

SANTA FE COUNTY

Housing Authority Board Resolution No. 2011-07

A RESOLUTION ADOPTING AN UNCOLLECTABLE TENANT ACCOUNT RECEIVABLES WRITE-OFF POLICY AND PROCEDURE

WHEREAS, the Santa Fe County Housing Authority is requesting that the Housing Authority Board adopt a policy and procedure regarding the write-off of uncollectable tenant account receivables;

WHEREAS, the United State Department of Housing and Urban Development provides guidance and other recommended policy information to local housing agencies through Public and Indian Housing (PIH) Notice 90-13;

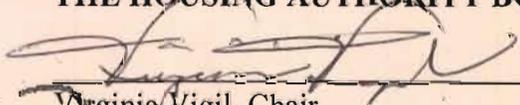
WHEREAS, the proposed policy and procedure describes an uncollectable tenant account receivable and details the criteria that should be considered to write-off uncollectable accounts; and

WHEREAS, the requested policy and procedure describes additional financial reporting requirements in accordance with PIH Notice 90-13..

NOW THEREFORE BE IT RESOLVED, by the Santa Fe County Housing Authority Board that the Uncollectable Tenant Account Receivable Policy and Procedure attached hereto as "Attachment A" is hereby adopted.

PASSED, APPROVED and ADOPTED this 28th day of JUNE 2011.

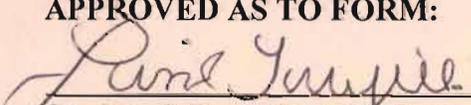
THE HOUSING AUTHORITY BOARD


Virginia Vigil, Chair

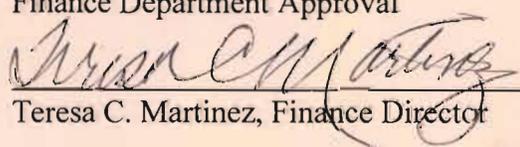
ATTEST


Valerie Espinoza, Santa Fe County Clerk

APPROVED AS TO FORM:


Stephen C. Ross, Santa Fe County Attorney

Finance Department Approval


Teresa C. Martinez, Finance Director



SANTA FE COUNTY HOUSING AUTHORITY BOARD

Attachment A to Resolution No. 2011-07

I. POLICY

It is the policy of the Santa Fe County Housing authority to write-off uncollectable Tenant Account Receivables, annually.

II. SCOPE

This policy and procedure applies specifically to the Santa Fe County Housing Authority.

III. DEFINITIONS

For purposes of this policy the following definitions apply:

GAAP – General Accepted Account Principles (GAAP) are a combination of authoritative standards (set by policy boards) and the commonly accepted ways of reporting and recording accounting information.

GASB – The Governmental Accounting Standards Board (GASB) is the independent organization serving as the authoritative body that establishes and improves standards of accounting and financial reporting regulations for U.S. state and local bodies.

HUD – The U.S. Department of Housing and Urban Development (HUD) is the Federal Agency that administers aide to local housing agencies that manage the housing for low-income residents at rents they can afford. HUD furnishes technical and professional assistance in planning, developing and managing these developments.

NMAC – The New Mexico Administrative Code.

PIH – The Office of Public Indian Housing (PIH) and a subunit of HUD. The role of the Office of Public and Indian Housing (PIH) is to ensure safe, decent, and affordable housing; create opportunities for residents' self-sufficiency and economic independence; and assure fiscal integrity by all program participants.

PIH Notices – PIH notices provide guidance, extensions, instructions, clarifications, announcements and other policy information to local housing agencies and are issued by HUD.

Uncollectible Tenant Account Receivables – Outstanding amount left over when a tenant moves out and terminates his/her lease leaving an unpaid balance owed to the Housing Authority after all debits and credits have been entered to his/her account (rent, charges for damages and other fees, credits for unearned rent, security deposit).

Write-Off – The account process used to adjust the accounting system by removing uncollectible tenant account receivables which will be reflected on the financial statements.

IV. GENERAL

- A. 2.2.2 NMAC establishes the State of NM Audit Rule which regulates financial reporting requirements for state and local government bodies (agencies). 2.2.2.10 NMAC requires agencies to follow GASB standards which define reporting requirements under GAAP for enterprise fund accounting.
- B. The Office of Public and Indian Housing (PIH) has established procedures for financial reporting of retroactive rent charges which are outlined in PIH Notice 90-13, and are in conformance with GASB standards.
- C. Section 3, Question G or PIH Notice 90-13 states: "...Uncollectible vacated accounts distort both the accounts receivable balance and the operating reserve balance. Therefore, the status of the efforts to collect vacated accounts receivable should be reviewed periodically and all such accounts determined to be uncollectible should be written off as collection losses prior to the close of a fiscal year..." HA desires that this section as quoted be adopted and incorporated in this policy.
- D. The Santa Fe Housing Authority wishes to adopt other provisions in PIH Notice 90-13 and recommended by HUD to write off uncollectible tenant account receivables to be in conformance with HUD guidelines, GASB standards and GAAP for financial reporting in this Policy and Procedure as set forth below.

V. PROCEDURES

- A. At the beginning of each calendar year, the County's Finance Division will work with the Housing Authority to determine which account receivable balances represent accounts of tenant's no longer in residence at the Housing Authority.
- B. Every reasonable effort will be made by the Housing Authority to collect any balance owed by tenant's no longer in residence at the Housing Authority and the Director of the Housing Authority will determine what amounts represent Uncollectible Tenant Account Receivables.
 - i. The Housing Authority will send a final billing notice to the last known mailing address of the tenant, and keep on file all returned mail and other documentation of non-payment of amounts owed and the Housing Authority's attempts to contact said tenant.
 - ii. The Housing Authority will also call tenants at their last known phone number to request payment of amounts owed, and document its efforts and responses.

- C. Any balance or amount owned by a tenant that is outstanding for greater than one calendar year (i.e. January 1, 20xx – December 31, 20xx) with unsuccessful collection efforts, will be deemed an Uncollectible Tenant Account Receivable recommended for write-off.
- D. Once it is determined that a tenant's account receivable amount is uncollectible, staff will bring a resolution to the Santa Fe County Housing Authority Board to request approval for the write-off of all accounts deemed Uncollectible Tenant Account Receivables.
- E. After a resolution approving write-off of Uncollectible Tenant Account Receivable is adopted, the Finance Division will make the appropriate adjustments to accounting records to perform the write-off, which write-off will be reflected in the HA financial statements at the fiscal year end in accordance with any applicable NMAC.



COUNTY OF SANTA FE)
 STATE OF NEW MEXICO) ss

HOUSING RESOLUTION
 PAGES: 4

I Hereby Certify That This Instrument Was Filed for
 Record On The 1ST Day Of July, 2011 at 03:26:49 PM
 And Was Duly Recorded as Instrument # **1639254**
 Of The Records Of Santa Fe County

Deputy Valerie Espinoza Witness My Hand And Seal Of Office
 County Clerk, Santa Fe, NM

SFC CLERK RECORDED 07/01/2011