

**TOWN OF CHESTERMERE  
POLICY HANDBOOK**

<b>EFFECTIVE DATE:</b> October 1, 2008	<b>SECTION:</b> <del>100</del> <sup>400</sup> <b>POLICY:</b> <del>134</del> <sup>434</sup>
<b>APPROVED BY:</b> COUNCIL	<b>SUBJECT:</b> Write-off or Cancellation of A/R
<b>REVISED DATE:</b>	<b>PAGE NO.:</b>  1 of 2

**APPLICATION**

This policy applies to all accounts receivable that are administered by administration, but not including property taxes.

**AUTHORIZATION**

The Municipal Government Act, Part 6, Section 201 (1) (a).

**POLICY**

1. Department Heads are to identify uncollectible receivables.
  
2. Accounts receivable are considered uncollectible when one or more of the following conditions exist:
  - The debtor is deceased and there is nothing available from the estate.
  - The anticipated cost of collection is greater than the expected recovery.
  - Extreme hardship will result if the account is collected.
  - The accounts receivable is greater than 1 year old.
  - The collection procedures specified by the Director of Finance have been followed but were unsuccessful.
  
3. Departmental requests to write off accounts receivable or to cancel a debt must be authorized by the Department Head and provide assurance that all reasonable means of collection have been exhausted.

4. Departments are to submit their request for write-offs or cancellations in accordance the following requirements:

\$50.00 or Less

A request for write-off or cancellation of an account receivable totaling \$50.00 or less may be approved by the Director of Finance. If the Department Head believes there are implications that should be brought to the attention of the Chief Administrative Officer, the Department Head is to submit the request to the Chief Administrative Officer.

\$50.00 to \$2,500.00

A request for write-off or cancellation of an account receivable totaling \$50.00 to \$2,500.00 may be approved by the Chief Administrative Officer.

Over \$2,500.00

A request for write-off or cancellation of an account receivable totaling over \$2,500.00 requires the account receivable to be submitted to Council for approval.

5. When a Department Head is uncertain of debt collection practices or deadlines, they should contact the Director of Finance and follow his/her instructions.
6. Collection efforts after an account receivable has been written off may continue, however the finance department should remove it from the control and subsidiary accounts. Written-off accounts can be maintained in separate records. A write off removes a receivable from the accounts recorded in the Town's central financial system but does not extinguish the legal right to collect the dept.
7. When the Town receives revenue relating to an account receivable that has been written off, the revenue is to be coded to other revenue.

Adopted by Council: November 3, 2008

Resolution No. 458-08



CHIEF ELECTED OFFICIAL



CHIEF ADMINISTRATIVE OFFICIAL