



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Services

TO:	Chair and Members Audit, Finance and Administration
COMMITTEE DATE:	April 10, 2017
SUBJECT/REPORT NO:	Accounts Receivable Write-Offs for April 2017 (FCS17038) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Bev Neill (905) 546-2424 Ext. 6274
SUBMITTED BY:	Mike Zegarac General Manager Finance and Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That the General Manager of Finance and Corporate Services be authorized to write-off uncollectible General Accounts Receivables in the amount of \$1,470.93 attached as Appendix "A" to Report FCS17038;
- (b) That the Schedule of General Accounts Receivable Write-Offs less than \$1,000 in the amount of \$4,424.52, attached as Appendix "B" to Report FCS17038, be received for information;
- (c) That the General Manager of Finance and Corporate Services be authorized to write-off uncollectible Wentworth and Macassa Lodge Receivables in the amount of \$6,056.23, attached as Appendix "C" to Report FCS17038;
- (d) That the General Manager of Finance and Corporate Services be authorized to write-off uncollectible Hamilton Farmers Market Receivables in the amount of \$31,541.79, attached as Appendix "D" to Report FCS17038;
- (e) That the Schedule of Recreation Division Receivables Write-Offs less than \$1,000 in the amount of \$4,977.98, attached as Appendix "E" to Report FCS17038, be received for information;

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- (f) That the General Manager of Finance and Corporate Services be authorized to write-off Recreation Receivables "Outstanding Credits on Account", in the amount of (\$78,814.18), attached as Appendix "F" to Report FCS17038.

EXECUTIVE SUMMARY

In accordance with Council Policy:

A listing of uncollectible General Accounts Receivable accounts totalling \$1,470.93 is attached as Appendix "A" to Report FCS17038 for Council approval. Upon approval, the Accounts Receivable Section will remove the accounts from the Aged Trial Balance and prepare the necessary accounting entries. These amounts have been allowed for in the 2016 year end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2017 actual expenditures.

A listing of uncollectible General Accounts Receivable accounts totalling \$4,424.52 and valued at less than \$1,000 each have been written-off since the last report in April 2016 and is attached as Appendix "B" to Report FCS17038. These amounts have been allowed for in the 2016 year end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2017 actual expenditures.

A listing of uncollectible Lodge Accounts Receivable accounts totalling \$6,056.23 is attached as Appendix "C" to Report FCS17038 for Council approval. Upon approval, Finance and Administration will remove the amounts from the Lodge's Aged Trial Balance and prepare the necessary accounting entries. These amounts have been allowed for in the 2016 year end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2017 actual expenditures.

A listing of uncollectible Hamilton Farmer's Market Accounts Receivable accounts totalling \$31,541.79 is attached as Appendix "D" to Report FCS17038 for Council approval. Upon approval, the Accounts Receivable Section will remove the accounts from the Aged Trial Balance and prepare the necessary accounting entries. These amounts have been allowed for in the 2016 year end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2017 actual expenditures.

A listing of uncollectible Recreation Accounts Receivable accounts totalling \$4,977.98 and individually valued at less than \$1,000 each have been written off since the last report in April 2016 and is attached as Appendix "E" to Report FCS17038. These amounts have been allowed for in the 2016 year-end allowance for doubtful accounts. Therefore, the write-offs of these receivable will not be reflected in the 2017 actual expenditures.

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- The Recreation Division has supplied the write-off items that pertain to their operation.
- The Hamilton Farmer's Market has supplied the write-off items that pertain to their operations.

ANALYSIS AND RATIONAL FOR RECOMMENDATION

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

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.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement & Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" Report FCS17038 - Write-off of General Accounts Receivable Greater than \$1,000.

Appendix "B" Report FCS17038 - Write-off of General Accounts Receivable Under \$1,000.

Appendix "C" Report FCS17038 – Write-off of Lodge's Accounts Receivable.

Appendix "D" Report FCS17038 –Write-off of Hamilton Farmer's Market Accounts Receivable.

Appendix "E" Report FCS17038 – Write-off of Recreation Accounts Receivable Under \$1,000.

Appendix "F" Report FCS17038 – Write-off of Recreation Receivable "Outstanding Credits on Accounts".

BN/dw

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.