



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Services and Taxation Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	March 24, 2022
SUBJECT/REPORT NO:	Accounts Receivable Write-Offs for 2021 (FCS22009) (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 Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That the Schedule of General Accounts Receivable Write-Offs less than \$1,000 in the total amount of \$6,327.85 attached as Appendix "A" to Report FCS22009, be received for information;
- (b) That the General Manager of Finance and Corporate Services be authorized to write-off uncollectable General Accounts Receivable over \$1,000 in the total amount of \$114,132.26 attached as Appendix "B" to Report FCS22009.
- (c) That the General Manager of Finance and Corporate Services be authorized to write-off uncollectable Farmers Market Receivables in the total amount of \$14,297.74 attached as Appendix "C" to Report FCS22009.
- (d) That the General Manager of Finance and Corporate Services be authorized to write-off uncollectable Lodges Receivables in the total amount of \$78,402.24 attached as Appendix "D" to Report FCS22009.

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.

EXECUTIVE SUMMARY

A listing of uncollectible General Accounts Receivable accounts totalling \$6,327.85 and valued at less than \$1,000 each have been written-off since the last report in April 2021 and is attached as Appendix “A” to Report FCS22009 for Council approval. These amounts have been allowed for in the 2021-year end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2022 actual expenditures.

A listing of uncollectible General Accounts Receivable accounts totalling \$114,132.26 and valued at over \$1,000 each is attached as Appendix “B” to Report FCS22009 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 2021-year end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2022 actual expenditures.

A listing of uncollectible Hamilton Farmers Market Accounts Receivable accounts totalling \$14,297.74 is attached as Appendix “C” to Report FCS22009 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 2021-year end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2022 actual expenditures.

A listing of uncollectible Lodges Accounts Receivable accounts totalling \$78,402.24 is attached as Appendix “D” to Report FCS22009 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 2021-year end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2022 actual expenditures.

Alternatives for Consideration – See Page 4

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The Accounts Receivables write-offs have been allowed for in the 2021-year end allowance for doubtful accounts. Therefore, the write-off of these receivables will not be reflected in the 2022 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.

- Hamilton Farmers Market Administration provided the write-off items that pertain to their operations.
- 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 FCS22009 - Write-off of General Accounts Receivable 2021
Less than \$1,000.

Appendix “B” to Report FCS22009 - Write-off of General Accounts Receivable 2021
Over \$1,000.

Appendix “C” to Report FCS22009 – Write-off of Hamilton Farmers Market Receivable
2021

Appendix “D” to Report FCS22009 – Write-off of Lodges Receivable 2021