

VULCAN COUNTY POLICY NO. 12-2002	WRITE OFFS POLICY
Effective: September 27, 2012	Amended: September 7, 2022
Cross Reference: MTN 2000-07-63 MTN 2004-04-17 MTN 2012-10-42 CC 2022-09-07-08	Page 1 of 2
Review Date:	



WRITE-OFFS POLICY

1. PURPOSE

The purpose of this Policy is to set authorization levels and standard guidelines to write off Accounts Receivable Invoices, Accumulated Interest Balances, and Tax Penalties.

2. PROCEDURE

a) Accounts Receivable Invoice Write-off:

Collection procedures will be managed through the use of an Aged Trial Balance produced monthly via the County's accounting system. Invoices will be written off once the designated approver has been satisfied that all reasonable collection efforts have been exhausted and/or it has been determined that the cost to the County to collect the debt exceeds the value of the debt. Principal balances carried forward on the Accounts Receivable Sub-Ledger that are under five hundred dollars (\$500.00) and have remained outstanding for a period of one year may be written off by the Director of Corporate Services with the signed approval of the Chief Administrative Officer. Corporate Services shall maintain a record of all bad debts for a period of seven (7) years. ***A listing of any balances so written off must be submitted for Council's information on an annual basis.***

b) Accounts Receivable Finance Charge Write-off:

Finance charges are applied monthly to outstanding receivables. Interest is accumulated at a rate of 1.5%, beginning 30 days from the original date of the invoice. Periodically, situations occur that create a rationale to write off interest charges, including but not limited to the following:

- Misapplied payments
- Untimely application of a credit note to an outstanding invoice
- System generated time limits such as payments received at the end of the 30-day period that are excluded from the posting/aging process of the month-end procedure.
- Uncollected
- Other situations deemed appropriate by Administration.

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Balances carried forward on the Accounts Receivable Sub-Ledger that are only interest charges may be written off when all collection proceedings have been exhausted and upon receipt of the outstanding debt and with the approval of the Director of Corporate Services.

c) Tax Penalties Write-off:

Tax Penalties are applied to outstanding tax balances in accordance with the Payment Due Dates and Penalties Bylaw. Periodically, situations occur that create a rationale to write- off tax penalties, including but not limited to the following:

- Misapplied payments
- Banking errors
- Problems with mail delivery (i.e., payment was mailed on time but delivered late)
- Penalties incurred on tax rolls that have previously had an allowance for doubtful accounts applied by Council Motion
- Other situations deemed appropriate by Administration

General parameters of tax penalties write-offs include:

- Taxpayers with a good payment history are recognized, rewarded and encouraged to continue to make payments in full and on time;
- Taxpayers with extenuating circumstances are not unfairly penalized;
- Taxpayers who make minor errors during their payments are not subject to a penalty; and
- All taxpayers are ensured a fair and consistent approach when applying this policy.

Balances carried forward on the Tax Receivable Sub-Ledger that are only tax penalties that are in total under five hundred dollars (\$500.00) may be written off by the Director of Corporate Services with the signed approval of the Chief Administrative Officer. ***A listing of any balances so written off must be submitted for Council's information on an annual basis.***