

CITY OF HAMILTON**CORPORATE SERVICES DEPARTMENT**
Treasury Services Division

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: October 19, 2011	
SUBJECT/REPORT NO: Accounts Receivable Write-offs for September 2011 (FCS11092) (City Wide)	
SUBMITTED BY: Antonio D. Tollis Treasurer Corporate Services Department	PREPARED BY: Ange Jelcic 905-546-2424 ext. 4536
SIGNATURE:	

RECOMMENDATION

- (a) That the General Manager of Finance and Corporate Services be authorized to write-off uncollectible accounts receivables in the amount of \$159,130.83, attached as Appendix 'A' to report FCS11092;
- (b) That the Schedule of Accounts Receivable Write-offs (under \$1,000), attached as Appendix 'B' to report FCS11092, be received for information.

EXECUTIVE SUMMARY

In accordance with Council Policy, a listing of uncollectible accounts receivable accounts greater than \$1,000 and totalling \$159,130.83, is attached as Appendix 'A' to report FCS11092 for Council approval. Upon approval, the Accounts Receivable Section will remove the accounts from the Aged Trial Balance and prepare the necessary accounting entries.

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These amounts have been allowed for in the 2010 year end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2011 actual expenditures.

In accordance with Council Policy, sixteen (16) accounts totalling \$4,591.29 and valued at less than \$1,000.00 each have been written-off since the last report in December 2008, attached as Appendix 'B' to report FCS11092.

Alternatives for Consideration – See Page 3.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial:

These receivables have been allowed for in the 2010 year end allowance for doubtful accounts. Therefore, the write-off of these receivables will not be reflected in the 2011 actual expenditures.

Staffing:

None.

Legal:

None.

HISTORICAL BACKGROUND (Chronology of events)

This report is being brought forward in accordance with the Accounts Receivable Write-off Policy approved by City Council on February 9, 2005, Council Report #05-003, Item 4.

The Write-off Policy sets the following authorization levels for account write-offs:

- | | |
|-----------------------------|--|
| • Up to \$500 | Director, Financial Services or designate |
| • Between \$500 and \$1,000 | General Manager, Finance & Corporate Services or designate |
| • Greater than \$1,000 | City Council Approval |

POLICY IMPLICATIONS

Accounts Receivable Write-off Policy.

RELEVANT CONSULTATION

Originating departments have been advised of the accounts that will be written-off as they pertain to their department's operations.

The Lodges have supplied the write-off items that pertain to their operation.

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

All avenues of collection in regards to the receivables being recommended for write-off have been exhausted.

Collection procedures include but are not limited to:

- Mailing written non-payment reminders, such as, statements, demand letters, etc.
- Verbal request by telephone or, in person, where applicable
- Negotiating revised payment terms
- Cross-referencing against the Accounts Payable System
- Drawing on securities held, such as, Letter of Credit, Bonds, etc., if applicable
- Recovery through the tax system by transferring uncollectible items as permitted in our By-Laws
- Legal action
- Use of a Collection Agency

ALTERNATIVES FOR CONSIDERATION

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

Accounts that are written-off will be removed from the active listing. If future information is received that would aid in the collection of these written-off amounts, active collection would be resumed.

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)
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Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

N/A.

APPENDICES / SCHEDULES

Appendix 'A' of report FCS11092 - Write-off of Accounts Receivable Greater than \$1,000.

Appendix 'B' of report FCS11092 - Write-off of Accounts Receivable Under \$1,000.

A/R Write-Offs over \$1,000 September 2011

TOTAL	CUSTOMER NAME	DESCRIPTION
<i>Bankrupt/Received Final Settlement</i>		
\$ 1,476.47	Riverside Landscaping	Repairs top culvert damages
\$ 9,490.95	Terrasan Environmental	Pavement cuts/street closure
\$ 6,586.11	****	Payroll overpayment of LTD bridging
\$ 3,220.81	Crème Glace Lambert	Overstrength Agmt
<i>Unable to Locate/Sent to Collection</i>		
\$ 1,254.43	****	Payroll Overpaid Vacation
\$ 1,102.25	****	Payroll Computer Loan
\$ 9,221.39	Avondale	HSR - irreconcilable differences prior to 08
\$ 14,208.17	Vasotech Corp	Unit rental @ Innovation Dr-Legal settlement for p/o rental
\$ 27,385.25	Dansway	Unpaid taxes re rental-per legal advisement
\$ 3,381.14	City Mart	HSR - company changed ownership-old owner left country
<i>Deceased/ No Estate/ No Funds</i>		
\$ 2,122.47	****	Maintenance Charge - Lodges
\$ 1,294.90	****	Maintenance Charge - Lodges
\$ 39,382.88	****	Maintenance Charge - Lodges
\$ 20,535.14	****	Maintenance Charge - Lodges
\$ 3,397.62	****	Maintenance Charge - Lodges
\$ 2,002.86	****	Maintenance Charge - Lodges
\$ 2,981.01	****	Maintenance Charge - Lodges
\$ 2,283.37	****	Maintenance Charge - Lodges
\$ 2,558.53	****	Maintenance Charge - Lodges
\$ 1,285.66	****	Maintenance Charge - Lodges
\$ 1,136.36	****	Maintenance Charge - Lodges
\$ 2,823.06	****	Maintenance Charge - Lodges
<hr/>		
<u>\$ 159,130.83</u>		

** Write off to be funded from HSR Tickets in Public Hands Account

**** Identifiable Individual. Name left off at request of Council

Note: amounts listed have been allowed for in the December 2010 year end figures. Write-offs will not affect the 2011 budget.

A/R Write-Offs under \$1,000 September 2011

TOTAL	CUSTOMER NAME	DESCRIPTION
<i>Unable to Locate/Sent to Collection</i>		
905.78	Albion Community Ass	Valley Park Fireworks
124.30	Siso Health Clinic	Bankrupt
489.95	Empower Hour p/o Siso	Bankrupt
56.69	Protocol Productions Inc	Hydrant Adaptor - movie shoot
77.17	****	Dundurn Castle Tours
302.89	****	Collision Recovery
349.97	****	Payroll overpayment
389.48	****	Payroll overpayment
40.56	****	Food Handler Test - NSF Chq
163.23	****	Computer Loan Balance
<i>Property Sold/Exhausted Collection Efforts</i>		
451.10	****	Open Air Burning
<i>Deceased/ No Estate/ No Funds</i>		
600.58	****	Maintenance Charge - Lodges
611.28	****	Maintenance Charge - Lodges
9.60	****	Maintenance Charge - Lodges
10.71	****	Maintenance Charge - Lodges
8.00	****	Maintenance Charge - Lodges
<u>4,591.29</u>		

**** Identifiable Individual. Name left off at request of Council

Note: amounts listed have been allowed for in the December 2010 year end figures. Write-offs will not affect the 2011

budget.