

Section/Number: Financial Administration – 008	Approval Date: (DD/MM/YY)
Subject: Bad Debts Schedule	Amendment Dates:
<p>Policy</p> <p>The Senior Administrative Officer (SAO) or designate is responsible for preparing and submitting to Council a Bad Debts Schedule for the previous year's bad debts on or before December 31 in each fiscal year.</p> <p>Council will review the Bad Debts Schedule and give its approval in "whole" or in "part" to the writing off of bad debts.</p>	
<p>Definitions</p> <p>Bad Debts means an Outstanding General Accounts Receivable or other receivable which has:</p> <ul style="list-style-type: none"> • been in arrears for twelve (12) months and • is considered to be uncollectable after at least four (4) written attempts and collection proceedings have been unsuccessful in attempting to collect the outstanding account. 	
<p>Guidelines</p> <ol style="list-style-type: none"> 1. The Bad Debts Schedule must include, but is not limited to, such uncollectable accounts, as: <ol style="list-style-type: none"> 1.1. Business Licenses 1.2. Utility Arrears 1.3. General Accounts Receivable 1.4. Culture and Recreation User Fees, Registrations and Rentals 1.5. Tax and Compliance Certificates 1.6. Burial Fees and Licenses 1.7. Other Fees, Charges, Permits, Registrations, etc. 1.8. NSF, Stale-dated and Returned Cheques. 2. Once the bad debt(s) have been approved for write-off, the debt(s) will be removed from the current Accounts Receivable Ledger and placed into an Inactive Accounts Receivable Ledger. 3. Although the Bad Debt(s) are written off by Council, this does not exempt the debtor from any liability for the outstanding debt. 4. All new applications for credit or utility hook-ups must be checked against the inactive Accounts Receivable Ledger to ensure no one is granted a new utility hook-up or additional credit if they have a previous outstanding account with the Community Government. <ol style="list-style-type: none"> 4.1. If the debtor pays off the previous outstanding account, he will be hooked up to utilities or eligible for general additional credit. 4.2. If the debtor has not paid off the previous outstanding account, he/she will be refused credit or a utility hook-up. 	

5. Example of Council Procedure to Forgive Bad Debt:

5.1 Recommended to at least annually;

5.2 Procedure to write off debt;

- One final notice and appropriate cut off procedures (all traditional collection activities followed)
- Report prepared for council including rationale for write-off.
- Passed by resolution

For process for tax arrears, the process detailed in the appropriate taxation legislation is followed.

Attachments

N/A

References

N/A