



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Services and Taxation Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	May 2, 2019
SUBJECT/REPORT NO:	Accounts Receivable Write-Offs for 2018 (FCS19033) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Bev Neill (905) 546-2424 Ext. 6274
SUBMITTED BY:	Brian McMullen Acting General Manager, Finance and Corporate Services Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That the Acting General Manager of Finance and Corporate Services be authorized to write-off uncollectible General Accounts Receivables in the amount of \$62,869.84 attached as Appendix “A” to Report FCS19033;
- (b) That the General Accounts Receivable Write-Offs, less than \$1,000 each, in the amount of \$3,549.42 attached as Appendix “B” to Report FCS19033, be received for information;
- (c) That the Acting General Manager of Finance and Corporate Services be authorized to write-off uncollectible Lodge Accounts Receivables in the amount of \$34,422.27 attached as Appendix “C” to Report FCS19033.

EXECUTIVE SUMMARY

In accordance with Council Policy:

A listing of uncollectible General Accounts Receivable accounts totalling \$62,869.84 is attached as Appendix “A” to Report FCS19033 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

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in the 2018 year-end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2019 actual expenditures.

A listing of uncollectible General Accounts Receivable accounts totalling \$3,549.42 and valued at less than \$1,000 each, have been written-off since the last report in May 2018 and is attached as Appendix "B" to Report FCS19033. These amounts have been allowed for in the 2018 year-end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2019 actual expenditures.

A listing of uncollectible Lodges Accounts Receivable accounts totalling \$34,422.27 is attached as Appendix "C" to Report FCS19033 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 2018 year-end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2019 actual expenditures.

Alternatives for Consideration – See Page 3

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The Accounts Receivables write-offs have been allowed for in the 2018 year-end allowance for doubtful accounts. Therefore, the write-off of these receivables will not be reflected in the 2019 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.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

All avenues of collection regarding 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" - Hamilton General Receivables Write-Offs - Over \$1,000 for 2018

Appendix "B" - Hamilton General Receivables Write-Offs – Less than \$1,000 for 2018

Appendix "C" - Lodges Receivable Write-off for 2018

BN/dw