

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: ACCOUNTS RECEIVABLE WRITE-OFF REQUEST

COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL RELATIONS

LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

The School Board moved from a fully insured to a self insured healthcare program effective January 1, 2010. The Office of Risk and Benefits Management created an Accounts Receivable section to handle premium collection and reconciliation previously processed by the fully insured healthcare provider. Throughout calendar year 2010 a new program was created to administer this process. In May, 2010, the SAP Accounts Receivable module became available for managing premium transactions for Retired, Part-Time and Adult Children participants. In July, 2010, the deposit function was enhanced with the addition of a remote banking deposit station provided by Treasury Management.

Staff has performed a detailed reconciliation of Calendar Year 2010 premiums resulting in collection of \$79,171.50. In accordance with School Board Policy 6151 – Bad Checks/Accounts Receivable Write-offs, the Office of Risk and Benefits Management is requesting authorization to remove accounts receivable totaling \$4,428.00 due to death of 2 retired employees representing .031% of 2010 calendar year premiums collected.

The startup of the self-insured healthcare program and the Accounts Receivable function during the conversion to SAP resulted in these receivables not being identified timely. The Office of Risk and Benefits Management has since implemented a database payment tracking system, a billing system and additional controls to monitor collections and cancellations on a monthly basis. In order to avoid a lapse in payment, retirees are now required to submit the first month's premium with their enrollment form. As an added control, the District's Third Party Administrator provides data files to compare monthly billings against enrollment changes.

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RECOMMENDED:

That The School Board of Miami-Dade County, Florida authorize the Superintendent of Schools to remove outstanding accounts receivable balances totaling \$4,428.00 owed by individuals.

RHH:sbc