

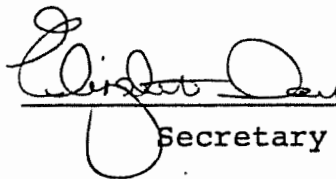
EXHIBIT 2. Resolution No. 84-83, Accounts Receivable Write-Off Policy.

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO PORT COMMISSION

RESOLUTION NO. 84-83

BE IT RESOLVED that the Port Commission approves the Commission Policy Memorandum #6 "Accounts Receivable Write-Off Policy".

I HEREBY CERTIFY that this resolution was approved at the meeting of the San Francisco Port Commission on July 11, 1984.



Secretary

ACCOUNTS RECEIVABLE WRITE-OFF POLICY

COMMISSION POLICY MEMORANDUM

#6

The policy described below outlines the criterion for determination of uncollectability, approval of write-offs and the process of the write-off.

1) Determination of Uncollectability

A determination must be made that an account is either "Uncollectable" or "Not Cost Effective to Pursue" before it can be written off as a bad debt.

A. Recommendation of Settlement - A settlement is an agreement between both parties to a specific dollar figure that is different than that carried on the books.

- ° Only the City Attorney can recommend a settlement for accounts that are the subject of claims and lawsuits (bankruptcy, unlawful detainer, etc.)
- ° Settlements can be recommended by other staff (as specified in Section 2, Approval Authority) when in the opinion of said staff it is not cost effective to pursue the difference.

2) Write-Off Approval

All Write-offs of Accounts Receivable (which must be at least 90 Days delinquent) are subject to the approval of the Port Commission with final approval by the Controller's Office (per Administrative Code Section 10.41-1 and Ordinance 504-83). A copy of the Refunds & Allowances report which contains write-offs of bad debts, will be forwarded to the City Attorney for review prior to the Commission meeting.

Staff will recommend write-offs/settlements of accounts (list of authorities are outlined below) to the Port Commission. Port Commission approval is accomplished by approval of the monthly Refunds & Allowances report which specifically identifies write-offs of bad debts. Approved write-offs by the Commission will be forwarded to the Controller's Office, Analysis & Reports Manager, along with appropriate documentation, requesting approval. The actual write-off will take place only after formal Controller's approval has been received.

Approval Authority to Recommend Write-Offs of Bad Debts

<u>Position</u>	<u>Amount</u>
◦ Executive Director	Unlimited
◦ Director of Finance & Administration	Unlimited
◦ Director of Planning & Research	Unlimited
◦ Director of Maritime	Unlimited
◦ Chief Wharfinger	\$5,000.00
◦ Property Manager	\$5,000.00
◦ Accounting Manager	\$5,000.00
◦ Collections Supervisor	\$2,000.00
◦ Revenue & Billing Supervisor	\$2,000.00

3. Processing Write-offs

All write-offs of accounts must be routed through the Collections Supervisor. Any write-offs initiated by other staff must be initiated by the Collections Supervisor and the Accounting Manager prior to being processed by the Revenue & Billing section in Accounting.

- A. Documentation - Requests for write-offs, other than settlements, should include the following information:
- Account Number
 - Account Name
 - Space Occupied
 - Status of Account
 - Collection efforts made to date
 - Write-off criterion
 - Balance due sorted by revenue type and total current, 30, 60, 90 days past due balances.
 - Appropriate signatures
- B. Documentation for Settlements - Requests for settlements must include a clear written justification.
- C. Filing of Documentation - The Collections Supervisor will maintain the permanent file of documentation on all write-offs of accounts. Appropriate documentation should be forwarded to the Revenue & Billing section to serve as backup for the credit memo (mechanism for reducing the account receivable on the books).
- D. Bankruptcy - The following information should be forwarded by the Collections Supervisor to the City Attorney immediately when a bankruptcy notice is received.
- 1) Copy of the Bankruptcy Notice
 - 2) A BIFCMAS (computerized customer master file) listing sorted and totaled by revenue type.

- 3) Copy of the Collections Supervisor's file log and correspondence.
- 4) Any additional information which may be helpful.

4) Recovery of Write-Off

Any monies received on accounts previously written-off will be recorded as revenue and identified as Recovery of Bad Debts.

PORT OF SAN FRANCISCO

Memorandum

To : President and Members
of the Port Commission

Date : July 3, 1984

File No.:

From : J.F. Conrad, Director
Finance & Administration *JFC*

Subject: Approval of Accounts Receivable Write-Off Policy,
Commission Policy Memorandum #6

In order to have the Accounts Receivable status better reflect the actual potential of collectibles accounts, staff has developed the attached write-off policy. The policy describes the criteria for determining uncollectibles, approval of write-offs, and the process of this write-off.

Staff will recommend write-offs/settlements of accounts through monthly Refunds and Allowances reports which are subject to the approval of the Port Commission with final approval by the Controller's office.

The City Attorney's office has approved the policy as to form.