

BOARD OF REVIEW PROTOCOLS & PROCEDURES

1. OBJECTIVE

The purpose of the Board of Review is to review, authorize, and/or recommend delinquent accounts for write-off as described in Sections 5.182 through Section 5.185 of the City of Los Angeles Administrative Code (LAAC).

2. MEMBERS

The members of the Board of Review shall consist of the Controller, City Treasurer, and the Director of Finance, or the duly appointed representative of each. The Controller shall be the Chair of the Board.

3. MEETINGS

Regular meetings shall be held last Wednesday of the months July, October, January, and April at 9:00 A.M. or as otherwise designated by consensus of the board. The meetings will be held in the Office of the City Controller or as otherwise designated by the consensus of the board. Meetings are required unless there are no reports from City departments to be considered.

The Controller will be responsible for notifying all City departments, members of the Board of Review of the meeting schedules of the Board of Review.

4. DEPARTMENT MONITORING RESPONSIBILITIES

Per LAAC Section 5.182, "If any board, commission, or head of any department finds that any money is due, or believed to be due the City for fees for permits, or resulting from the issuance of any permit or as the result of the contemplated issuance of a permit, or resulting from any services performed by the City at the special instance and request of the debtor, or resulting from any act of the debtor, and is uncollectible, or that efforts to collect any sum would be disproportionately costly in relation to the probable outcome of the collection efforts, the board, commission, or head of a department, shall prepare a report setting forth the findings and submit the findings and reasons to a Board of Review. The report from each board, commission, or head of any department shall be prepared and submitted to the Board of Review no less than annually."

Per LAAC Section 5.182, "...each department shall maintain a listing of all its accounts receivable arranged by age of the account. Information on the age of uncollectible account will be included in the findings submitted to the Board of Review for each account included in the report."

5. DEPARTMENT REPORTS

Each board, commission, or head of any department shall submit its report using the reporting format prescribed by the Board of Review. The Board of Review's format shall include, at a minimum, the following information:

- Listing of accounts receivable, by type (if practical), and arranged by the age of the account;
- Summary of the nature, # of accounts, nature (include corresponding revenue source), amounts, timing, collection efforts made, and the reasons why the department believe the accounts are either uncollectible or disproportionately costly to collect.
- Information such as debtor's LN, DBA, SSN/FEIN, correct business and/or mailing address, initial billing date, incident/service day, etc when available
- Listing and totals of amounts from debtors with unpaid sum to the City in excess of \$5,000;
- Listing and totals of amounts from debtors with unpaid sum to the City of \$5,000 or less;
- Any documentation required to support the claims and reasons provided by the department in the report (i.e., amounts, rationale for write-off, determination on why account is uncollectible, etc.)

Each department shall submit three copies of the report to the Board of Review before September 15th of each year and whenever the department requests a review and write-off of its uncollectible accounts.

6. ADMINISTRATIVE RESPONSIBILITIES

The Controller's office shall designate a member of the Controller's office staff to serve as the Board secretary to maintain official correspondence and records, distribute information to Board members, notify departments (and public, if required) of meeting times and place, prepare agenda, ensure completeness of information submitted by department, communicating decisions made by the Board and perform other administrative duties related to the Board..

7. EVALUATION CRITERIA

The Board of Review shall consider the following in its review of uncollectible accounts:

- Amount Involved (greater or less than \$5,000.00 from a person);
- Prior collection efforts;
- Evidence supporting claims on the collectability or costs to collect the receivable;
- Evidence supporting the amounts considered for write-off;

8. ACTIONS BY THE BOARD OF REVIEW

There are five possible outcomes during the review of uncollectible accounts.

- **First possibility – Return to department**

This outcome may occur if the Board believes that the information presented is incomplete, lacking, or that the Board requires more information.

Course of Action: Memo will be sent to departments informing them of the Board's decision, reasons for returning to department, and any further instructions, such as resubmitting the uncollectible account, etc. The findings of the Board will also be distributed to the department.

- **Second possibility – Authorize write-off of receivable of \$5,000.00 or less**

This outcome will result if the Board votes unanimously to write-off receivables of \$5,000.00 or less.

Course of Action: Memo will be sent to departments informing them that certain receivables had been approved for write-off. The minutes from the Board meetings and the findings of the Board related to the receivable will also be distributed to the department.

- **Third possibility – Recommend write-off of receivable over \$5,000.00.**

This outcome will result if the Board votes unanimously to recommend write-off of receivables over \$5,000.00.

Course of Action: Memo will be sent to departments informing them that certain receivables had been recommended for write-off. The minutes from Board meetings to communicate the actions taken by the Board and the findings of the Board related to the receivable will also be distributed to the department.

- **Fourth possibility – Report findings without recommendations to the City Council.**

This outcome will result if the Board does not come to a consensus on recommending or authorizing write-off of receivables. The Board may also wish to communicate its findings to the City Council, even if the votes are not split, if the Board believes that the Council should consider findings by the Board.

Course of Action: Memo will be sent to departments informing them that the Board cannot recommend or approve the write-off of certain receivables. The minutes from Board and the findings of the Board related to the receivable will also be distributed to the department.

- **Fifth possibility – Unanimous decision against the write-off of receivables.**

This outcome will result if the Board acted unanimously in voting against the write-off or recommending the write-off of receivables.

Course of Action: Memo will be sent to departments informing them that the Board voted unanimously against approving or recommending the receivable for write-off. The minutes from the Board meeting and the findings of the Board related to the receivable will also be distributed to the department.

9. DISTRIBUTION OF FINDINGS TO DEPARTMENTS

If the matter does not require referral to the City Council, results (including Findings and minutes) from the Board of Review meetings will be distributed to each department within 60 days after the Board meeting.

If the matter requires referring to the City Council, then the department shall receive communication of the Board's intent within 60 days after the Board meeting. The Findings of the Board, which will be submitted to the Council along with the report submitted by the department, will be provided to the department within 60 days after the Board meeting.

The Board shall report its findings, along with the submission of all pertinent reports, to the Council within 30 days after its Board meeting.

10. DEADLINE FOR REQUESTING CONSIDERATION FOR WRITE-OFF

The deadline to receive requests and information for write-off will be established at 30 days prior to the Board meeting.

11. DISTRIBUTION OF INFORMATION TO BOARD MEMBERS FOR REVIEW

Information that will be considered for Board review will be distributed to each member of the Board at least 30 days prior to the meeting.

12. USE OF COUNSEL

The Board of Review may seek the use of a counsel from City Attorney's office at times to assist with its review of the write-off. The Board secretary will be responsible for keeping the designated counsel from City Attorney's office informed of the meetings and any issues related to the Board.

13. CORRESPONDING WITH BOARD OF REVIEW

All official correspondence with the Board of Review shall be made to:

Board of Review
Controller's Office
Mail Stop #183
200 N. Main St. #300
Los Angeles, CA 90012

Contact Persons from the Controller's office are:

- Shane Min, Sr. Management Analyst II
- Donna Williams, Executive Administrative Assistant