

Changes to Service Charges and Collections**Report Purpose**

To seek Council approval on deferring collections on Accounts Receivable invoices for three months and to halt service charges on Non-Sufficient Funds (NSF) and Electronic Funds Transfer (EFT) payments returned across the organization for three months to help provide leniency to residents in consideration of the COVID-19 pandemic.

Recommendation

THAT the issuance of penalties related to Accounts Receivable be suspended for the period of April 1 to July 31, 2020;

THAT the issuance of service charges for Non-Sufficient Funds / Electronic Fund Transfer payment returns, as set out in the 2020 Fee Schedule in Bylaw 37-2019, Fees Rates and Charges, be suspended for the period of April 1 to July 31, 2020; and

THAT the collection activities related to overdue Accounts Receivable invoices be suspended for the period of April 1 to July 31, 2020.

Our Prioritized Strategic Goals

Goal 1 - Build strong communities to support the diverse needs of residents

Report

General Accounts Receivable (AR) activity for Strathcona County includes facility rentals, Family and Community Services billing, intermunicipal billing, ad hoc department billing, and billing for emergency services. Utility billing, tax billing, and billing for recreation services are handled separately from AR.

As a course of the normal process, AR invoices are created and sent to customers and residents after services are provided. Strathcona County payment terms are 30 days. If an invoice is left unpaid for 31 days or more, penalties are charged for every month past due at a rate of 1.5%. In-house collections calls are made for any outstanding amounts past 90 days, and, after one month of calling, invoices are then sent to our external collections agency for them to follow up and try to receive payment. In consideration of the COVID-19 pandemic, AR has temporarily suspended in-house collections calls and has paused charging penalties on outstanding invoices.

It is recommended that AR invoicing occurs as per normal based on the services that residents and customers utilize, however, the following options are recommended to help ease the burden of COVID-19 for up to three months:

- Stop collections calling on overdue balances;
- Stop charging penalties on all overdue invoices. (note - ambulance billing does not receive penalties as per AHS guidelines);
- Do not send any new overdue invoicing to the contracted collections agency and have them pause their calls; and
- Halt all NSF service charges referenced in the 2020 Fees, Rates and Charges schedule for the next three months.

Financial and Resourcing Impacts

- Penalties and services charges for general Accounts Receivable typically result in revenues of less than \$2,000 per month, however, the number of instances is expected to increase through the COVID situation.
- Payments can still be made online or over the phone.
- Historically, payment plans have been offered and will continue to be offered to allow flexibility in payment.
- Statements will continue to be sent out monthly for any customers to review their amount owed to Strathcona County.

Council and Committee History

March 26, 2020	Council approved the deferral of Utility Bill Payments for up to three months.
December 5, 2019	Council approved three readings of Bylaw 37-2019 to establish 2020 Fees, Rates and Charges for the provision of Municipal, Utility and Library Services.

Policy: n/a

Legislative/Legal: Municipal Government Act, R.S.A. 2000, c. M-26

Interdepartmental: All departments

Master Plan/Framework: n/a