

**Title: Accounts Receivable  
Cancellation**

**Policy No: 1504**

**Approval: Town Council  
Effective Date: December 28, 2005**



Supersedes Policy No:

**Policy Statement:** To provide for the effective control, administration and cancellation of accounts receivable.

### Authority

1. Upon reduction of assessment as a result of Section 305 of the Municipal Government Act, where the Municipal Assessor deems that the current year's assessment has been levied incorrectly, or where the Assessment Review Board or the Municipal Government Board reduces the assessment, taxes payable must also be adjusted.

Authorization: That the Chief Administrative Officer be authorized to cancel the portions of taxes payable as a result of the Assessor making a Section 305 or a Assessment Review Board or Municipal Government Board assessment change.

2. Upon cancellation of Crown Leases where the leases have been cancelled and the taxes should have been stopped:

Authorization: That the Assessor or the Chief Administrative Officer be authorized to cancel the taxes.

3. Upon assessment changes as a result of improper assessment and notification by the Chief Provincial Assessor or the Municipal Assessor:

Authorization: That the Chief Administrative Officer be authorized to cancel the taxes upon identification by the Assessor.

4. Upon cancellation of tax accounts other than as identified above:

Authorization: That the Council be the only authority to cancel these tax accounts.

5. Upon determination of utility accounts receivable being uncollectible:

Authorization: That the Chief Administrative Officer be authorized to cancel uncollectible utility accounts receivable less than \$500.00 and that a summary of those accounts cancelled which are greater than \$250.00 be presented to Council.

6. Upon cancellation of unpaid interest charges:

Authorization: That the Chief Administrative Officer be authorized to cancel unpaid interest charges.

7. Upon determination that other accounts receivable are uncollectible:

Authorization: That the Chief Administrative Officer be authorized to cancel uncollectible accounts receivable less than \$500.00 and that a summary of those accounts cancelled which are greater than \$250.00 be presented to Council.

8. Where Administration who has issued the invoice deems that the invoice has been in error:

Authorization: That the Chief Administrative Officer be authorized to cancel the account receivable.

9. Cancellation of accounts receivable or utility accounts other than as identified above:

Authorization: That the Council be the only authority to cancel these tax accounts.

#### PROCEDURE:

1. Administration will provide written documentation indicating the reasons why the account receivable is being cancelled or reduced. Administration will also provide the general ledger account numbers that will be affected.
2. The Chief Administrative Officer will approve the adjustment. It will then be submitted to the Accounts Receivable Clerk for posting.
3. The Chief Administrative Officer will submit to Council any account receivable cancellation or reduction requiring the Council's authorization. Once approved, it will be forwarded to the Accounts Receivable Clerk for posting.

4. The Chief Administrative Officer will provide Council with the cancelled accounts receivable lists as identified in this policy.
5. A list of accounts written off will be maintained by Administration in an attempt to collect those debts.