SUBJECT: Accounts Receivable Write-Offs June 2006 (FCS06074) (City Wide)

RECOMMENDATION:

a) That the General Manager, Finance & Corporate Services, be authorized to write-off uncollectible accounts receivable in the amount of $52,986.06 as outlined in Appendix “A” to Report FCS06074.

b) That the schedule of accounts receivable write-offs (under $1,000) as set out in Appendix “B” to FCS06074 be received for information.

EXECUTIVE SUMMARY:

In accordance with Council policy, a listing of uncollectible accounts receivable accounts greater than $1,000 and totalling $52,986.06 is attached for Council approval. Upon approval, the Accounts Receivable section will remove the accounts from the Aged Trial Balance and prepare necessary accounting entries.

In accordance with Council policy, 8 accounts totalling $3,778.80 and valued at less than $1,000 each have been written off during the first half of 2006.
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, and Item 4.

The Write-Off Policy sets the following authorization levels for account write-offs:

- Up to $500.00  Director, Financial Services or designate
- Between $500 and $1,000  General Manager, Finance & Corporate Services or designate
- Greater than $1,000  City Council Approval

ANALYSIS/RATIONALE:

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 requests by telephone or in person where applicable
- Negotiating revised payment terms
- Cross referencing against the Accounts Payable System
- Drawing on securities held such as Letters 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:

Writing the accounts off removes them 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.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

These receivables have been allowed for 100% in the 2005 year end allowance for doubtful accounts. Therefore, the write-off of these receivables will not be reflected in the 2006 actual expenditures.
POLICIES AFFECTING PROPOSAL:

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.

Risk Management Section has supplied the Write-Off items that pertain to their operation.

Culture and Recreation supplied the write-off information for Rosedale Minor Hockey.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

☐ Yes ☑ No  
Community Well-Being is enhanced.

☐ Yes ☑ No  
Environmental Well-Being is enhanced.

☐ Yes ☑ No  
Economic Well-Being is enhanced.

Effective management of Accounts receivable reduces costs to the City.

Does the option you are recommending create value across all three bottom lines? ☐ Yes ☑ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☐ Yes ☑ No
# Accounts Receivable Write Offs over $1000 June 2006

<table>
<thead>
<tr>
<th>Total</th>
<th>CUSTOMER NAME</th>
<th>DESCRIPTION</th>
</tr>
</thead>
</table>

**Unable to Locate/No Longer in Business/Sent to Collection**

- $3,467.61 **** Overload Agreements
- $3,402.87 Signs and Lighting Services Road signs & outdoor lighting

**Partial Recovery Negotiated Small Claims Court**

- $2,857.78 Personal Insurance Company Accident Claim

**Recommended by Legal Services - No Likelihood of Recovery Through Courts**

- $12,122.46 Buric Enterprises Blvd parking
- $6,736.17 Classic Motors Blvd parking

**Prior to Amalgamation - Too Old to Collect - Culture & Rec**

- $24,399.17 Rosedale Minor Hockey Ice rental

**$52,986.06**

**** Identifiable Individual
### Accounts Receivable Write-Offs under $1000 June 2006

<table>
<thead>
<tr>
<th>Total</th>
<th>CUSTOMER NAME</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unable to Locate/No Longer in Business/Sent to Collection</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 156.16</td>
<td>****</td>
<td>Water turn off 2003</td>
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<tr>
<td>$ 71.75</td>
<td>****</td>
<td>Water turn off 2005</td>
</tr>
<tr>
<td>$ 922.08</td>
<td>Evel Films Inc</td>
<td>Install hanging baskets Dundas</td>
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<td><strong>Two Year Statute of Limitations Expired</strong></td>
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<tr>
<td>$ 196.86</td>
<td>****</td>
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<td>$ 263.07</td>
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<td>Accident Claim</td>
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<td>$ 508.00</td>
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<td>$ 539.61</td>
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<tr>
<td>$ 991.45</td>
<td>Kingsway General Insurance</td>
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<tr>
<td><strong>Deceased, No Estate/No Funds</strong></td>
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<tr>
<td>$ 129.82</td>
<td>****</td>
<td>Maintenance Charges - Lodges</td>
</tr>
</tbody>
</table>

**$ 3,778.80**

**** Identifiable Individual