



**OFFICE OF THE
CHIEF FINANCIAL OFFICER**

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April 25, 2025

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

RE: FY 2024-2025 Annual Request to Write off Uncollectable Accounts Receivable and Other Non-Real Property Tax Receivables

Pursuant to City Ordinance 17-6-6, "Adjustment or cancellation of Uncollectible Accounts", the purpose of this memorandum is to request City Council approval for the write-off of aged, old delinquent accounts receivables, solid waste fees, and special acts personal property tax balances. The Office of the Treasury's Revenue Collection Unit, in conjunction with other City of Detroit Departments, 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 delinquent balances should be removed and written off from the Oracle Account Receivable module and BS&A's DPPT.net database along with the City's general ledger.

Respective City of Detroit Departments and Treasury Revenue Collections Unit have exercised due diligence to collect on these identified items through the billing and collections efforts without success. The Office of the Treasury is hereby requesting authorization from Detroit City Council to write off \$75,302,093.88 delinquent/aged receivables, which have been reserved in City's financial statements. Details are listed below:

1. **\$58,016,214.46** in pre-bankruptcy special assessments and other receivables – Not in Oracle Accounts Receivable module (\$24,669,918.81 General Fund in object 136120; and \$33,346,295.55 solid waste fund in objects 130300 and 130400).
2. **\$14,264,609.39** in EMS accounts receivable invoices in Oracle and older than 10/31/2023 (General Fund Object 123100). This represents 33,779 invoices or 51% of total outstanding Oracle invoices of 66,361 invoices as of April 17, 2025.
3. **\$1,059,521.31** in miscellaneous accounts receivable invoices in Oracle and older than 6/30/2018 (General Fund Object 123100). This represents 4,329 invoices or 7% of total outstanding Oracle invoices of 66,361 invoices as of April 17, 2025.

4. **\$1,961,748.72** in solid waste fees and special acts receivables older than 6/30/2018 (General Fund \$1,214,052.08; Library Fund \$261,799.82; and Debt Service Fund \$485,896.82 all in object 130400).

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

Sincerely,

A handwritten signature in black ink, appearing to read "Nikhil Patel". The signature is fluid and cursive, with the first name "Nikhil" being more prominent than the last name "Patel".

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

CC:
Tanya Stoudemire, Acting 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 aged, old delinquent accounts receivables, solid waste fees, and special acts personal property tax balances to be written off:

1. **\$58,016,214.46** in pre-bankruptcy special assessments and other receivables – Not in Oracle Accounts Receivable module (\$24,669,918.81 General Fund in object 136120; and \$33,346,295.55 solid waste fund in objects 130300 and 130400).
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WHEREAS, the respective City of Detroit Departments and the City of Detroit Treasury Revenue Collections Unit have exercised due diligence to collect on these identified items through their billing and collections efforts.

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 aged, old delinquent accounts receivables, solid waste fees, and special acts personal property tax balances 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.