



**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
**Financial Services**

<b>TO:</b>	Chair and Members Audit, Finance and Administration
<b>COMMITTEE DATE:</b>	May 07, 2018
<b>SUBJECT/REPORT NO:</b>	Accounts Receivable Write-Offs for 2017(FCS18047) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Bev Neill (905) 546-2424 Ext. 6274
<b>SUBMITTED BY:</b>	Mike Zegarac General Manager Finance and Corporate Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATIONS**

- (a) That the General Manager of Finance and Corporate Services be authorized to write-off uncollectible General Accounts Receivables in the amount of \$11,574.42 attached as Appendix "A" to Report FCS18047;
- (b) That the Schedule of General Accounts Receivable Write-Offs less than \$1,000 in the amount of \$7,406.79, attached as Appendix "B" to Report FCS18047, be received for information;
- (c) That the General Manager of Finance and Corporate Services be authorized to write-off uncollectible Hamilton Farmers Market Receivables in the amount of \$ 2,742.69 attached as Appendix "C" to Report FCS18047.

**EXECUTIVE SUMMARY**

In accordance with Council Policy:

A listing of uncollectible General Accounts Receivable accounts totalling \$11,574.42 is attached as Appendix "A" to Report FCS18047 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

**SUBJECT: Accounts Receivable Write-Offs for 2017 (FCS18047) (City Wide) -  
Page 2 of 4**

---

in the 2017 year end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2018 actual expenditures.

A listing of uncollectible General Accounts Receivable accounts totalling \$7,406.79 and valued at less than \$1,000 each, have been written-off since the last report in April 2017 and is attached as Appendix “B” to Report FCS18047. These amounts have been allowed for in the 2017 year end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2018 actual expenditures.

A listing of uncollectible Hamilton Farmer’s Market Accounts Receivable accounts totalling \$2,742.69 is attached as Appendix “C” to Report FCS18047 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 2017 year end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2018 actual expenditures.

***Alternatives for Consideration – See Page 3***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** The Accounts Receivables write-offs have been allowed for in the 2017 year end allowance for doubtful accounts. Therefore, the write-off of these receivables will not be reflected in the 2018 actual expenditures.

**Staffing:** None

**Legal:** None

**HISTORICAL BACKGROUND**

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 and Corporate Services or designate
- Greater than \$1,000 City Council Approval

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

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 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; and,
- 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" - Write-off of General Accounts Receivable Over \$1,000

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

Appendix "C" - Write-off of Hamilton Farmer's Market Accounts Receivable Over \$1,000

BN/dw