

Memorandum



Date: September 17, 2013

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Subject: Response to Inquires on Resolution Approving Memorandum of Understanding for Finance Department's Credit and Collection Gainsharing Program (Legistar 131539)

The following is in response to questions raised during the discussion of the resolution approving the Memorandum of Understanding for the Finance Department's Credit and Collection Section's Gainsharing Collection Program at the August 27th 2013 Finance Committee meeting. .

More specifically, Commissioner Sally Heyman asked how long before the County turns over its accounts receivables to outside collection agencies. Pursuant to Implementing Order (IO) 3-9, County departments transfer these outstanding balances to the Finance Department's Credit and Collections Section after 120 days, or approved outside collection agencies to pursue further collection efforts. In most cases, County departments transfer these balances to the County's Credit and Collections Section after 120 days. Depending on the type of debt, it may be sent directly to the collection agency as in the case of the Library Department. In other cases, the Finance Collection Specialists may work the accounts six months to a year before transferring the accounts to a collection agency.

Commissioner Dennis C. Moss inquired about the percentage of accounts receivables that are commercial versus individual. This breakdown is difficult to ascertain because the accounts are not categorized in the system as such. However, the recently released Quarterly Accounts Receivable Report shows Aviation; Community Action and Human Services; Internal Services; Miami-Dade Police; Parks, Recreation and Open Spaces; Public Works and Waste Management; Port Miami, and Transit accounts seem to be a majority of business/commercial type entities. Accounts receivables associated with Water and Sewer and Public Housing and Community Development are a combination, approximately 85 percent business/commercial and 15 percent individual accounts. It should be noted, some of these accounts receivable amounts may include accounts with negotiated payment plans.

Lastly, Commissioner Sally Heyman asked about adding the cost of collection to the debt owed to the County. Finance staff inquired with the County Attorney's Office and it may be possible to add these operational costs to the collection as a fee based on approval from the Board of County Commission. The Finance Department will pursue this through an Implementing Order or as an additional fee in the fee schedule through the budget process.

If you have any questions, please contact Deputy Mayor Edward Marquez at 305-375-1451, or me directly.

c: R.A. Cuevas, Jr., County Attorney
Office of the Mayor Senior Staff
Department Directors
Charles Anderson, Commission Auditor