

Memorandum

REPORT TO: City Commission

FROM: Laurae Clark, City Treasurer Aaron Funk, City Controller Melissa Hodnett, Finance Director

SUBJECT: Request for Authorization to Write-Off Stale-Dated Accounts Payable Checks from the City's General Accounting Ledger

MEETING DATE: July 15, 2025

AGENDA ITEM TYPE: Finance

RECOMMENDATION: The City Commission approve the "writing-off" from the City's general accounting ledger stale Accounts Payable warrants (also known as checks) issued by the City over a year ago that have not been cashed by the recipient

STRATEGIC PLAN: 7.5. Funding and Delivery of City Services: Use equitable and sustainable sources of funding for appropriate City services, and deliver them in a lean and efficient manner.

BACKGROUND: Per Section 7-6-4303 of Montana Code Annotated (MCA), the City may cancel municipal warrants that have remained outstanding or un-cashed for one year or longer. In alignment with MCA, this item requests that stale Accounts Payable checks (also known as warrants) issued by the City over a year ago that have not been cashed be "written off" of the General Ledger of the City. Attached to this report, the Commission will find details on the checks to be written off and information specific to attempts have made to contact check recipients. The Commission's action of writing-off these checks will not preclude the holder of a stale check from ever being paid the amount they are due. The action by the Commission will simply result in eliminating the effects of this stale activity from the City's Balance Sheet. This action allows the City to maintain records in conformity with Generally Accepted Accounting Principles which will be validated by the annual audit.

UNRESOLVED ISSUES: Recipients of checks (also known as warrants) from the City who have not cashed them have not responded to multiple inquiries. Writing the checks out of the general ledger does not remove the opportunity for a recipient to later cash a check. In the event a written off check is cashed, funds will be made available within the appropriate fiscal year's budgeted dollars which may include Reserve Funds. Reserve funds can be used for unexpected expenses such as these.

ALTERNATIVES: As suggested by the Commission.

FISCAL EFFECTS:

The total amount of checks to be written off of the General Ledger is \$34,880.24. As a result, Cash (an asset) will be added back to the City's balance sheet with a corresponding amount recorded to "Abandoned Property" (a liability), resulting in no change in the City's Net Financial Position.

Attachments:

[Write off Checks FY25.pdf](#)

Report compiled on: June 30, 2025