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| <i>The Town of Fort Frances</i>   | <b>SECTION</b><br>ADMINISTRATION AND FINANCE |
| <b><u>PROVINCIAL OFFENCES ACT</u></b><br><b><u>COLLECTION / WRITE-OFF</u></b> | <b>NEW:</b> November 2008<br><b>REVISED:</b> |
| <b><u>POLICY</u></b>  |  |
| Resolution No. 381 (consent) 11/08  | Supercedes Resolution No.                    |
| Policy Number 1.13  | <b>PAGE 1 of 6</b>                           |

## 1. POLICY STATEMENT

To establish a policy for a responsible, systematic and efficient collection of *Provincial Offences Act* fines, Part I, II and III, hereafter referred to as POA. This policy also establishes guidelines for write off of items deemed not collectible.

## 2. PURPOSE

To ensure that POA fines are collected in a timely and effective manner and to ensure that the Town of Fort Frances maintains the foremost integrity during all stages of the collection process.

## 3. EFFECTIVE DATE

This policy comes into effect on November 10, 2008.

## 4. COLLECTION ADMINISTRATION OF POA FINES

In September 2000, The Town of Fort Frances, hereafter referred to as the Town, assumed responsibility for the administration and collection of POA fines previously handled by the Ministry of Attorney General. The Treasury and POA departments of the Administration and Finance Division manage the processing of payments of current and defaulted fines and the administration and collection of defaulted fines.

### Internal Collection Efforts

As per the *Provincial Offences Act*, the payment of a fine is in default if any part of it is due and unpaid for fifteen days or more.

Once a conviction is registered, follow up notices of fine and due date are mailed by a contracted company retained by all POA offices in Ontario.

Final Notices are issued from weekly preliminary enforcement reports from the Integrated Courts Offences Network (ICON), requesting payment within 7 days of the date of letter. (See Schedule "A" attached.)

On or about the first week of each month, the Town receives a file from the Ministry of the Attorney General, listing new defaulted fines that remain outstanding for more than 91 days. Once the 7 day final notice has expired, the overdue accounts from the Ministry of the Attorney General file are sent to a third party collection agency for collection.

## **External Collection Efforts**

### **Collection Agencies**

A collection agency is a third party organization engaged by the Town for the collection of defaulted POA fines.

The collection agency utilizes various collection techniques and tools to locate debtors and obtain payment of the debt. The collection agency may also place trade lines on the debtors, which may affect their credit rating. Defaulted accounts may be recalled back to the Town for write off authorization.

Collection agencies charge a percentage commission fee on the amount collected on behalf of the Town. In November 2007, by By-Law No. 57/07, the Council of the Town authorized the establishment of a collection agency recovery fee by recovering those fees directly from the debtors, with Ministry of Attorney General approval received February 25, 2008.

### **Other Collection Methods**

Collection activities may also include:

- Notifying the Credit Bureau of the debt, which may affect the debtor's credit rating;
- Suspension of driver's license and imposition of a license reinstatement fee, currently \$150.00;
- A lien registered against debtor's real property;
- Notifying financial institution to deduct amount owing from debtor's accounts (including RRSP funds), and forwarding to the Town;
- Garnishment of debtor's wages.

## **5. METHOD OF PAYMENT**

POA fines are payable in person, drop box, mail or by phone (credit card) at the Civic Centre, Fort Frances or in person or by mail to any POA Office in Ontario. Payment will be in the form of cash, cheque, money order, debit card, or credit card. No post-dated cheques will be accepted.

Debtors have the right to apply to the court for an extension of time for the payment of fines.

Returned payments will be subject to an additional fee as prescribed by the Town's most current Schedule of Fees By-Law.

## **6. FINES DEEMED UNCOLLECTABLE**

An outstanding POA fine that is deemed uncollectable will be recommended to the POA District Municipal Area Partners and Town Council, for ceasing collection efforts and removing from the ICON system, with the exception of items as noted in Section 7. A POA fine is deemed uncollectable when all appropriate collection steps as per policy have been exhausted and the fine has been in default for six (6) years, except as noted under Section 7.

## **7. WRITE-OFF OF POA ACCOUNTS RECEIVABLE**

Fines may be written-off for accounting purposes only and do not absolve a convicted offender from the requirement to pay a fine as debts to the Crown are owed in perpetuity and are never forgiven.

Accounts Receivable will be reviewed semi-annually, April and October, to identify potential write-offs and annually, no later than October 15<sup>th</sup> and prior to annual POA District Municipal Area Partners meeting, to identify accounts deemed uncollectable and to be recommended for write-off.

Once an account has been identified as a potential write-off, the corresponding ticket is pulled and the applicable write-off code will be assigned to the offence in the ICON system. (See Schedule B) After proper authorization, the final write-off code will be assigned and will be purged from the ICON system twice yearly,

### **Account Write-Offs Without Partners/Council Approval**

Minor underpayments (small balances/administrative fees) no greater than \$25.00, may be removed from the ICON system prior to the six-year minimum default, with approval from the POA Co-ordinator and Town Treasurer or designate.

A deceased person's fine may be written-off prior to the six-year minimum default, with satisfactory proof of death i.e.

1. Funeral directors death certificate; or
2. Government issued death certificate; or
3. Notification from MTO/enforcement agency of death; or
4. Copy of newspaper obituary, and

with approval from the POA Co-ordinator and Town Treasurer or designate.

### **Reinstating Written-Off Accounts**

Collection of written-off accounts may be resumed when conditions change, as fines imposed by POA Courts are debts owed to the Crown and therefore are not subject to the *Limitations Act*.

Where the Town has written off POA accounts receivable and any portion of those accounts receivable are subsequently paid, the requirements of the POA Transfer Agreements and the *Provincial Offences Act*, including requirements with respect to the remittance of certain funds to the Province of Ontario upon collection, continue to apply.

Where the Town has written off POA accounts receivable and the related case(s) have been purged from ICON and any portion of those accounts receivable are subsequently paid, the case(s) related to the payment received must be re-entered into ICON and the payment must be recorded as revenue, with supporting documents, and distributed in accordance with the Memorandum of Understanding.

### **Record Keeping and Reporting of Written-Off Accounts**

The Town will support write-off recommendations with the following documentation:

- Copy of original Certificate of Offence or Part III information;
- Record of additional costs and fees included in the outstanding amount;
- Documentation as to all collection activities undertaken; and
- Reason the write-off is recommended.

The Town will retain adequate records after an account is written-off in order to support the possible future reinstatement of collection efforts.

On an annual basis, the Town will provide the POA Unit of the Ministry of the Attorney General with information regarding the total value of all fines deemed uncollectable and written-off during the previous municipal fiscal year as part of the Annual Performance & Progress Report to be submitted no later than June 30<sup>th</sup> of each year.

## **SCHEDULE "A"**

Collections Unit

Date

FINAL NOTICE

Offence #

Debtor Name & Address

Our records indicate that you have been convicted of a Provincial Offence and there is an outstanding balance regarding that offence, to the Provincial Offences office in the amount of \$ .

If we do not receive payment of the full amount outstanding within **7 days** of this letter, further legal action may commence against you without any further notice. Such action may include:

- Informing the Credit Bureau of the debt which may affect your credit rating;
- Suspension of your driver's license and the imposition of a license reinstatement fee of \$150.00;
- Registering a lien against your real property;
- Requiring your bank or other financial institution to deduct, from your accounts (including RRSP funds), the money owing and forwarding it to the Provincial Offences Office;
- Requiring your employer to deduct the amount owing from your wages and sending it to the Provincial Offences Office.

**PLEASE BE FURTHER ADVISED THAT THIS MATTER WILL BE FORWARDED TO OUR COLLECTION AGENCY ON THE EXPIRATION DATE OF THIS NOTICE, WITHOUT FURTHER WARNING. IN ADDITION, COST OF COLLECTION AT THE RATE OF 15.85 PERCENT WILL BE ADDED TO THE OUTSTANDING AMOUNT.**

### **HOW TO PAY:**

Credit Card: Visa or MasterCard over the phone.

In Person: at any Provincial Offences Office by cheque, money order, credit card, debit card or cash.

By Mail: Personal cheque, money order or credit card information and the amount you authorize, to the above address.

- Do not send a post-dated cheque.
- Please write the offence number on the front of the cheque/money-order.
- Payments sent by mail assume the consequences if, for any reason, the payment is not received in our Court Office by the due date.

You have the right to apply to the court for an extension of time for payment of this fine.

Please do not hesitate to contact the Collections Unit between 8:30 – 4:30 p.m. CST at (807) 274-1676, if you have any questions.

Provincial Offences Office Collections Unit

**SCHEDULE “B”**

| <b>ICON Codes</b> | <b>Write-Off Category</b>                          | <b>Write-Off Criteria</b>   |
|-------------------|--|---|
| <b>PW</b>         | POA Write-off Deemed Uncollectible                 | Applies to aged cases over 6 years past due once all reasonable collection efforts have been exhausted and the case is deemed uncollectible.  |
| <b>UP</b>         | Under Payment (small balances/administrative fees) | Case balance of \$25.00 or less   |
| <b>DP</b>         | Deceased Person                                    | Requires satisfactory proof of death and is not applicable when case is secured by a Writ of Seizure and Sale   |
| <b>SA</b>         | Signed Affidavit                                   | Requires statutory declaration by the offender as to payment and payment details  |
| <b>CD</b>         | Company in Default (Bankrupt, Dissolved, Inactive) | Requires proof by: Articles of Dissolution or Notice of Bankruptcy or Ministry notification that the corporation is inactive/cancelled.   |
| <b>PW</b>         | POA Write-off Unable to Enforce                    | Requires satisfactory proof that the case is unenforceable i.e. when the charging document does not contain a date of birth or address; or when the offender is not a legal entity; or cases where the charging document cannot be located for enforcement. |
| <b>CW</b>         | Final Write-off Code (Approval obtained)           | CW code indicates that appropriate approval from POA Co-Coordinator and Treasurer (where applicable) and POA Partners and Town Council (where applicable) has been obtained   |