



**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
**Financial Services and Taxation Division**

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	April 8, 2021
<b>SUBJECT/REPORT NO:</b>	Accounts Receivable Write-Offs for 2020 (FCS21015) (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 Corporate Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATIONS**

- (a) That the Schedule of General Accounts Receivable Write-Offs less than \$1,000 in the amount of \$3,877.91 attached as Appendix "A" to Report FCS21015, be received for information;
- (b) That the General Manager of Finance and Corporate Services be authorized to write-off uncollectible Lodges Receivables in the amount of \$68,388.36 attached as Appendix "B" to Report FCS21015.

**EXECUTIVE SUMMARY**

In accordance with Council Policy:

A listing of uncollectible General Accounts Receivable accounts totalling \$3,877.91 and valued at less than \$1,000 each have been written-off since the last report in May 2020 and is attached as Appendix "A" to Report FCS21015. These amounts have been allowed for in the 2020-year end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2021 actual expenditures.

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A listing of uncollectible Lodges Accounts Receivable accounts totalling \$68,388.36 is attached as Appendix “B” to Report FCS21015 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 2020-year end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2021 actual expenditures.

**Alternatives for Consideration – See Page 3**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The Accounts Receivables write-offs have been allowed for in the 2020-year end allowance for doubtful accounts. Therefore, the write-off of these receivables will not be reflected in the 2020 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 Lodges Administration provided the write-off items that pertain to their operations.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATIONS**

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
- 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 and 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” to Report FCS21015 - Write-off of General Accounts Receivable 2020  
Less than \$1,000.

Appendix “B” to Report FCS21015 - Write-off of Lodges Accounts Receivable 2020  
Over \$1,000.

BN/dw