

David Feldpausch
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To: Livingston County Board of Commissioners
Fr: David Feldpausch, EMS Director
Date: 08/31/2021
Re: Memo Explaining the resolution authorizing the write off of accounts receivable.

Since my arrival in 2020 I have been frustrated by the write off procedure for our accounts receivable. The current process is that every year we bring forward a resolution and write off the bad debt for 3 years previous. The accounts were never written off in the EMS billing software until they were discharged from the collection process many years later.

This process is very inefficient and creates a lot of manual data processing generally with small amounts making the collection process even more cumbersome. We tried working with our software vendors to make the process more efficient and none of them are able to because our process is so different than the industry standard.

The industry standard is to write off the accounts when they are sent to collection and if payments are received that are recorded in a designated line and not reversed in the original account. This saves many steps and a lot of time and energy spent on bad debt.

If approved the new procedure will also give us a better picture of what our current bad debt load is and not waiting for the annual report or third year when written off to recognize trends. It will also give us a measurable to monitor collections effectiveness since all collection accounts will be receipted in to one line in the budget. This gives us the ability to see our bad debt and collection activity in live data on a daily basis. If collections activity is high then we are likely missing something on the billing side that we can quickly correct.

I have spent almost a year working on this process with the Treasurer and the development of the detailed Accounts Receivable policy attached for our department.

As always if you have comments or concerns I am happy to discuss them with you.

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