



Grayson County Public Service Authority

P.O. Box 217, Independence, VA 24348

DATE

MEETING MINUTES Of the Public Service Authority

Members Present

Kenneth R. Belton
John S. Fant
Brenda R. Sutherland

Staff Present

William L. Shepley
Leesa A. Gayheart
Linda C. Osborne
James S. Moss

Member(s) Participating by Phone

Michael S. Hash
Thomas R. Revels

Staff Absent

Mitchell L. Smith

CALL TO ORDER

John S. Fant called the special meeting to order. Brenda R. Sutherland made the motion to approve the agenda; duly seconded by Kenneth R. Belton. Motion carried 5-0

OLD BUSINESS

None

NEW BUSINESS

- Delinquent PSA Accounts – James S. Moss explained that this policy (listed below and will be kept on file in County Administration office) is needed in order to balance out the PSA budget for this fiscal year and start the new fiscal year fresh. Leesa A. Gayheart noted that with the split from personal property and invoicing, it allowed a clearer picture of what is PSA and what is personal property. Since it's now separated, it's easier for the Treasurer's office to handle. By cleaning up these accounts doesn't let uncollectable assets sit on our financial statement which is really false reporting so this way it gives us a truer picture of our assets. This policy can be revisited in the future if needed per our County attorney Stephen Durbin. This policy gives basic guidelines on when an uncollectable amount can be written off. Currently we have seven (7) accounts over five

(5) years delinquent and a handful under five (5) years. After some discussion regarding three (3) years vs five (5) years, Thomas R. Revels made the motion to approve; duly seconded by Kenneth R. Belton. Motion carried 5-0.

**Grayson County
Public Service Authority
Policy for Writing-Off Uncollectable Accounts**

Introduction

This document sets out the procedure to be followed when writing-off irrecoverable accounts.

Staff are required to take robust action to collect all debts; however, in some cases, this might not be possible, and debts do become irrecoverable, this condition needs to be identified at the earliest possible opportunity and properly dealt with in accordance with financial regulations. Irrecoverable debts must also be identified and written off properly; if only because they are shown in the County's accounts as an asset.

Writing-off irrecoverable items represents good financial management. It allows staff to concentrate on recoverable debts and ensures that the level of debtors / arrears within the accounts is accurate and represents a true and fair reflection of the Public Service Authority's financial position.

Reasons for Write-Off

Every reasonable and economical effort will be made to recover a debt owed to Grayson County before it is considered for write-off. Only where all such recovery measures have failed, is a debt regarded as irrecoverable.

The circumstances where a debt may be written off have been categorized as follows:

Insolvency: The indebtedness has been discharged through bankruptcy proceedings or the debt has been rendered legally uncollectable by operation of the applicable statute of limitations (typically 5 years for written service agreements).

Unenforceable: Debtor is overseas and the debt is over five (5) years old.

Abscond: Tracing agent have been unable to find the debtor. Debt is five (5) years old.

Uncollectible: Custodial sentences / local authority error

Uneconomical to Collect: Balance too small for further action as approved by the PSA board. Balances of \$150.00 or less shall be deemed uneconomical to collect after three (3) years. Pending expiration of the

three (3) year period, PSA staff will continue to make reasonable, economical efforts to collect, including account holds or other administrative collection efforts. Debts between \$150.00 dollars but not over \$500.00 dollars will be subject to reasonable, economical collection efforts to collect, but may be written-off after five (5) years.

Deceased: No funds in the estate.

Circumstances for uncollectable debt as it applies to Tenants:

The following conditions will determine when a debt may be written off for tenants:

- (1) Is a renter, with the County having no ability to put a lien on the landlord's property, or
- (2) Every reasonable, economical effort has been made to collect and the PSA has been unable to locate the renter or otherwise collect the balance due, or
- (3) The balance is too small for further action as approved by the Public Service Authority (PSA) Board and deemed uneconomical to collect, in accordance with the thresholds and criteria set forth in the policy.

Authority for Write-Off

The Grayson County Public Service Authority Board has the authority to authorize the writing-off of irrecoverable debts and this authority is hereby delegated to the Director of the PSA utilizing the prescribed thresholds, within this policy.

Write-Off Reporting

All debts shall be outlined as follows:

- (1) Listed on a spread sheet showing the reference number (account number), amount, and year of the debt, and a list of the steps taken to recover the debt.
- (2) Sorted by the debt type and reason for the write-off, (e.g. insolvency, unenforceable etc.)
- (3) Summarized detailing the number of accounts and amount of debt.

Adopted this 25th day of June 2019 in the County of Grayson, Virginia.

Col. John S. Fant, Chair

Attest:

By: _____
James S. Moss, Director

INFORMATION AND UPDATES

None

CLOSED SESSION

None

ADJOURN

Kenneth R. Belton made the motion to adjourn; duly seconded by Brenda R. Sutherland. Motion carried 5-0.