

TITLE: PARKS AND RECREATION – COLLECTION OF REVENUES AND RECEIVABLES

EFFECTIVE DATE: January 1, 2025

REVISION DATE: N/A

1.0 GENERAL

1.1 The Parks and Recreation Department collects revenues from charges and fees, including but not limited to, rentals and the use of various facilities, parks attractions, parking, sports fields, food and beverage services, and various classes and programs. These revenues may be with private individuals, businesses, or other governmental organizations.

The Parks and Recreation Department may carry receivables if an exception is made to not collect revenues in advance or at time of service based on the exception criteria stated in this policy.

The purpose of this policy and procedure is to establish guidelines for the consistent and timely collection of revenues and receivables.

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2.0 DEPARTMENTS/DIVISIONS AFFECTED

This policy shall apply to the Parks and Recreation Department.

3.0 REFERENCES

Spokane Municipal Code – SMC 08.02.043
Revised Code of Washington - RCW 19.16.500.

4.0 DEFINITIONS

4.1 **Accounts Receivable** means all non-tax debt owed to the City by the private sector and by other governmental organizations.

- 4.2 **Discounts** are reductions in applied charges based on pre-determined criteria.
- 4.3 **Revenue** is income earned through Parks business operations.
- 4.4 **Uncollectible Accounts** are receivables that are unlikely to be collected.
- 4.5 **VOIDS** are actions to cancel a transaction.
- 4.6 **Write-offs** are receivables deemed uncollectable and are recorded as a financial loss, even though the balance may still be legally owed.

5.0 POLICY

- 5.1 To the extent possible and when revenue amounts are known, the Parks and Recreation Department is to collect payment prior to or at the time goods or services are provided.
 - 5.1.1 Exceptions may be made when revenues are unknown, or for classes and programs funded by state or federal programs such as the Developmental Disabilities Administration (DDA), or for individuals or organizations with a continuous receivable with the Parks and Recreation Department, such as field rentals. All other exceptions require approval from the Director of Parks and Recreation.
- 5.2 Voiding and/or discounting revenue-based transactions.
 - 5.2.1 Due to the risk of fraud, segregation of duties requires a transaction which voids an entire purchase to be processed by someone other than the individual who booked the original purchase.
 - 5.2.2 Discounts applied to revenue-based transactions should be applied according to the Park Board approved discount schedules (i.e. Riverfront Park Fees and Charges Schedule).
 - 5.2.2.1 Exceptions outside of those schedules must be approved by the Director of Parks and Recreation.
 - 5.2.3 Parks Accounting Staff will conduct a semiannual review of a sampling of voided transactions and applied discounts. This review will look for consistency of application, segregation of duties, validity in purpose and accuracy of calculations (voided transactions will generally be a cancellation or input error).

- 5.3 When a revenue is not collected in full prior to or at the time goods or services are provided, it will be considered an accounts receivable for the Parks and Recreation Department at the time it is earned.
- 5.3.1 Parks Accounting Staff will follow the guidance of SMC 08.02.043, including to impose a fifteen-dollar penalty on any account receivable not received in full by the due date and interest of twelve percent (12%) annually on any unpaid account receivable or portion thereof from the date the account became due. In accordance with the SMC, the City may waive a penalty and/or interest in whole or in part when the City finds reasonable cause.
- 5.4 Parks Accounting Staff is responsible for reviewing the status of outstanding accounts receivables. If any account has had services rendered and is more than ninety (90) days past the due date, Parks Accounting should undertake additional measures to collect on the outstanding receivable, including but not limited to, sending the past due account to the City's collection agency.
- 5.5 The invoice should be processed as a write-off to ensure that the customer will not inadvertently pay the City. Any write-off request (AR Write-Off Request Form) and subsequent referral to the City's collection agency must be signed by the appropriate approving authority as stated below in Section 6.2.
- 5.6 Situations which may result in a write-off of uncollectible accounts include but are not limited to:
- 5.6.1 Court order/judgment, bankruptcy court determination/order, debtor is deceased and there is no estate remaining, advice from the City Attorney's Office that the debt is uncollectable or sending an account to the City's collection agency.
- 5.7 Once an item has been sent to collections, the amount must be paid to the collection agency and cannot be remitted to the City.
- 5.7.1 If a payment is accepted by the City, it must immediately be forwarded to the City's collection agency.

6.0 PROCEDURE

- 6.1 Responsibilities of the Parks and Recreation Department.
- 6.1.1 Write-offs should not be delayed unless there is a repayment in process. Write-offs should be recommended for approval no sooner than 90 days past due and no later than 150 days past due unless the account is deemed uncollectable prior to 90 days.

6.1.2 The collection agency subsequently collects up to 100% of the debt, in addition, adding a collection fee per RCW 19.16.500. Proceeds should be appropriately credited by the department who billed the original account prior to collection action.

6.2 Authority thresholds for write-off approvals.

6.2.1 Debts up to \$5,000: Parks Executive Officer

6.2.2 Debts from \$5,001 - \$10,000: Director of Parks and Recreation

6.2.3 Debts above \$10,000: Park Board

6.3 Responsibilities of write-off approver:

6.3.1 Review the write-off request and the supporting details for reasonableness of the amount and adequacy of the supporting documentation.

6.3.2 The AR Write-Off Request form should include account details, including attempts made to collect the debt, and attach any additional documentation as needed.

6.3.3 If required, obtain concurring opinion from Office of the City Attorney.


6.3.4 Approve or deny any request for write-off.


7.0 RESPONSIBILITIES

The Parks and Recreation Department shall administer this policy.

8.0 APPENDICES

AR Write-Off Request Form


Garrett Jones (Nov 21, 2024 14:17 PST)
Director - Parks and Recreation


Michael J Piccolo (Nov 21, 2024 14:14 PST)

City Attorney

Nov 21, 2024

Date

Nov 21, 2024

Date



A/R WRITE OFF REQUEST

Department Approval:	
Accounting Approval:	
Written Off By:	

INVOICE #	EXPLANATION/REASON	PRINCIPAL AMOUNT	WRITE OFF AMOUNT		
			LATE FEE	INTEREST	TOTAL

1. Provide a detailed explanation and backup documentation supporting the write off. This is necessary to ensure that the correct and full write off amount takes place. Backup documentation should include screen prints or other information for each invoice.
2. If cancelling an invoice that was issued incorrectly, include the new invoice number in your write off request.
3. CURRENT YEAR write-offs before Period 13: no JA needed. The A/R write-off process in the A/R module will make the following entries: Dr. Revenue, Cr. Accounts Receivable (GL 12213).
4. CURRENT YEAR write-offs in PERIOD 13: Two JA's are required. 1) Complete a Period 13 JA entry, Dr. Bad Debt Expense (GL 54990) and Cr. Accounts Receivable (GL 12213). Do not reverse the Period 13 JA. 2) Create a current year JA entry, Dr. Accounts Receivable (GL 12213) and Cr. Revenue. The Ref ID should be the A/R invoice number. The current year JA dollar amount should match the Period 13 JA. Include printouts of the posted JA's with the write off request.
5. PRIOR YEAR write-offs IN CURRENT YEAR: complete a JA, Dr. Bad Debt Expense (GL 54990) and Cr. Revenue. Include a printout of the posted JA with the write off request.
6. INTEREST - 100% of the interest is written off unless a specific amount is requested. Interest from prior years must be cleared by JA, current year interest will be cleared via the A/R write off process. Timing differences for current year interest between the date of the write off request and the actual write off date may occur, these will be adjusted by the person processing the write off.
7. LATE FEES – debit 0020-88100-99999-36145-99999 (AR Late Fee) and credit 0020-88100-18900-54990-xxxxx (Bad Debt Expense).










DEPT 1400-24-06 (Collection of Revenues and Receivables)

Final Audit Report

2024-11-21

Created:	2024-11-21
By:	Daniel Rose (drose@spokanecity.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAr8Ytid6lftEEQJwOpo2hmHemrXUgtXZp

"DEPT 1400-24-06 (Collection of Revenues and Receivables)" History

-  Document created by Daniel Rose (drose@spokanecity.org)
2024-11-21 - 9:54:15 PM GMT
-  Document emailed to mpiccolo@spokanecity.org for signature
2024-11-21 - 9:54:51 PM GMT
-  Email viewed by mpiccolo@spokanecity.org
2024-11-21 - 10:13:34 PM GMT
-  Signer mpiccolo@spokanecity.org entered name at signing as Michael J Piccolo
2024-11-21 - 10:14:52 PM GMT
-  Document e-signed by Michael J Piccolo (mpiccolo@spokanecity.org)
Signature Date: 2024-11-21 - 10:14:54 PM GMT - Time Source: server
-  Document emailed to Garrett Jones (gjones@spokanecity.org) for signature
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-  Email viewed by Garrett Jones (gjones@spokanecity.org)
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-  Document e-signed by Garrett Jones (gjones@spokanecity.org)
Signature Date: 2024-11-21 - 10:17:07 PM GMT - Time Source: server
-  Agreement completed.
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