

TOWN OF STONY PLAIN

POLICIES AND PROCEDURES MANUAL

Date Approved: Jun 26, 2000
Resolution No: 438/06/00/SP

Bad Debts

Department: Finance & Admin
Division: Financial Services

Purpose

To provide an avenue of collecting outstanding accounts owed to the Town of Stony Plain.

Procedures

1. For the purpose of this policy, a bad debt is any account, mortgage or utility receivable which has been in arrears for 12 months and is considered to be uncollectible after at least four written attempts and collection proceedings have been unsuccessful in attempting to collect the outstanding account.
2. The Director of Finance and Administration is responsible to ensure annually that a bad debts listing for the previous year's bad debts is prepared before the completion of year end for each calendar year.
3. The bad debts listing will be presented to Council for approval in whole or in part for the writing off of bad debts.
4. The bad debts listing may include uncollectible accounts from:
 - Business Licenses
 - BRZ Levies
 - Utility Arrears
 - General Accounts Receivable
 - Culture and Recreation user fees and registrations
 - Tax and Compliance Certificates
 - NSF, Stale-Dated or Returned Cheques
 - Any other fees, charges, permits, registrations, etc. owing to the Town
5. Once the bad debts have been approved for writing off, they will be removed from the current accounts receivable ledger and placed into an inactive accounts receivable ledger.
6. Although the bad debts are written off subject to Council's approval, this does not exempt the debtor from any liability for the outstanding debt.
7. New applications for credit or utility hookups will be routinely checked against inactive accounts for outstanding balances. The Utilities Clerk will then transfer historical outstanding balances to the new account.

