

COUNCIL POLICY



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

Document Name: Account Write-Off

Department Name: Financial Services

Document Number: FIN-080

Effective Date: October 23, 2024

Next Revision Date: October 23, 2027

STRATEGIC PLAN LINKAGE

Fiscal Responsibility

PURPOSE AND OBJECTIVE

The Regional Municipality of Wood Buffalo (the “Municipality”) sets guidelines for the collection of Uncollectible Receivables, which includes outstanding municipal Utility, general trade, and ambulance accounts as well as outstanding property tax accounts. The purpose of the Account Write-Off Policy (the “Policy”) is to identify these guidelines and establish that the assessment and Write-Off of debt shall only occur after all reasonable and appropriate collection actions have been taken.

GENERAL PRINCIPLES

1. Definitions:

- 1.1. “Accounts Receivable” means any monies owed to the Municipality for goods or services rendered and for property tax accounts.
- 1.2. “Allowance” means monies set aside as a provision against the possibility of not being able to collect Accounts Receivable.
- 1.3. “Council” means the collective group of elected officials who govern the Municipality.
- 1.4. “Uncollectible Receivable” means Accounts Receivable for which all applicable collection efforts have been exhausted without successful recovery.
- 1.5. “Utility” means an essential service provided by the Municipality, including water supply, sewer systems, and garbage collection.
- 1.6. “Write-Off” means the removal of an Uncollectible Receivable from accounting records.

2. Responsibilities:

2.1. Council to:

- 2.1.1. approve this Policy and any amendments, as required;
- 2.1.2. review any account Write-Off requests submitted by the Chief Financial Officer;

- 2.1.3. approve account Write-Off requests submitted by the Chief Financial Officer, when appropriate; and
- 2.1.4. review the annual Write-Off budget and approve, when appropriate.

2.2. Chief Administrative Officer (CAO) to:

- 2.2.1. recommend amendments to this Policy; and
- 2.2.2. support the implementation of this Policy.

2.3. Chief Financial Officer (CFO) to:

- 2.3.1. review account Write-Off submissions for uncollectible property tax accounts up to \$100.00 and approve, when appropriate;
- 2.3.2. review account Write-Off submissions for uncollectible property tax accounts in excess of \$100.00 and make recommendations to Council;
- 2.3.3. review account Write-Off submissions for uncollectible Utility, general trade, and ambulance accounts up to \$3,000.00 and approve, when appropriate;
- 2.3.4. review account Write-Off submissions for all uncollectible Utility, general trade, and ambulance accounts in excess of \$3,000.00 and make recommendations to Council; and
- 2.3.5. finalize annual Write-Off budget and present to Council for review and approval.

3. General Procedures:

3.1. Uncollectible Receivables:

- 3.1.1. Where amounts are owed to the Municipality, all applicable collection efforts will be exhausted before declaring an account an Uncollectible Receivable.
- 3.1.2. From time to time, an account may remain outstanding and be deemed uncollectible based on criteria, including, but not limited to:
 - 3.1.2.1. debtor is deceased and no funds are available from the estate;
 - 3.1.2.2. debtor has filed a Statement of Bankruptcy and has received discharge;
 - 3.1.2.3. account is dormant and collection efforts have been unsuccessful;
 - 3.1.2.4. it has been determined that the receivable was charged in error; and
 - 3.1.2.5. other circumstances which may arise and are recommended by the Chief Financial Officer.

3.2. Write-Off of Accounts:

3.2.1. Utility, General Trade, and Ambulance Accounts:

- 3.2.1.1. Where a Utility, general trade, or ambulance account is deemed to be an Uncollectible Receivable and is \$3000.00 or less, the account and all relevant information will be presented by the Manager, Accounting Services to the Chief Financial Officer for review and approval, when appropriate.

3.2.1.2. Where a Utility, general trade, or ambulance account is deemed to be an Uncollectible Receivable and the uncollectible balance is greater than \$3000.00, the account and all relevant information will be presented by the Manager, Accounting Services to the Chief Financial Officer for review and presentation to Council, when appropriate.

3.2.2. Property Tax Accounts:

3.2.2.1. Where a property tax account is deemed to be an Uncollectible Receivable and is \$100.00 or less, the account and all relevant information will be presented by the Municipal Assessor to the Chief Financial Officer for review and approval, when appropriate.

3.2.2.2. Where a property tax account is deemed to be an Uncollectible Receivable and is greater than \$100.00, the account and all relevant information will be presented by the Municipal Assessor to the Chief Financial Officer for review and presentation to Council, when appropriate.

3.2.3. For all approved Write-Offs, the outstanding balance for the account will be reduced by the amount of the Write-Off and all necessary accounting tasks will be completed.

3.3. Presentation to Council:

3.3.1. For uncollectible Utility, general trade, and ambulance accounts greater than \$3,000.00 and property tax accounts greater than \$100.00, the Chief Financial Officer shall present the proposed Write-Offs to Council, including all relevant details for approval, when appropriate.

3.3.2. Council will decide on Write-Off requests on a case-by-case basis and shall not be bound by any prior decisions.

3.4. Annual Write-Off Budget:

3.4.1. The annual Write-Off budget will be prepared with consideration given to the outstanding balance of Uncollectible Receivables.

3.4.2. The Write-Off budget will include all proposed Write-Offs regardless of approving authority.

3.4.3. The Chief Financial Officer will present the proposed annual Write-Off budget during operating budget presentation to Council as part of the overall Financial Services budget.

3.5. Allowances:

3.5.1. Accounts Receivable allowances for property tax, Utility, general trade, and ambulance accounts shall be calculated periodically throughout the year.

4. Rescind and Replace:

This Policy rescinds and replaces the Account Write Off Policy FIN-080, dated February 17, 1987.

APPROVAL MANAGEMENT AND REFERENCES:

This Policy was approved by Council. It will be reviewed no later than its next Revision Date to determine its effectiveness and appropriateness. It may be assessed before that time, as necessary.



Sandy Bowman, Mayor



Jade Brown, Chief Legislative Officer

Date Sep October 23, 2024

SUPPORTING REFERENCES AND POSITION RESPONSIBLE

Legal References: Fees, Rates, and Charges Bylaw No. 23/022
Municipal Government Act, RSA 2000, c M-26

Cross References: Account Write-Off Administrative Procedure FIN-080-P01
Property Tax Relief Policy FIN-280

Position Responsible: Chief Financial Officer

COUNCIL POLICY DETAILS AND REVISION HISTORY

Date	Action	Description
February 17, 1987	Introduction	New Account Write Off Policy.
October 23, 2024	Revision – Substantive	Revised all sections of the Policy and reformatted the Policy to align with the current template.