

NAPA COUNTY HOUSING AUTHORITY

POLICY & PROCEDURE:

Collection Monitoring - Prepaid Lodger Accounts

REFERENCE:

Internal Control – Integrated Framework by
Committee of Sponsoring Organizations of the
Treadway Commission

EFFECTIVE DATE:

May 2018

REVISION DATE:**NUMBER:**

1

**DATE OF ORIGINAL
ISSUANCE:**

May 2018

APPROVED:

May 2018

Chairperson
Napa County Housing
Authority

DISTRIBUTION:

- Contract Operator
- Authority Staff

SUBJECT Collection Monitoring - Prepaid Lodger Accounts Policy

OVERVIEW Pursuant to Health and Safety Code section 34310 et seq. and 36050 et seq. the Board of the Napa County Housing Authority (Authority or NCHA) has the responsibility to oversee the collection on behalf of the Authority. The *Internal Control -- Integrated Framework* by Committee of Sponsoring Organizations of the Treadway Commission has been utilized in determining the practices to be followed.

POLICY & PROCEDURE (Procedure): The following procedure is to be followed by the staff of the Authority and the Contract Operator of the Farm Worker Centers for the collection monitoring and prepaid Lodger accounts collected on behalf of the Authority.

I) **CONTACT INFORMATION** - Information will be transmitted to NCHA to the attention of the following individuals until otherwise notified:

- A) Deputy County Executive Officer – 1195 Third Street, Room 310, Napa, CA 94559
- B) Housing and Community Development Program Manager – 1195 Third Street, Room 310, Napa, CA 94559
- C) Accountant-Auditor Manager (Internal Audits) – 1195 Third Street, Room B10, Napa, CA 94559

II) RESPONSIBILITIES

- A) Contract Operator is responsible for the collection of Lodgers fees in accordance with the rates and policies established by the Napa County Housing Authority Board.
- B) Napa County Housing Authority staff is responsible for monitoring the activities of the Contract Operator.

III) PROCEDURE: “Center Manager” and “Administrative Assistant/Fiscal Analyst” are designated employees of the Contract Operator. When the designated employee is not available to perform their duties, then another “authorized” administrative employee of the Contract Operator will fulfill the responsibilities outlined in this policy. The Contract Operator will be responsible for designating “authorized” employees.

A) Active Lodger

- 1) Account with Prepaid Balance over 15 Days - Center Manager will request if Lodger wishes to apply the prepaid amount prior to accepting payment when an account has a prepaid balance for over 15 days or more.
- 2) Accounts with Prepaid Balance over 30 days - If the Lodger chooses not to apply the balance at 15 days and the balance remains prepaid on the Contract Operator's records for 30 days, then any subsequent amounts collected from the Lodger will be reduced by the prepaid balance.
- 3) Center Manager will monitor the accounts on a daily basis to ensure prepaid balances are applied to a future payment(s).

B) Departed Lodger

- 1) On a Weekly basis, a review of the Accounts Receivable balances should be performed.
- 2) Every effort should be made to return prepaid balances in excess to the equivalent of one day of lodging prior to the departure of the lodger.
- 3) Information of Lodger's who departed with prepaid balances should be shared immediately with the other Centers. The information should include but is not limited to:
 - (a) Name of Lodger
 - (b) Copy of Photo ID
 - (c) Departure Date
 - (d) Amount Prepaid and for what Center
- 4) Should a Lodger return to one of the Centers, any prepaid balances must be applied to the first payment rendered by the Lodger. All Centers must be notified upon the occurrence of this event.

C) Write-Off of Abandoned Prepaid Lodger Accounts

- 1) Prepaid Balances older than eighteen months shall be considered abandoned by Departed Lodgers and reported to Napa County Housing Authority by March 31st each year.
- 2) The following information shall be included in a report to the Board:
 - (a) Lodger Number;
 - (b) Date Lodger Departed;
 - (c) Prepaid Balance; and
 - (d) Detail steps of Contract Operator's efforts to return the funds to the Lodger.
- 3) Napa County Housing Authority staff will make the recommendation to the Authority Board by June 30th to remove these funds from the Authority's revenue for the center and maintain a liability account until further notice.
- 4) Copies of the approved request shall be submitted to the Auditor-Controller's Internal Audit Division and the Contract Operator within 30 days of approval by Napa County Housing Authority staff.

D) Recording Abandoned Accounts

- 1) Contract Operator will track in their records:
 - (a) Name of Lodger
 - (b) Amount written off; and
 - (c) Date of Board approval.
 - (d) Detail steps of Contract Operator's efforts to return the funds to the Lodger
- 2) Authority staff will record an accounting entry to decrease revenue for approved abandoned accounts and increase a liability account as prescribed by the Authority's Auditor.
- 3) Any abandoned balances requiring remittance to the State of California shall be determined based on the State's instructions.

E) Record Retention

- 1) Contract Operator and Auditor's staff will maintain a list of abandoned accounts for five years.
- 2) Should a Lodger return during retention period then any prepaid balance that has not been remitted to the State of California shall be either a reduction to Lodger's fees if Lodger is staying on property or paid to individual by cash or check.