

Town of Happy Valley-Goose Bay

Title: Uncollectible Account Receivable Policy	Internal/External:
Department: Finance	Policy Number: F0024
Approval Date: October 28, 2025	Implementation Date: October 28, 2025
Authority: 14th Council	Page: 1

Policy Statement

PURPOSE

This policy provides a clear process for how aged receivable accounts will be reviewed, approved, and removed from the Town's financial records. After all reasonable efforts have been made to collect money on the Account that remains unpaid, it may be considered uncollectible

PROCEDURE

1. Collection Efforts

- I. The Chief Administrative Officer (CAO) or designate will ensure that all reasonable attempts are made to collect outstanding amounts, including sending reminders, letters, and follow-up contact, water shut off, rent seizure, and tax sales.
- II. If no payment is received after these efforts, the account may be reviewed to be recommended for write-off.

2. Review by CAO

- I. The CAO or designate will review each account being recommended for write-off.
- II. This review will confirm that:
 - All reasonable collection actions were taken.
 - There are no remaining legal or practical options to collect the debt.
 - The account meets the Town's criteria for being uncollectible.

3. Criteria for Uncollectible Accounts

- I. An account may be considered uncollectible when:
 - The debtor is deceased, bankrupt, or cannot be located.
 - The cost of further collection would be greater than the amount owed.
 - The collection agency or legal advisor confirms that recovery is not possible.
 - The debt is past the legal limitation period for collection as per the TLSDA
 - The account was billed in error or adjusted by the Town.

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4. Confidential Information

- I. Before the account is presented to the Committee or Council, all identifying details (such as the Resident's name or address) will be removed from the report.
- II. Council will receive a summary that includes:
 - The amount to be written off.
 - The reason for the write-off.
 - Confirmation that all collection steps were completed.

5. Committee and Council Review

- I. After review by the CAO, the account and recommendation for write-off will be presented to the Finance, Administration and Policy Committee.
- II. The Committee will review the recommendation and present it to Council for final approval at a public meeting.

6. Final Approval

- I. Council authorizes the CAO to approve write-offs under \$500
- II. Council approval by a motion of Council is required before receivable of \$500 or greater is written off.
- III. Once approved, the Finance Department will remove the amount from the Town's accounts receivable records.
- IV. The write-off is an accounting adjustment only; it does not forgive the debt. If payment is later received, it will be recorded as recovered revenue.

7. Reporting and Record Keeping

- I. A record of all written-off accounts will be kept by the Finance department.
- II. A summary report of write-offs and any recoveries will be presented to Council annually.

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POLICY REVIEW

This policy shall be reviewed every year, or sooner if requested by the Chief Administrative Officer (CAO) or Mayor, to ensure it remains current and effective.



IN WITNESS WHEREOF, this policy is sealed under the Common Seal of the Town of Happy Valley-Goose Bay.


Mayor, Bert Pomeroy


CAO, Nadine MacAulay