



Legislation Text

File #: 21-855, **Version:** 1

TO: Board of Supervisors
FROM: Jennifer Palmer, Director of Housing and Homeless Services
REPORT BY: Alex Carrasco, Staff Service Analyst
SUBJECT: Write Off of Bad Debt

RECOMMENDATION

Director of Housing and Homeless Services recommends Housing Authority write off \$4,208.75 in accordance with the Housing Authority policy.

EXECUTIVE SUMMARY

County and California Human Development Corporation (CHDC) Staff will work together to present accurate financial records of the Authority by removing departed lodgers' accounts from the books in accordance with the approved write-off policy by the Napa County Housing Authority.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The Napa County Housing Authority has created a write-off policy to be able to clear the books of old accounts.
Is the general fund affected?	No
Future fiscal impact:	Pending
Consequences if not approved:	The charges would stay on the books and keep showing up in audit reports.
County Strategic Plan pillar addressed:	Effective and Open Government

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California

Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Napa County Housing Authority (Authority), is a public housing authority established pursuant to California Health Safety Code section 342000 et seq., is the owner of three farmworker centers (Centers). The Authority has an Agreement with California Human Development Corporation (CHDC), a nonprofit corporation, to manage the day-to-day activities at the Centers. CHDC has designated employees, who are the Centers' Managers and a Fiscal Analyst, to be responsible for collection of lodger fees in accordance with the rates and policies established by the Authority's Board of Directors. The current rate for lodgers is \$14 per night. The Centers' Managers are responsible for making timely deposits for any cash collected from the lodgers. The Fiscal Analyst maintains occupancy reports and rent reports.

In May of 2018, the Napa County Housing Authority adopted a write off policy (attached) to handle just such occasions and while it is rare that lodgers leave without paying, this policy provides clarity and a path to write off bad debt and clear uncollectable accounts receivable for the farmworker centers. The Napa County Auditor-Controller's Office performed a quarterly monitoring of CHDC's compliance with the Authority's policies and procedures during fiscal year 2020-2021. Internal Audit noted the following: Accounts receivable balances totaling \$4,208.75 were removed from June 30, 2020 rent reports without the Authority's Board of Directors approval.

The requested action today is for the Board's approval of the write-off of uncollected Accounts Receivable in the amount of \$4,208.75.