
Subject: Request to Write-off Outstanding Amount over \$25,000

Report to: Corporate Services Committee

Report date: Wednesday, March 11, 2020

Recommendations

That the write-off of uncollectible accounts receivable totalling \$100,348.58 **BE APPROVED.**

Key Facts

- The purpose of this report is to authorize the write-off of two Long-Term Care facility residents' accommodation fee accounts totalling \$100,348.58.
- The Office of the Public Guardian and Trustee began managing Resident A's finances in September 2017 for current and future charges; however, no payment has been made for the arrears amount of \$29,730.23 accumulated over the period of December 2015 to August 2017.
- Resident B's power of attorney made sporadic payments over the period of July 2011 to February 2020; however, the amounts paid did not cover the monthly accommodation fee charges and as such arrears accumulated in the amount of \$70,618.35.
- Resident A passed away in November 2019, Resident B passed away in February 2020, and in both cases all collection efforts have been exhausted.
- Write-offs in excess of \$25,000 require Regional Council approval, as per C-F-001 (C3-A01) Accounts Receivable policy

Financial Considerations

The financial implication to the 2020 fiscal year related to this write-off is \$6,860.50. Resident A's arrears amount of \$29,730.23 was fully provisioned to the Region's allowance for doubtful accounts between 2018 and 2019. Resident B's arrears amount of \$70,618.35 was provided for in the amount of \$63,757.85 in 2019 and prior; the remaining \$6,860.50 is related to current outstanding accommodation charges.

Analysis

This report is being brought forward in accordance with C-F-001 (formerly C3-A01) Accounts Receivable policy approved by Regional Council. This policy sets the following authorization levels for account write-offs:

- Write-offs not exceeding \$10,000 are authorized by the Manager Accounting Services;
- Write-offs exceeding \$10,000 and not exceeding \$25,000 are authorized by the Deputy Treasurer / Treasurer; and
- Write-offs exceeding \$25,000 require Council approval.

Resident A

During the period of December 2015 to August 2017, this resident of one of the Region's Long-Term Care facilities accumulated accommodation fee account arrears totalling \$29,730.23. In September 2017, the Office of the Public Guardian and Trustee (OPGT) began managing the resident's finances. The OPGT operates within the Victims and Vulnerable Persons Division of the Ministry of the Attorney General and delivers a range of services that safeguard the legal, personal, and financial interests of certain private individuals.

The mandate of OPGT covers charges at the time it takes over a file. As such, OPGT paid for all current and ongoing charges for this resident from September 2017 until the date when the resident passed away in November 2019. Collection efforts made by accounts receivable and facility staff since 2015 were unsuccessful, and with the resident's passing, OPGT has identified that there is no opportunity to recover funds from the estate. As such, all collection efforts have been exhausted.

Resident B

During the period of July 2011 to February 2020, this resident of one of the Region's Long-Term Care facilities accumulated accommodation fee account arrears totalling \$70,618.35. Collection efforts on this resident's account have been ongoing since 2012. Throughout this period, staff from the facility, accounts receivable, and legal have been involved in varying capacities attempting to find a solution to the ongoing shorted and missed payments.

In 2015, staff discussed if a capacity assessment could be ordered for the resident. Typically that avenue is pursued when a resident has no power of attorney (POA) in order to allow OPGT to take over the resident's finances. In this case, the resident had a POA but the individual was unwilling to resign. OPGT was contacted and would not proceed until police were involved. As such, Niagara Regional Police were engaged to investigate suspected financial abuse on the part of the resident's POA; however, the police concluded that there was no evidence of criminal action on the part of the POA. With no criminal findings, OPGT would not take over the resident's finances.

The POA continued to indicate to staff that all funds as provided to the resident by the government were paid toward the account. Facility staff informed the POA that if a Canada Revenue Agency Notice of Assessment was provided to show the resident's

income then the facility could apply for a rate reduction to match. However, the POA refused. The resident was eventually moved to another room with a lesser rate in order to reduce the rate of debt increase. The resident passed away in February 2020 and given the history on the account, legal has advised there are no further opportunities to pursue collection from the estate.

Alternatives Reviewed

Council may choose to not approve this write-off; however, as there are no further opportunities to pursue collection and the amounts have been nearly fully provisioned as of 2019, there is no additional recourse.

Relationship to Council Strategic Priorities

N/A

Other Pertinent Reports

N/A

Prepared by:

Erin Amirault, MBA
Associate Director, Finance Operations
and Systems
Corporate Services

Recommended by:

Todd Harrison, CPA, CMA
Commissioner, Corporate Services,
Treasurer
Corporate Services

Submitted by:

Ron Tripp, P.Eng.
Acting, Chief Administrative Officer

This report was prepared in consultation with Jenna Gazzellone, Senior Accounts Receivable Clerk, Christine Conron, Senior Accounts Receivable Clerk, and Renee Muzzell, Manager Accounting Services, and reviewed by Helen Chamberlain, Director, Financial Management and Planning, Deputy Treasurer.

Appendices

N/A