



Request for Action

TO: Faribault Housing and Redevelopment Authority

FROM: Kim Clausen, Community Development Coordinator

MEETING DATE: January 13, 2020

SUBJECT: Resolution 2020-01, Approving 2019 Accounts Receivable Write-offs

PURPOSE:

The purpose of this memorandum is for the HRA to approve accounts receivable write-offs in accordance with the HRA Delinquent Rents and Charges Process Policy.

DISCUSSION:

According to the FHRA Delinquent Rents and Charges Process Policy, every year the FHRA will review uncollectible debts and determine whether to write-off and retain the debts or write-off and close-out the debts. According to the Policy, debts that have been unrecovered for a period of 12 months and the debtor's whereabouts are unknown, shall be considered uncollectible. If the debt has been unrecovered for a period less than 5 years, the debt shall be written off but the amount owing retained for possible future collection. If the debt has been unrecovered for a period of 5 years or more, the debt will be considered closed-out and the amount removed from retained. Debts can also be written off for the following reasons:

- Assets legally without merit
- Assets that cannot be substantiated by evidence
- Costs of further recovery actions will exceed estimated recovery amounts
- Inability to locate debtor
- Statutory requirement to terminate asset recovery actions

The identified files have been sent to the Minnesota Department of Revenue for collection under the Minnesota Revenue Recapture Program (MRRP). The MRRP was established in 1980, when the legislature enacted Minnesota Statute 270-A. The purpose of the act is to establish a system of collected debts owed the State government, the University of Minnesota, or to certain local governments by applying any of the debtors' tax refunds to the amount of the debt. Credit laws prohibit the HRA from undergoing additional debt collection efforts while the debt is on file with the MRRP.

REQUESTED ACTION:

Staff recommends the HRA adopt a resolution approving the accounts receivable write-offs and directing staff to amend the general ledger to reflect these changes.

FARIBAULT HOUSING AND REDEVELOPMENT AUTHORITY

RESOLUTION 2020-01

APPROVING ACCOUNTS RECEIVABLE WRITE-OFFS

WHEREAS, the HRA adopted the Faribault Housing and Redevelopment Authority Delinquent Rents and Charges Process Policy (“the Policy”) on June 12, 2006; and

WHEREAS, according to the Policy, the HRA will, on an annual basis, review all recommended write-offs for consistency with the Policy; and

WHEREAS, the HRA has reviewed the uncollectible accounts receivables and determined which debts to write-off and retain and which debts to write-off and closeout.

NOW, THEREFORE, BE IT RESOLVED, that the Faribault Housing and Redevelopment Authority’s governing board authorizes the write-off of the attached debts and authorizes staff to make the corresponding adjustments to the General Ledger.

ADOPTED: January 13, 2020

Chairperson

ATTEST:

Secretary

Write-Off and Retain

| <u>Debtor</u> | <u>Amount Owed</u> | <u>Program</u> | <u>Date Vacated</u> | <u>Reason</u> |
|---------------|--------------------|----------------|---------------------|-------------------|
| Carlson, M. | 443.17 | RM | 10/31/18 | Under 5 years |
| Carrejo, D. | 1526.02 | RM | 5/31/18 | Under 5 years |
| Swanson, C | 854.09 | RM | 11/13/13 | Rcv'd pmt in 2018 |
| Varanelli, S. | 2318.78 | RM | 5/1/18 | Under 5 years |
| Briones, P | 300.08 | PH | 3/23/16 | Rcv'd pmt in 2019 |
| Moreno | 3840.04 | PH | 9/17/18 | Under 5 years |
| Capra | 2682.23 | PH | 2/29/16 | Under 5 years |
| Gunderson | 600.28 | SS | 3/30/12 | Rcv'd pmt in 2019 |

Write-Off and Closeout

| <u>Debtor</u> | <u>Amount Owed</u> | <u>Program</u> | <u>Date Vacated</u> | <u>Reason</u> |
|----------------|--------------------|----------------|---------------------|---------------|
| Trevino | 411.58 | PH | 10/1/14 | Over 5 years |
| Ahmed, L. | 91.81 | PH | 10/6/14 | Over 5 years |
| Walderon | 485.14 | RM | 2/28/14 | Deceased |
| Bradley | 187.24 | SS | 2/28/14 | Over 5 years |
| Flynn | 2214.78 | SS | 9/9/14 | Over 5 years |
| Simmons | 355.78 | RM | 9/2/14 | Over 5 years |
| Barros-Nicolas | 328.37 | RM | 10/6/14 | Over 5 years |
| Ahmed, S. | 106.62 | RM | 12/31/14 | Over 5 years |
| Hassan, N. | 1201.38 | RM | 6/3/19 | Deceased |

PH = Public Housing

RM = Robinwood Manor

SS = Scattered Sites