



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

Tax Collector – Treasurer-Revenue Services

DATE: May 20, 2009
BOARD MEETING DATE: June 16, 2009
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: Lee Buffington, Tax Collector -Treasurer
Girdie Bernard, Division Manager, Revenue Services

SUBJECT: Request for Relief of Accountability of Delinquent Accounts

RECOMMENDATION:

Adopt a resolution authorizing discharge of accountability of collection effort for Revenue Services for certain San Mateo County accounts receivable totaling \$17,999,999.99 for the fiscal year 2007-08.

Adopt a resolution authorizing discharge of accountability of collection effort for Human Services Agency for overpayments of Welfare Assistance for the County of San Mateo totaling \$360,072.11 for the fiscal year 2007-08.

VISION ALIGNMENT:

Commitment: Responsive, Effective and Collaborative Government

Goal(s) 20: Government decisions are based on careful consideration of future impact, rather than temporary relief or immediate gain. Revenue Services has consistently provided quality collection services for the County at a cost that is lower than companies in the private industry.

BACKGROUND:

The Revenue Services Division is responsible for collecting monies for services rendered or for fines against persons who do not make payment. Typical collection accounts include court fines, medical and clinic services, welfare over-payments and private defender fees.

efforts are unsuccessful. County Administrative Memorandum Number D-10 provides that such accounts be taken to the Board of Supervisors to request relief. Per County policy, we are now submitting our write-off request for fiscal year 2007-08.

DISCUSSION:

Revenue Services Accounts

These accounts are uncollectible. Full collections efforts have been attempted by both the Revenue Services Division and an outside collections agency. Both organizations have deemed these accounts as uncollectible. Accounts presented for abandonment for FY 2007-08 fall into six categories of uncollectibility. Of the categories listed below \$16,078,486.93 represent indigent care provided by the Medical Center and \$1,921,513.06 represent collections for various departments. These categories include:

- **Accounts that are too small to warrant further collection efforts.** Examples include: initial account balances that are too small; and remaining balances on accounts that are too small. The uncollectible funds in these accounts for fiscal year 2007-08 total \$134,410.22. There are no uncollectible funds in accounts over \$10,000.
- **Accounts lacking sufficient information for collection.** Examples include: clients identified by name and general delivery address but without any other information; and clients who have moved and cannot be located. The uncollectible funds in accounts under \$10,000 for fiscal year 2007-08 total \$895,513.00. The uncollectible funds in accounts over \$10,000 total \$107,867.37.
- **Accounts on which all collection efforts and options have been exhausted.** Examples include: accounts that have been worked by Revenue Services staff and then referred to outside collection agencies and returned as uncollectible. The uncollectible funds in accounts under \$10,000 for fiscal year 2007-08 total \$11,162,560.15. The uncollectible funds in accounts over \$10,000 total \$5,615,274.87.
- **Accounts for which the client has no resources to pay.** Examples include: clients who have died and left no estates; clients who have died and left insolvent estates; and clients who are bankrupt and have no attachable assets. The uncollectible funds in accounts under \$10,000 for fiscal year 2007-08 total \$44,797.60. The uncollectible funds in accounts over \$10,000 total \$32,294.56.
- **Accounts that, if further collection efforts were pursued, would place the client in extreme hardship.** Examples include: clients who are Medically Indigent Adults; and clients who would become destitute as a result of making payment. The uncollectible funds in accounts under \$10,000 for fiscal year 2007-08 total \$1,164.05. There are no uncollectible funds in accounts over \$10,000
- **Accounts that were erroneously established and billed at the point of**

service. Examples include: clients who received services while incarcerated; and clients who received care or services while they were minors. The uncollectible funds in these accounts under \$10,000 through fiscal year 2007-08 totals \$6,118.17. There are no uncollectible funds in accounts over \$10,000.

Attachment A provides a detailed listing of recommended write-offs by type of account and department.

- Uncollectable accounts over \$10,000 total \$5,755,436.80
- Uncollectible accounts under \$10,000 total \$12,244,563.19
- Totaling \$17,999,999.99

Attachment B provides a detailed listing for the 255 accounts over \$10,000 recommended for abandonment.

Human Services Accounts

These accounts are maintained on the Human Services VACS system. Due to the age and condition of the accounts, there is little chance of recovery of the \$360,072.11. Of this amount \$53,985.12 is for Food Stamp/CAPI over issuances, of which the County share is zero. The CalWORKS/AFDC overpayment portion is \$291,359.37, of which the County share is 2.5%, or about \$7,283.98. Of the remaining \$14,727.62, \$14,062.65 is for various program overpayments of which the County shares are higher, and \$664.97 is for the County General Assistance program overpayments for which the County share is 100%.

Of the \$360,072.11 being recommended for write-off, \$137,100.46 is for uncollectible funds in accounts over \$10,000. \$222,971.65 is for uncollectible funds in accounts under \$10,000.

Pursuant to the Terms of Government Code section 25258(b), the names of the assesseees or persons liable and the amounts owed by each is incorporated by reference in this application are permanently maintained in the office of the Board of Supervisors for the County of San Mateo.

By signature above, we hereby verify, on information and belief, that the facts stated herein are true and correct.

FISCAL IMPACT:

By virtue of the age and condition of the accounts, there is little or no chance of recovery of the write-offs. The accounts are not included in the amount provided to the Controller as collectible and thus will not affect the County's financial statement.