



# CITY OF SAN MATEO

City Hall  
330 W. 20th Avenue  
San Mateo CA 94403  
[www.cityofsanmateo.org](http://www.cityofsanmateo.org)

## Agenda Report

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Agenda Number: 18

Section Name: {{section.name}}

Account Number: 10-2021

File ID: {{item.tracking\_number}}

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**TO:** City Council

**FROM:** Drew Corbett, City Manager

**PREPARED BY:** Finance Department

**MEETING DATE:** October 17, 2022

**SUBJECT:**

Uncollectible Accounts Receivable Write Off – Approval

**RECOMMENDATION:**

Adopt a Resolution to authorize writing off \$91,395.68 of uncollectible accounts receivable invoices as bad debt.

**BACKGROUND:**

Pursuant to the City's Accounts Receivable Policy, City Council authority is required to write off accounts receivable invoices that have are deemed uncollectible, as both the City and its collections agency, Transworld Systems Inc. (TSI), have exhausted their comprehensive collection efforts.

As noted in Attachment 1, the unpaid invoices totaling \$91,395.68 represent a broad array of service charges from nearly every department. Writing off the uncollectible accounts receivable as bad debt will position the City to have clean records in preparation for transitioning to the new Workday enterprise resource planning (ERP) system that will go live on November 1, 2022.

Finance staff will present subsequent uncollectible accounts receivable invoices for write off authorization by the City Council on an annual basis in June of each year.

**BUDGET IMPACT:**

Accounting standards require that bad debt be recognized as an expenditure in the year in which the bad debt is written off. As such, the General Fund will account for \$91,395.68 in bad debt expenditure in the current fiscal year. It is expected that there should be adequate budget appropriations to absorb the impact of the bad debt expenditure.

**ENVIRONMENTAL DETERMINATION:**

This authorization to write off uncollectible accounts receivable invoices is not a project subject to CEQA, because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. (CEQA Guidelines Section 15378(b)(5).)

**NOTICE PROVIDED**

All meeting noticing requirements were met.

**ATTACHMENTS**

Att 1 – Proposed Resolution with Exhibit A

**STAFF CONTACT**

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