



Legislation Text

File #: 0130-2009, Version: 1

This Ordinance is submitted to allow the various City Departments and elected officials to impose an "administrative" fee for the collection of their delinquent accounts receivable to cover the cost of the services of a private collection agency.

Currently, delinquent accounts receivable which an individual Department, elected official, or the City Attorney's Office on their behalf, have been unsuccessful at collecting, are referred to one of two private collection agencies that this Council has approved. The City pays the agencies a fee for collecting the delinquent debt and the City recovers the amount due minus the agencies' fee.

Under this new process, the City would recover 100% of its outstanding debt, and the fee for collection services would be added to what the debtor owes the City.

Fiscal Impact: This is a self-supporting process. Funds brought in by the private collection agencies would be used to pay the agencies' invoice for services. Costs savings will be proportionate with the amount collected by the private agencies.

To authorize all City Department Directors and elected officials to amend their rules, regulations, or internal procedures to allow for the imposition of an administrative fee to cover the costs of delinquent debt collection by private collection agencies, and to allow for the imposition of that fee upon the delinquent debtor.

WHEREAS, this Ordinance would allow various City Departments and elected officials to impose an "administrative" fee to cover the cost of collection of their delinquent accounts receivable by private collection agencies, and

WHEREAS, the City Auditor and the City Attorney are recommending this new process as an appropriate, and fiscally responsible manner in which to recover the City's cost of collecting its delinquent debt from the actual debtors, rather than continue to pay those costs itself; now, therefore

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That all Department Directors and elected officials, be and they are hereby authorized to impose an administrative fee on all delinquent accounts and other unpaid debts owed to the city, which fee shall be equal to the total costs and expenses of collecting such delinquent accounts and other debts which they may refer for collection, whether directly or through the City Attorney, to any private agency or other entity or individual. Such administrative fee shall be added to the amount of the delinquent account or debt collected at the same time and in the same manner by any such private agency, or other entity or individual. However, the amount of compensation for collecting such delinquent accounts or other debts to be paid to such private agency, entity or individual shall be based solely upon the original amount of the delinquent account or other debt referred for collection.

Section 2. That the City Attorney, be and hereby is, directed to amend his contracts with the City's current private collection agencies to provide for the additional collection, and remittance to the City, of said fee.

Section 3. That proceeds from all delinquent accounts or other debts which are collected by the City's private collection agencies shall continue to be remitted to the City and shall be deposited into Fund 295 established by the City Auditor for such purpose. Such deposits as the City may receive from time to time are hereby deemed to be appropriated, and the City Auditor is hereby authorized to pay such amounts thereof, in accordance with invoices approved by the City Attorney, to compensate the City's private collection agencies pursuant to their respective contracts for collection services.

Section 4. This Ordinance shall take effect and be in force and effect from and after the earliest period allowed by law.

