



The Corporation of the Municipality of Arran-Elderslie

Staff Report

Council Meeting Date: April 24, 2023

Subject: SRFIN.23.15 Accounts Receivable – Write-off old Accounts

Report from: Tracey Neifer, Treasurer

Appendices: None

Recommendation

Be It Resolved that Council hereby,

1. Approves the write-off of accounts receivable from 2021 and prior years totalling \$19,299.64; and
 2. That Staff prepare an Accounts Receivable Collections Policy.
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Report Summary

Staff have been working towards the compilation of a streamlined billing and collection process. Part of this process has included the establishment of a monthly meeting to review unpaid accounts and status of accounts with the Credit Bureau. It is the recommendation of this report to write-off uncollectible accounts that have been outstanding since December 31, 2021, and prior years, and develop a formal Accounts Receivable Collections Policy.

Background

The Fees & Charges By-law establishes that unpaid accounts will be sent to collections after 90 days. The Municipality works with a local Credit Bureau to assist with collections, but in some cases the amount owing is minimal and not pursued, or the Credit Bureau has exhausted their efforts and the account is deemed to be uncollectible. Where uncollected fees are related to a property owner in Arran-Elderslie, the unpaid fees are added to the property taxes (ie. sewer, water, dog tags). Issues may arise when collecting from non-residents or non-property owners.

Analysis

An accounts receivable collection policy will ensure the collection of all revenues due to the Municipality in a prompt, effective, efficient, and secure manner. All municipal invoices are issued through the financial software Keystone, except for recreation programs and facility bookings, as they are processed through the online platform, Book King.

On a regular basis municipal staff issue arrears notices and statement of accounts, as well as direct communications to follow up on unpaid invoices. Staff will also follow up with the respective manager for additional information.

It has been identified that there are unpaid invoices from 2021 and prior years that remain uncollectible and should be written off. Staff would like authorization to write off old accounts.

Total Accounts	
Chesley Fire	4,539.36
Chesley Trailer Park	1,832.55
Dog Tags	1,360.00
General Receivables	6,641.28
Paisley Fire	1,350.00
Program Registration	100.31
Recreation Facility Booking	1,550.44
Tara Fire	1,925.70
Total	19,299.64

The policy developed will address the steps taken to collect on the account and provide authority where deemed appropriate to write off accounts. Steps will also be noted to address circumstances where accounts will be frozen or require payment up front to prevent future collectability issues.

Link to Strategic/Master Plan

6.4 Leading Financial Management

Financial Impacts/Source of Funding/Link to Procurement Policy

The write-off of accounts has a negative impact on the Municipality as the services have been provided without the collection of the associated fees for the provision of that service. Staff have been working to clean up accounts and improve processes. The outcome of the work will be the development of an Accounts Receivable Collection Policy to ensure the minimization of future write-offs. The report addresses accounts with arrears related to 2021 and prior years totalling \$19,299.64. A further review of 2022 accounts will be completed as part of the year end account reviews.

Approved by: Sylvia Kirkwood, Chief Administrative Officer