

# Write Offs and Revenue Section Collections Process

June 1, 2021





# Annual Write-Offs



- Business practice to write off accounts that are highly unlikely for collection
- Completed an extensive process to collect and when possible, applied to customers credit reports
- FY 2020-2021 write-offs are \$277,468.38



# Municipal Services Bills

## **10+ Year Low for Municipal Services Bill Write Offs**

- \$46,254.86 recommended write offs
- Only 0.11% of total accounts billed last fiscal year
- Only 166 accounts on write off list
  - 158 residential accounts
  - 8 commercial accounts



# Miscellaneous Accounts Receivable

## **Very low write off percentage**

- \$5,386.86 recommended write offs
- Only 0.03% of total accounts billed last fiscal year
- Only 5 accounts on write off list
  - 3 businesses and 2 individuals



# Sales Tax



## City Tax accounts prior to 1/1/2017

- Accounts from prior to Arizona Department of Revenue taking over Sales Tax collections
- Jan 2017 was \$928,293.06, as of July 2020 \$555,305.16
- Collected \$89,881.32, many active payment arrangements
- Requesting write off accounts that are no longer in business and no contact made, \$225,674.51, 32 Accounts
  - 12 Construction, 9 Restaurants/Bars, 8 Retail and 3 Advertising and Commercial Rent



# Revenue Collection Process

## Process **prior** the Declared Pandemic Emergency

- 1<sup>st</sup> monthly billing sent to customer
- ~30 Days later – Second monthly bill sent, with past due
- ~34 days after 1<sup>st</sup> bill – Postcard reminder sent
- After 41<sup>st</sup> day – Collection report run and account review
- After 45<sup>th</sup> day – List of disconnects sent to Meter Services Supervisor
- Water disconnected and door hangars left
- Referred to Customer Service



# Revenue Collection Process

## Process **since** the Declared Pandemic Emergency

- 1<sup>st</sup> monthly billing sent to customer
- 30 Days later – Second monthly bill sent, with past due
- 34 days after 1<sup>st</sup> bill – Postcard reminder sent
- ~~After 41<sup>st</sup> day – Collection report run and account review~~
- ~~After 45<sup>th</sup> day – List of disconnects sent to Meter Services Supervisor~~
- ~~Door hangars left with 24-hour notice of disconnection~~
- ~~Water disconnected before noon, refer to Customer Service~~



# Revenue Collection Process

## Process **since** the Declared Pandemic Emergency

- 1<sup>st</sup> monthly billing sent to customer
- 30 Days later – Second monthly bill sent, with past due
- 34 days after 1<sup>st</sup> bill – Postcard reminder sent
- ~ 45 days: Updated Door Hanger
  - Requesting contact with Customer Service
  - Work for payment arrangements
  - Provide list of assistance agencies
- If no contact, the water remains active, postcards monthly



# Utility and Rental Assistance

**We have notified past due customer of assistance**

- Emergency Rental (and Utility) Assistance Program: *16 accounts, \$10,297.85*
- Access H2O: *2 accounts, \$502.82*
- Coconino County Community Services: *39 accounts, \$18,027.86*
- St. Vincent De Paul: *30 Accounts, \$8,844.00*
- Payment arrangement through our friendly Customer Service staff *(928) 213-2231*



# Utility and Rental Assistance



The City of Flagstaff has several programs to help those experiencing financial hardships.

## Emergency Rental Assistance Program

Rental and utility assistance is available.

<https://des.az.gov/ERAP>

## Access H<sup>2</sup>O

This organization can help residents pay down past due balances and get back on track with regular monthly payments, [www.accessh2o.org](http://www.accessh2o.org)

## Coconino Community Services

Administered by Coconino County, services include utility assistance, emergency home repairs, eviction prevention and others, **(928) 679-7453**  
[www.coconino.az.gov/143/Community-Services](http://www.coconino.az.gov/143/Community-Services)

## St. Vincent De Paul

This organization offers assistance with payment of utility bills. For more information call **(928) 774-6511**.

## Payment Arrangements

If you're unable to pay your full balance by the due date on your statement, contact us for payment options.

To learn more about our assistance programs visit [www.flagstaff.az.gov/4590/Payment-Assistance](http://www.flagstaff.az.gov/4590/Payment-Assistance) or call **(928) 213-2231** to speak with a customer service representative.



# Council Direction

- Staff recommends we restart the Disconnect process for customer with NO payment arrangement (or broken engagements)
- Continue to provide extended and flexible payment arrangement
- Helps us identify if someone has moved out without letting us know

