

Receivables Write Off Policy



Section	Date	By-Law Number	Page	Of
Administration & Finance	August 13, 2013	80-2013	1	3
Subsection	Repeals By-law Number	Policy Number		
Receivables	90-2010	AF-5-1		

Purpose

The goal of the City receivables write off policy shall be to establish the authority and process to write off inactive City receivables.

Application

This policy shall apply to the write off of all receivables owing to any City departments, excepting fines levied under the Provincial Offences Act and receivables governed by separate local boards and / or commissions as established under either Federal or Provincial legislation.

This policy shall also apply to the appropriate treatment of hydro receivables purchased by the City from the Kenora Hydro Electric Corporation Ltd. (Kenora Hydro).

Outstanding Accounts Considered Not Collectible

The City shall make every effort to collect any outstanding amounts owing to it. Accounts shall be deemed to be uncollectible in the following situations:

- a) The City has exhausted every avenue legally open to it to pursue collection of the account; or
- b) The City has been unable to locate the individual(s) responsible for the account.

Accounts Deemed Inactive

An account shall be deemed to become inactive on the date of the last charge incurred (excluding interest) on the account, unless regular payments are being applied on that account. If regular payments are being

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Accounts Deemed Inactive (Continued)

applied, and are subsequently discontinued, the account shall be deemed to be inactive as of the date of the last regular payment.

Qualification Period Prior to Write Off

The City shall keep outstanding receivables on its records for a minimum period of one year from the date the account is deemed to become inactive.

Write Off of Accounts

Accounts shall be written off on a calendar year basis. Accounts deemed to become inactive during one calendar year shall be held on the records for the entire following calendar year. Write off shall occur in the second year following the year the account is deemed to become inactive.

It shall be the responsibility of the Collections Coordinator to keep an aged list of all accounts recommended for write off.

The list of recommended write offs shall be submitted to the Treasurer for review and recommendation to Council.

The Treasurer shall submit the list of the accounts recommended for write off to Council on an annual basis for approval.

Once Council approval has been obtained, the accounts shall be removed from the City's outstanding accounts, with the exception of outstanding Kenora Hydro accounts.

Write Off of Kenora Hydro Accounts

A list of all Kenora Hydro accounts, previously purchased from Kenora Hydro, recommended for write off shall also be submitted to the Kenora Hydro Board for approval.

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Write Off of Kenora Hydro Accounts (Continued)

Once both Council and Board approval has been obtained the Kenora Hydro accounts shall be removed from the City's outstanding receivables.

Write Offs of Amounts Less Than \$10

It is recognized that it is not financially feasible to collect or refund accounts with a balance of less than \$10. Accordingly, a list of inactive accounts with balances of less than \$10 shall be prepared on a regular basis for review by the Treasurer, or designate. It shall be at that individual's discretion to eliminate these accounts from the City's records, provided this is done on a consistent basis.

Write Off Information Retained

It shall be the responsibility of the Collections Coordinator to maintain a separate record of all accounts written off the City's records. This list shall be maintained to ensure that collection opportunities are pursued where they become available to the City.

This list shall be reviewed for all new customers to ensure that there are no previous outstanding amounts owing to the City. Where this situation occurs, the customer will be required to clear off all outstanding amounts owed to the City prior to receipt of any new services, regardless of the type of account outstanding. At the discretion of the Treasurer, or designate, in unusual circumstances in lieu of full payment prior to receipt of new City services, suitable payment arrangements may be made.