

ADMINISTRATIVE ORDER NUMBER 4-5

SUBJECT: Procedure for Processing Bankruptcy Notices

Responsible Department: Date

Issued: June 23, 2009 Date

Revised: December 8, 2015

Approved: *Signature on File*

Purpose

Provide guidance and uniform procedures to all Departments for the processing of bankruptcy notices received on any accounts due and owing to the City of Fresno ("City") during the course of business. The initiation of a bankruptcy action triggers statutory timelines for ensuring City creditor status. The federal courts began utilization of a new notification procedure for creditors. It is anticipated that the new laws governing bankruptcy notice procedures will reduce the number of notices being sent to various Departments or Divisions within the City. In the event that a Department or Division receives any bankruptcy pleadings, this Administrative Order will provide a standardized policy for processing those documents.

Policy

All City Departments or Divisions receiving bankruptcy notices shall forward them to the City Attorney's Office within seventy-two (72) hours of receipt with a summary of debt owed to the City. All Departments shall refrain from any further contact or collection efforts with regard to any account identified by a bankruptcy notice unless otherwise instructed by the City Attorney's Office.

Procedures

1. Each affected Department or Division shall appoint a Department or Division contact person who shall be responsible for identifying accounts involved in bankruptcy proceedings and for promptly forwarding the appropriate information to the City Attorney's Office.
2. Each Department or Division shall notify the City Attorney's Office of the designated contact person within one week after either approval of this Administrative Order or in the event that there is a new contact person appointed.
3. Upon receiving bankruptcy information, the contact person shall place an identifying mark on the account that indicates the date and the words "Bankruptcy Pending." The contact person shall ensure that any and all attempts at collection on the account are discontinued until further notice by the City Attorney's Office.

4. After the account is marked as set forth above, the contact person shall forward all documentation to the City Attorney's Office within seventy-two (72) hours of receipt, using standard inter-office mailing procedures.
5. The attached form shall be used as a cover sheet when transmitting bankruptcy documents to the City Attorney's Office.
6. Upon receipt of the bankruptcy notices, the City Attorney's Office shall evaluate the documents. In the event that it is warranted, the City Attorney's Office may then send a notice to all Department or Division control persons to mark the account with the date and the words "Bankruptcy Pending," and to ensure that any and all attempts at collection on the account are discontinued until further notice by the City Attorney's Office. Notices to a Department or Division whose accounts are solely being administered by the Controller will be sent directly to Finance.
7. The City Attorney's Office may send requests to all control persons for information concerning the account(s) on which the debtor(s) may owe money. Requests to a Department Director or Division whose accounts are solely being administered by the Controller will be sent directly to Finance. All Departments or Divisions are instructed to prioritize a bankruptcy request and promptly respond to requests from the City Attorney's Office.
8. The City Attorney's Office shall prepare or cause to be prepared a Proof of Claim for each bankruptcy account, if relevant, and file such Proof of Claim with the proper court. A copy shall be provided to each control person whose Department or Division has an account with the debtor(s).
9. The City Attorney's Office will assess the chapter filing of the bankruptcy and evaluate whether a bankruptcy matter is "routine" or "complex."
10. All bankruptcy cases, whether deemed "routine" or "complex" will be monitored by the City Attorney's Office through dismissal or discharge, unless the case is delegated to a Department or Division by the City Attorney's Office with instructions concerning the monitoring of the file. The City Attorney's Office shall notify the affected Department or Division of dismissal or discharge of the debt as appropriate.
11. All issues concerning "no asset" or "asset" cases will be assessed by the City Attorney's Office and will be discussed with the Department or Division to which the debt is owed with regards to collection and/or discharge.
12. The City Attorney's Office shall file a Notice of Address designating the City Clerk's address for receipt of all notices of all Chapter 7 and 13 bankruptcy cases. Upon receiving bankruptcy notices, the City Clerk's Office shall stamp the time and date of receipt, and forward all bankruptcy documents to the City

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Attorney's Office within forty-eight (48) hours. The City Clerk's Office is not required to utilize the attached coversheet when transmitting bankruptcy documents to the City Attorney's Office.

**City of Fresno
Bankruptcy Notification Transmittal**

Date: _____ Contact Person: _____ Phone: _____

Department: _____ Division: _____

Fund: _____ Org: _____ Project: _____ Activity: _____ Resource: _____

Debtor's Name: _____

Name on Account (if different): _____

Debtor's Address: _____

Account Number: _____

Fund/Org/Project/Activity: _____

Date Debt(s) Incurred:	Type(s) of Service(s) Provided:
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

(Attach additional sheets, if needed.)

Describe all collection activities: _____

Please include all bankruptcy notifications plus a copy of all of the unpaid invoices sent to the debt(s) when submitting this form to the City Attorney's Office:

City of Fresno
City Attorney's Office
2600 Fresno Street, 2nd Floor
Fresno, CA 93721