



Title: Airport Accounts Receivable	
Policy and Procedure Number: COV-200-001-2	Supersedes (Number and Title): COV-200-001
Scope (Identify "Citywide" or the affected department(s) and, optionally, the department's division(s)): Airport, Finance and Management Services	
Effective Date: ASAP	Approved by (Name, Title and Signature): <div><div>Natasha Ramras, CFO</div><div><div>DocuSigned by:</div><div><i>Natasha Ramras</i></div><div>493E940414AE4BD...</div></div></div>

Purpose: To provide the City with a process that promotes reasonable, appropriate, and consistent action to collect past due amounts due from airport tenants.

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1.0 – Initial Set Up

1.1 Airport Agreements

The Airport Manager, in coordination with the Public Works Director and City Attorney’s Office, is responsible for establishing, retaining, and amending all written agreements with tenants. Copies of all rental agreements and any amendments shall be provided to the Finance Accounts Receivable Department (A/R). To ensure that rental agreements are timely set up in Workday, the Airport Manager must send a copy of the rental agreement prior to the tenant signing the agreement to A/R to receive an account number that goes into the rental agreement. After the rental agreement has been signed, the Airport Manager will provide a copy of the signed rental agreement to A/R and to the tenant. The A/R department is responsible for setting up the account in Workday, attaching the signed rental agreement in Workday, and for billing for and collecting payments pursuant to those rental agreements.



1.2 Amounts Collected Prior to Occupation

Prior to being granted access to the airport property, the tenant must deliver full payment to Customer Service in City Hall first floor with the tenant's name as it appears on the agreement and payment instructions. Customer Service will provide a receipt to the tenant to provide for the Airport Manager. This receipt must confirm the following amounts have been paid pursuant to an executed airport rental agreement.

1. Security deposit that equals one month of rent, which will be applied to last month's rent at the termination of the agreement.
2. First month's rent.

Upon delivery of the Customer Service receipt, the Airport Manager will provide the tenant with access to the airport facilities pursuant to the airport rental agreement.

2.0 – Billing and Tracking past due accounts

2.1 Finance & Airport Manager Responsibility

The City's A/R Department is responsible for sending invoices to tenants and is responsible for monitoring payment on those invoices to determine if an account becomes past due.

A/R will email the Airport Manager when A/R sets up or modifies an airport contract in Workday. A/R will include an electronic copy of the agreement and any amendments in Workday.

Collections should be completed on the 10th of every month prior to new invoices being run. Use the Workday report "Receivables Aging Detail" to document any accruing balance owed to the City. If an Airport Rental Agreement is past due, A/R will perform the following steps:

Add notes of action (i.e. date past due letters issued, assignment to collection agency, etc.)
Schedule past due letters and collection agency assignment pursuant to Airport Accounts Receivable Policy and Procedure COV-200-001-2, described as:

1. When an account is **30 days past due**, A/R will email the Airport Manager with the account information for the past due account and email/mail tenant past due letter #1.
2. When an account is **60 days past due**, A/R will email/mail past due letter #2 notifying tenant and the Airport Manager that the past due account must be paid within 10 days or the City will issue a pay or vacate notice.
3. When an account is **70 days past due**, A/R will issue the Final Notice that 10 days has expired. A/R will email the Airport Manager with the account information and notify them of the expiration.
4. Airport manager will issue the **Three-Day Pay or Vacate notice** as follows: If you do not pay \$_____ to bring your account current, you must vacate the premises. If you do not vacate, the City may start an unlawful detainer action against you pursuant to chapter 59.12 RCW.
5. If an account is **75 days past due**, A/R will notify the Airport Manager via email that the tenant has not paid. The Airport Manager shall terminate the tenancy whether the account has been paid in full or not after once at least 75 days have passed due.



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6. Airport Manager will then post the 20-day Notice of Termination of Tenancy.
(Note: 20-day Notice of Termination of Tenancy is required to be posted on the 1st, so they have 30 days from that point to vacate.)
7. Unpaid accounts after 20-day Notice of Tenancy of Termination:
Airport Manager will start the eviction process if tenant has not vacated the premises. A/R will refer the account to the collection agency upon completion of the eviction.
8. Airport Manager will notify A/R when tenant has vacated the premises and A/R will then refer the account to the city's collection agency.