

Finance

1402: Relief of Accountability – Accounts Receivable Policy

Purpose

This policy establishes uniform guidance for reporting uncollectible or adjusted accounts receivable that result in a Relief of Accountability (ROA). This policy ensures that all Sacramento County (County) departments and agencies make reasonable efforts to collect unpaid funds and that the ROA process is carried out in a timely and efficient manner across the County.

Authority

- Government Code Sections 25257-25259.95
- Board of Supervisors Resolutions #99-0158
- Board of Supervisors Resolution #2025-0502

Scope

This policy applies to accounts receivable managed by County departments and agencies. It does not apply to tax receivables administered by the Department of Finance's (DOF) Tax Collection Division.

Policy

It is the policy of the County that all unpaid funds and delinquent accounts receivable be referred within ninety (90) days of delinquency to DOF's, Revenue Recovery Division (Revenue Recovery) in order to minimize the loss of revenue to the County.

Revenue Recovery serves as the County's centralized collection agency. It is responsible for collecting payment on outstanding accounts, and when the accounts receivable are deemed uncollectable, Revenue Recovery will process the required ROA. Revenue Recovery is also responsible for keeping departments informed of the collection status and the accounts receivable included in ROAs submitted for approval to the Director.

Revenue Recovery will assist departments and agencies with implementation of this policy and will coordinate with County Counsel to support any business needs or lawful exceptions relating to unpaid funds that may be impacted by this policy. Departments should refer uncollectable accounts to Revenue Recovery within 90 days of delinquency unless approval is obtained for a longer referral period by the Director of Finance.

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When approved by the Director of Finance, the ROA officially relieves a department from its obligation to pursue and collect unpaid funds and to adjust or reduce accounts receivable, however it does not always relieve the debtor from their liability to pay nor does it extinguish that debt.

Reasons for ROA include:

- Debtor is deceased;
- The debt is legally uncollectable due to bankruptcy and other legality;
- Or the debt is uneconomical to pursue because the cost of collection would exceed the amount recovered.

The Director of Finance, or designee, is authorized to adjust or compromise accounts based on the debtor's financial condition, when the material facts surrounding the occurrence of the debt indicate inappropriate or inequitable charges for services rendered, or when such compromise is in the best interest of the County.

Amounts compromised or adjusted are included in Revenue Recovery's requests to the Director of Finance. DOF's Auditor-Controller Division shall review the amounts submitted by Revenue Recovery to ensure they meet write-off criteria before being submitted to the Director of Finance for approval.

Departments shall maintain internal accounts receivable and collection procedures consistent with all County policies.

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Revision History

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