/AUTHENTICATED:

Christy O'Flaherty, MMC, City Clerk

Thomas McLeod, Council President

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____

Passed by the City Council: _____

Resolution Number: _____

Office of the City Attorney

Attachment A - 2022 AR Write-Offs

Eden Acct#	Customer Name	Inv Date	EDEN	Billing Description	GL Account	Inv Amount
000139	ALLIANCE ONE RECEIVABLES MGMT	06/01/20	RN-00179	ALLIANCE ONE JUN/2020 RENT	MR003100-362500/640-237104	1,049.41
000138	ALLIANCE ONE RECEIVABLES MGMT	05/01/20	RN-00178	ALLIANCE ONE MAY/2020 RENT	MC009100-362500/640-237104	1,049.41
						<u>2,098.82</u>
000420	INTEGON NATIONAL INSURANCE	11/04/20	PW-00161	CLAIM PAC2019-21	GF000100-398000	779.76
000419	SIMON SEK	11/02/20	PW-00160	PAC2019-33 (21901615)	GF000100-398000	1,615.07
						<u>2,394.83</u>
RYDTRU	RYDER TRUCK RENTAL INC	05/22/20	PF-04077	POLICE FALSE ALARM #10 & 11	PD010100-342800	400.00
000428	VIRTUAL SPORTS TUKWILA WA LLC	12/01/20	PD-00364	POLICE FALSE ALARM #13	PD010100-342800	200.00
RYDTRU	RYDER TRUCK RENTAL INC	07/23/20	PF-04101	POLICE FALSE ALARM #15-17	PD010100-342800	600.00
RYDTRU	RYDER TRUCK RENTAL INC	11/10/20	PD-00311	POLICE FALSE ALARM #19	PD010100-342800	200.00
RYDTRU	RYDER TRUCK RENTAL INC	11/19/20	PD-00334	POLICE FALSE ALARM #20-21	PD010100-342800	400.00
RYDTRU	RYDER TRUCK RENTAL INC	12/01/20	PD-00365	POLICE FALSE ALARM #22	PD010100-342800	200.00
RYDTRU	RYDER TRUCK RENTAL INC	12/03/20	PD-00400	POLICE FALSE ALARM #23-26	PD010100-342800	800.00
RYDTRU	RYDER TRUCK RENTAL INC	12/31/20	PD-00430	POLICE FALSE ALARM #27	PD010100-342800	200.00
000207	CHURCH BY THE SIDE OF THE ROAD	03/13/20	PF-04057	POLICE FALSE ALARM #3	PD010100-342800	150.00
000214	US HEALTHWORKS MED GRP OF WA P	03/13/20	PF-04055	POLICE FALSE ALARM #3	PD010100-342800	150.00
000237	O & E LIQUOR LLC	03/13/20	PF-04046	POLICE FALSE ALARM #3	PD010100-342800	150.00
000352	SEATTLE'S BEST FLOORS LP	11/19/20	PD-00328	POLICE FALSE ALARM #3	PD010100-342800	150.00
000388	AZ TRADING INC	03/13/20	PF-04056	POLICE FALSE ALARM #3	PD010100-342800	150.00
000399	TRIPLE D PARTNERSHIP	06/11/20	PF-04080	POLICE FALSE ALARM #3	PD010100-342800	150.00
000412	KIDDER MATTHEWS	11/30/20	PD-00344	POLICE FALSE ALARM #3	PD010100-342800	150.00
000416	MOHAMMED ABAS	10/19/20	PF-04113	POLICE FALSE ALARM #3	PD010100-342800	150.00
000421	EMERALD CITY MOVING & STORAGE	11/09/20	PD-00297	POLICE FALSE ALARM #3	PD010100-342800	150.00
000427	WINNING CHRISTIAN CENTER	11/10/20	PD-00320	POLICE FALSE ALARM #3	PD010100-342800	150.00
000435	COMCAST CABLE COMM MGMTT LLC	12/02/20	PD-00374	POLICE FALSE ALARM #3	PD010100-342800	150.00
000444	SHERWIN WILLIAMS COMPANY	12/22/20	PD-00395	POLICE FALSE ALARM #3	PD010100-342800	150.00
000446	HOLMES ELECTRIC	12/23/20	PD-00402	POLICE FALSE ALARM #3	PD010100-342800	150.00
000450	VERTIV CORPORATION	12/23/20	PD-00407	POLICE FALSE ALARM #3	PD010100-342800	150.00
000451	KING CO TRANSIT	12/31/20	PD-00423	POLICE FALSE ALARM #3	PD010100-342800	150.00
MENSW	MEN'S WEARHOUSE	12/01/20	PD-00358	POLICE FALSE ALARM #3	PD010100-342800	150.00
REGALC	REGAL CINEMAS INC	11/30/20	PD-00347	POLICE FALSE ALARM #3	PD010100-342800	150.00
RYDTRU	RYDER TRUCK RENTAL INC	02/11/20	PF-04043	POLICE FALSE ALARM #3	PD010100-342800	150.00
UPSSUP	UPS SUPPLY CHAIN SOLUTIONS	12/01/20	PD-00353	POLICE FALSE ALARM #3	PD010100-342800	150.00
000211	PETSMART INC #377	11/19/20	PD-00333	POLICE FALSE ALARM #3-4	PD010100-342800	350.00
000389	SOUND PAIN ALLIANCE PLLC	03/13/20	PF-04058	POLICE FALSE ALARM #3-4	PD010100-342800	350.00
000424	RAINIER CANCER CENTER PLLC	11/10/20	PD-00310	POLICE FALSE ALARM #3-4	PD010100-342800	350.00
000426	VIRTUAL SPORTS TUKWILA WA LLC	11/10/20	PD-00319	POLICE FALSE ALARM #3-6	PD010100-342800	750.00
000205	GRAINGER	11/30/20	PD-00350	POLICE FALSE ALARM #4	PD010100-342800	200.00
000208	CHURCH BY THE SIDE OF THE ROAD	12/02/20	PD-00372	POLICE FALSE ALARM #4	PD010100-342800	200.00
000407	RICHARD L NELSON	11/30/20	PD-00345	POLICE FALSE ALARM #4	PD010100-342800	200.00
000425	RAINIER CANCER CENTER PLLC	12/31/20	PD-00434	POLICE FALSE ALARM #4	PD010100-342800	200.00
000436	COMCAST CABLE COMM MGMTT LLC	12/23/20	PD-00408	POLICE FALSE ALARM #4	PD010100-342800	200.00
000447	HOLMES ELECTRIC	12/31/20	PD-00432	POLICE FALSE ALARM #4	PD010100-342800	200.00
LEAV	LEAVITT MACHINERY USA INC	07/23/20	PF-04100	POLICE FALSE ALARM #4	PD010100-342800	200.00
OLDN	OLD NAVY LLC	12/31/20	PD-00428	POLICE FALSE ALARM #4	PD010100-342800	200.00
UPSSUP	UPS SUPPLY CHAIN SOLUTIONS	12/31/20	PD-00420	POLICE FALSE ALARM #4	PD010100-342800	200.00
RYDTRU	RYDER TRUCK RENTAL INC	03/13/20	PF-04052	POLICE FALSE ALARM #4 - 7	PD010100-342800	200.00
000417	MOHAMMED ABAS	12/22/20	PD-00390	POLICE FALSE ALARM #4 - 8	PD010100-342800	800.00
000400	TRIPLE D PARTNERSHIP	11/19/20	PD-00326	POLICE FALSE ALARM #4-5	PD010100-342800	1,000.00
JACKSO	JACKSON DEAN CONSTRUCTION	12/31/20	PD-00438	POLICE FALSE ALARM #4-5	PD010100-342800	400.00
000212	PETSMART INC #378	12/22/20	PD-00399	POLICE FALSE ALARM #5	PD010100-342800	200.00
000370	SINGH, TARAN DG FOODS	05/22/20	PF-04075	POLICE FALSE ALARM #5	PD010100-342800	200.00
000390	SOUND PAIN ALLIANCE PLLC	07/23/20	PF-04110	POLICE FALSE ALARM #5	PD010100-342800	200.00
000411	MADRONA SPECIALTY FOODS LLC	11/10/20	PD-00304	POLICE FALSE ALARM #5	PD010100-342800	200.00

Attachment A - 2022 AR Write-Offs

Eden Acct#	Customer Name	Inv Date	EDEN	Billing Description	GL Account	Inv Amount
TUKSVC	TUKWILA SERVICE CENTER	11/19/20	PD-00339	POLICE FALSE ALARM #5	PD010100-342800	200.00
GIVING	GIVING TREE LEARNING CENTER IN	11/10/20	PD-00316	POLICE FALSE ALARM #5-7	PD010100-342800	600.00
000371	SINGH, TARAN DG FOODS	06/11/20	PF-04088	POLICE FALSE ALARM #6	PD010100-342800	200.00
000410	HABITAT FOR HUMANITY SEA/KC	11/09/20	PD-00298	POLICE FALSE ALARM #6	PD010100-342800	200.00
000194	SEATTLE CHAR LLC	06/11/20	PF-04084	POLICE FALSE ALARM #7	PD010100-342800	200.00
000411	HABITAT FOR HUMANITY SEA/KC	11/19/20	PD-00324	POLICE FALSE ALARM #7	PD010100-342800	200.00
000427	VIRTUAL SPORTS TUKWILA WA LLC	11/19/20	PD-00340	POLICE FALSE ALARM #7-12	PD010100-342800	1,200.00
000151	BURLINGTON COAT FACTORY OF WA	12/22/20	PD-00397	POLICE FALSE ALARM #8	PD010100-342800	200.00
000390	KING LASIK INC PS	12/31/20	PD-00442	POLICE FALSE ALARM #8	PD010100-342800	200.00
000412	HABITAT FOR HUMANITY SEA/KC	12/22/20	PD-00388	POLICE FALSE ALARM #8	PD010100-342800	200.00
000442	MARINERPOLIS USA INC	12/31/20	PD-00418	POLICE FALSE ALARM #8	PD010100-342800	200.00
GIVING	GIVING TREE LEARNING CENTER IN	12/23/20	PD-00411	POLICE FALSE ALARM #8	PD010100-342800	200.00
000195	SEATTLE CHAR LLC	07/23/20	PF-04099	POLICE FALSE ALARM #8 - 10	PD010100-342800	600.00
000413	HABITAT FOR HUMANITY SEA/KC	12/31/20	PD-00422	POLICE FALSE ALARM #9	PD010100-342800	200.00
KEYBA2	KEY BANK NATIONAL ASSN	11/09/20	PD-00300	POLICE FALSE ALARM 3 - 5	PD010100-342800	550.00
000441	MARINERPOLIS USA INC	12/22/20	PD-00383	POLICE FALSE ALARM 3-7	PD010100-342800	950.00
000369	SINGH, TARAN DG FOODS	04/06/20	PF-04062	POLICE FALSE ALARMS #3-4	PD010100-342800	350.00
000193	SEATTLE CHAR LLC	04/06/20	PF-04059	POLICE FALSE ALARMS #3-5	PD010100-342800	550.00
000423	LIFE OF DECOR LLC	11/10/20	PD-00302	POLICE FALSE ALARMS #4	PD010100-342800	200.00
RYDTRU	RYDER TRUCK RENTAL INC	04/06/20	PF-04061	POLICE FALSE ALARMS #8-9	PD010100-342800	400.00
000150	BURLINGTON COAT FACTORY OF WA	04/06/20	PF-04060	POLICE FALSE ALARMS 3-6	PD010100-342800	750.00
000461	JUDGE SMITH	12/31/20	PW-00183	PW CLAIM PAC2020-23	GF000100-398000	6,666.60
						27,866.60
000391	KING LASIK INC PS	12/31/20	PM-00139	WO 21840133 6700 FORT DENT WAY	PW401801-379002	96.33
						96.33
SEFNCO	SEFNCO	10/21/20	PW-00155	WO 22040113	PW401800-343403	1,867.87
						1,867.87

Total Write-offs: 34,324.45

Attachment B - Historical Write-Offs

Resolution 1777	2012	\$ 8,777.89
Resolution 1805	2013	\$ 30,702.97
Resolution 1843	2014	\$ 36,240.62
Resolution 1865	2015	\$ 27,887.91
Resolution 1893	2016	\$ 47,680.46
Resolution 1916	2017	\$ 9,005.25
Resolution 1948	2018	\$ 12,832.35
Resolution 1969	2019	\$ 53,109.56
Resolution 2001	2020	\$ 17,285.74
Resolution 2031	2021	\$ 5,492.03