



**OFFICE OF THE  
CHIEF FINANCIAL OFFICER**

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May 10, 2024

The Honorable Detroit City Council  
**ATTN: City Clerk Office**  
200 Coleman A. Young Municipal  
Center Detroit MI 48226

**RE: Request for approval to write-off identified old, aged EMS delinquent accounts receivables**

Pursuant to City Ordinance 17-6-6, "Adjustment or cancellation of Uncollectible Accounts", the purpose of this resolution is to request City Council approval for the write-off of identified old, aged EMS delinquent accounts receivables. The Office of the Treasury's Revenue Collection Unit, in conjunction with the Detroit Fire Department, has performed its full due diligence to collect the receivables as identified below. In compliance with City Ordinance, it is the Treasury's recommendation the following aged EMS delinquent account receivables (GL Fund 1000 Object 124340 – A/R Misc.) should be removed and written-off from the Oracle Account Receivable database along with the City's general ledger accounts receivable, including any corresponding Allowance for Doubtful A/R Misc. (GL Fund 1000 Object 125130).

The Detroit Fire Department (DFDs) and Treasury Revenue Collections Unit has exercised due diligence to collect on these identified items through the billing and collections efforts of DFD's billing contractors followed by the Treasury's third-party revenue EMS collections vendor.

The Office of the Treasury is hereby requesting authorization from Detroit City Council to write off the following old, aged EMS delinquent accounts receivables:

1. **\$100,088,250.45** in uncollectible AccuMed EMS accounts all dated older than 2014 (General Fund 1000 Object 124340 – A/R Misc.) DFD has reviewed EMS Archives and all previous year audit files associated with EMS receivables. The department was unable to uncover any schedule detail on these uncollectible accounts. This full amount already has an allowance for doubtful A/R Misc. (GL Fund 1000 Object 125130). The purpose of this write-off is then primarily to improve and clean up the City of Detroit's accounting and general ledger.
2. **\$25,193,476.37** in EMS Accumed accounts dated between 2014 and 2018. Collections efforts on these accounts were conducted initially through DFD's billing

contractor followed by Harris & Harris, the Treasury Department's third-party collections vendor. The collections rate has been minimal and now should be written off. Corresponding account level detail can be found in the supporting documentation provided with this resolution. This amount already has an allowance for doubtful A/R Misc. (GL Fund 1000 Object 125130). The purpose of this write-off is then primarily to improve and clean up the City of Detroit's accounting and general ledger.

We respectfully request your approval to execute this write off by adopting the attached resolution.

Sincerely,

A handwritten signature in black ink that reads "Nikhil Patel". The signature is written in a cursive, flowing style.

Nikhil Patel  
Deputy CFO / Treasurer, Office of the Chief Financial Officer

CC:  
Jay Rising, Chief Finance Officer  
Tanya Stoudemire, Chief Deputy CFO  
John Naglick, Chief Deputy CFO – Finance Director

## RESOLUTION

Council Member \_\_\_\_\_

**WHEREAS**, section 17-6-6 (a,b,c,d) of the Detroit City Ordinance, "Adjustment or cancellation of uncollectible accounts", states the following:

- a. An account, which is determined by the Corporation Counsel to be uncollectible, in whole or in part, may be adjusted or cancelled upon agreement from the Office of the Treasury and approval of the City Council.
- b. After having determined that an account receivable is uncollectable, the Corporation Counsel shall provide written notification to the Office of the Treasury of this status. Upon receipt of such written notification, the Office of the Treasury shall provide written notification of the same to the originating department and to the Office of Departmental Financial Services.
- c. Within 20 days after the Corporation Counsel provides written notification that an account receivable is uncollectable, the Office of the Treasury, with approval of the Chief Financial Officer, shall send a resolution to the City Council with a recommendation that the account be written-off.
- d. Upon City Council approval of a write-off through adoption of a resolution, the Office of the Chief Financial Officer shall take necessary steps to write-off the uncollectable account receivable. A write-off of any uncollectible account receivable from the City's accounting records does not constitute forgiveness of the debt, which remains payable to the City by the debtor.

**WHEREAS**, the OCFO-Office of the Treasury, has identified and has recommended the following old, aged EMS delinquent accounts receivables (GL Fund 1000 Object 124340 – A/R Misc.) to be written off:

3. **\$100,088,250.45** in uncollectible Accrued EMS accounts all dated older than 2014 (General Fund 1000 Object 124340 – A/R Misc.) The Detroit Fire Department has reviewed EMS Archives and all previous year audit files associated with EMS receivables. The department was unable to uncover any schedule detail on these uncollectible accounts. This full amount already has an allowance for doubtful A/R Misc. (GL Fund 1000 Object 125130). The purpose of this write-off is then primarily to improve and clean up the City of Detroit's accounting and general ledger.
4. **\$25,193,476.37** in EMS Accrued accounts dated between 2014 and 2018. Collections efforts on these accounts were conducted initially through DFD's billing

contractor followed by Harris & Harris, the Treasury Department's third-party collections vendor. The collections rate has been minimal and now should be written off. Corresponding account level detail can be found in the supporting documentation provided with this resolution. This amount already has an allowance for doubtful A/R Misc. (GL Fund 1000 Object 125130). The purpose of this write-off is then primarily to improve and clean up the City of Detroit's accounting and general ledger.

**WHEREAS**, the Detroit Fire Department and Treasury Revenue Collections Unit has exercised due diligence to collect on these identified items through the billing and collections efforts of DFD's billing contractors followed by the Treasury's third-party revenue EMS collections vendor.

**WHEREAS**, the City of Detroit's Corporation Counsel has provided written notification that the identified delinquent EMS accounts are uncollectable and should be cancelled.

**NOW, THEREFORE, BE IT RESOLVED**, the Detroit City Council hereby approves the write off of the old, aged EMS delinquent accounts receivables as identified in this resolution.

**RESOLVED**, that the Chief Financial Officer, or their designee, is hereby authorized and shall take all appropriate actions necessary to implement the foregoing provisions and actions authorized by this resolution.