



POLICY AND DIRECTIVES		
Accounts Receivable Policy		
#ADM-FIN 4.0	Date Approved/ Resolution # February 13, 2017 2017 052	Date Revised:

**PURPOSE:**

The purpose of this policy is to encourage strong fiscal management practices, and to have proper control over the City of Thompson’s receivables. The policy will help the City of Thompson collect its revenues in a fair, equitable and timely manner. By collecting receivables in a timely framework, the City of Thompson can have greater control over the cash flow.

**DEFINITIONS:**

- a) **Non-lienable charges-** charges that under law cannot be affixed to property. Many types of revenues are included in this category including ambulance fees, transit tickets, etc.
- b) **Lienable charges-** charges that can be affixed to properties. These revenues include property taxes, service repairs, etc.

**INVOICING**

General revenues will be issued invoices through the City of Thompson accounts receivable department. Recreation receivables will be invoiced through the City of Thompson department of Parks, Recreation and Culture, upon completion of an approved credit application. All individual recreation bookings and memberships will be on a cash basis only, and must be paid prior to the booking. Property tax invoices will be issued by the tax department annually. Utility bills will be issued by the Utility Department quarterly.

**LATE PAYMENT CHARGES**

Late Payment charges shall be added to all or any portion of certain fees and charges imposed by this policy that are due and payable, at the rate as set in the City of Thompson Fees and Fines Schedule on the first day of the month following default and every month thereafter. Late payment charges shall be compounded and such late payment charges shall form part of the fees or charges owing. In addition, government departments/agencies and local boards will not be subject to late payment charges.

## **PAYMENT METHODS:**

1. The following methods of payment will be accepted for all Accounts Receivable:

- Cash
- Cheque
- Money Order
- Debit Card (payment made in person at Municipal Office)
- Telpay, or through online banking (taxes and utilities only)

## **DISHONoured CHEQUE PROCESSING FEE**

A dishonored cheque processing fee as set in the City of Thompson fees and fines schedule shall be added to any account paid by cheque, which cheque was returned by a bank or financial institution for any reason, and the dishonored cheque processing fee shall form part of the fees or charges owing.

## **GENERAL REVENUES**

### **Non-lienable charges- non ambulance billing**

- A. These amounts are billed monthly. The due date is 30 days from the date of billing
- B. Staff will follow up with a letter where the amounts have gone 30 days and 60 days past due. After 90 days the following will occur;
  - a. Requiring a payment arrangement or enacting a right of offset for any amounts the City might owe the client
  - b. A refusal to do further business until the amount is paid off
  - c. Turn the account over to a third party collection agency

### **Non-lienable charges- ambulance billing**

- A. Ambulance amounts are billed twice a month.
- B. Staff will follow up with 30 and 60 day letters.
- C. Individual receivables will be sent to collections after the 90 day notice time period has passed
- D. Third party ambulance receivables will be followed up with the entity responsible for payment

### **Lienable Charges**

- A. Invoices are sent out with a 30 day term.
- B. Letters will be sent at 30 and 60 days overdue, the 60 day letter will advise the property owner that the outstanding amount will be added to taxes if not paid by the 90<sup>th</sup> day.
- C. Once the invoices are 90 days overdue and staff have exhausted all collection efforts, the amounts will be added to taxes.
- D. Once amounts are added to taxes, they will be collected in the same manner as the property taxes as indicated below
- E. Exceptions to the time frame will be if a property is being sold, the amounts will be collected in the same manner as the taxes on the property

### **Lienable Charges- Utility Bills**

- A. Utility bills are sent out quarterly to all water utility customers. The quarterly billing will include the prior outstanding amount. No other statements will be sent
- B. Water bills outstanding for more than 90 days will be added to taxes, after notice has been sent to rate payers and the term of the notice has expired.
- C. Outstanding utility bills will be added to taxes on an annual basis, and become collectible in the same manner as taxes.

### **Lienable charges- Property Taxes**

- A. Property taxes are billed annually and mailed out 60 days prior to due date as set by Council. Supplementary property taxes added are mailed out 90 days prior to the due date.
- B. Letters will be sent the month following the due date of property taxes.
- C. Property taxes will be charged a penalty as set out in the Levy by-law on the first of each month following non-payment. These penalties are not cancellable for any reason.
- D. Property taxes outstanding for more than two years will be entered into the tax sale process
- E. Once council designates a year for tax sale under section 365(2) of the Municipal Act, all properties with outstanding taxes for that period will be entered into the tax sale process.
- F. A preliminary notice is sent to each assessed owner of the property on the tax sale list as per section 365(1) (a) of the Municipal Act advising of the amount due including all interest and penalties.
- G. Upon completion of the preliminary notice period, the properties remaining on the tax sale list will be sent to a third party for the beginning of the tax sale process.
- H. Tax sale proceedings may be delayed if an agreement is entered into as per section 369(1) (b). An agreement will be no longer than two years and will bring the property into a current status within two years. The agreement will allow for two payment to be deferred either by request or default. Staff will strictly uphold compliance with the payment arrangement. On the third instance of non-payment as per the agreement, notice will be given and the tax sale process will recommence with no recourse other than full payment. Once the property is returned to the tax sale process, no other agreements shall be entered into with the property owner as long as they own the property.
- I. Properties can be redeemed from tax sale through full payment of the taxes, penalties and tax sale costs through a guaranteed payment form up to the tax sale time.
- J. Properties not redeemed will be sold through public auction on a date set by Council.
- K. Council will decide whether to set a reserve bid through resolution, which would mean the property would become the City's if no bids were received.
- L. Property owners will be notified of any surplus funds over \$200 from the tax sale and have up to three years to claim it through application to the court.

### **Lienable Charges- Business Taxes**

- A. Business taxes which are billed annually and mailed out 60 days prior to due date. Supplementary business taxes added are given a period of 90 days to pay
- B. Letters will be sent the month following the due date of business taxes.
- C. Once 60 days past due, a letter will be sent to the business stating that a distress warrant for seizure of goods as per section 349(1) of the Municipal Act will be issued if the business taxes are not paid within 30 days.
- D. A public auction will be held to sell the items seized under the distress warrant, and the value of the proceeds will be applied against the outstanding business taxes. If proceeds from the auction are insufficient to cover the outstanding taxes, additional distress warrants may be issued.

### **OTHER COLLECTION POLICIES**

- A. No adjustments to billings can be made unless there was an error in the original billing and corresponding back up by appropriate managerial levels of staff involved is provided
- B. If taxes on a property are paid under protest and the assessment roll is later amended to reflect a reduction in the assessed value for the year in which the taxes were paid, the City will refund the excess taxes that were paid in protest and pay interest on the excess taxes at a rate prescribed by the minister as per section 343(1) of the Municipal Act.

### **REFUNDS**

- A. A full refund will be given if a program/ booking/ registration is cancelled 7 calendar days prior to the start date of the program/ booking/ registration
- B. A full refund of fees, less an administration fee of \$20 will be given if a program/ booking/ registration is within 48 hours (2 days) of the start date of the program/booking/ registration
- C. No refund or credit note will be issued after 48 hours (2 days) of the start date of the program. Individual consideration will be given if the withdrawal is due to medical reasons (a doctor's note is required)
- D. If the City of Thompson cancels the program, a full refund will be given, or the fee can be applied to another program
- E. No refunds will be issued less than \$10. A credit will be put on the account.

### **AGREEMENTS**

When the City enters into agreements including entering into or renewing lease and/or rental agreements it will ensure that security, penalty and/or enforcement provisions are provided for within those agreements, to ensure that amounts due under those agreements, including applicable property and business taxes are paid within the terms so specified.

**WRITE-OFFS**

A balance may be written off for any of the following reasons

1. The balance has been deemed uncollectible by a Collection Agency
2. The balance has been deemed uncollectible by the Chief Financial Officer or designate
3. The invoice requires voiding or changing due to an error made by the City
4. The business is inoperative and without assets
5. The debtor has declared bankruptcy
6. The debtor is deceased and the estate has been closed

Write-off	Write-off amount	Authorized Personnel
Miscellaneous Accounts Receivable	500 +	City Council, through resolution
Miscellaneous Accounts Receivable	Up to \$499.99	Chief Financial Officer or designate
Business taxes	Any amount	City Council, through resolution

**ALLOWANCE ACCOUNTS**

1. At year end an analysis is done on all outstanding accounts receivable to determine if the balance in the allowance account is appropriate given the value of outstanding accounts receivable
2. Accounts deemed to be uncollectible by either staff or the collection agency are written off against the originating department's revenue account.

13 February, 2017

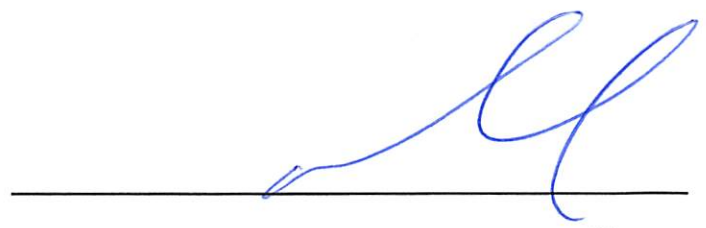
**RESOLUTION**

**Resolution # 2017 052**

**Moved by:** *Kathy Valente*

**Seconded by:** *fbv*

BE IT RESOLVED THAT Council approve the Accounts Receivable Policy.



**Mayor**  
**City of Thompson**