

CSL A-1

ACCOUNTS RECEIVABLE WRITE-OFF AND EXTINGUISHMENT ORDER

CSL A-1 (31-03-2017)

Original Enactment NGSL 2012-01

**EXECUTIVE ORDER RESPECTING THE WRITE-OFF AND
EXTINGUISHMENT OF NUNATSIAVUT GOVERNMENT ACCOUNTS
RECEIVABLE**

- 1 Short Title
- 2 Authority
- 3 Interpretation
- 4 Write-Off of Debts
- 5 Extinguishment of Debts
- 6 Directives for Implementation

The President of Nunatsiavut, acting with the advice of the Nunatsiavut Executive Council, is pleased to ORDER that:

Short Title

1

This Executive Order may be cited as the *Accounts Receivable Write-off and Extinguishment Order*.

Authority

2

This Executive Order is made under subsections 57(1) and 58(2) of the *Financial Administration Act*.

Interpretation

3

- (1) Terms used in this Executive Order have the same meaning as in the *Financial Administration Act*.
- (2) In this Order:

“Comptroller” means the official in the management division of the Nunatsiavut Government Department of Finance who performs the functions of deputy Controller and who has been designated by the Controller to be the Comptroller; and

“Financial Manager” means a member of the management division of the Nunatsiavut Civil Service who performs functions in relation to the collection of money payable to the Nunatsiavut Government and in relation to Nunatsiavut Government central accounting and financial reporting who has been designated by the Controller as a financial manager for the purposes of this Order.

- (3) For purposes of section 5 of this Order, Nunatsiavut Government accounts receivable are considered uncollectible when one or more of the following conditions are met:
- (a) the debtor is deceased and there is nothing available from the estate.
 - (b) the debtor cannot be located.
 - (c) extreme hardship will result to the debtor or the debtor’s dependants if the account is collected.
 - (d) the debtor is not resident in Canada and has
 - (i) no family or business ties that might encourage the debtor to return to Canada, and
 - (ii) no assets in Canada that can be attached and applied against the debt to the Nunatsiavut Government.
 - (e) the anticipated cost of collection is greater than the expected recovery.

Write-Off of Debts

4

- (1) Financial Managers shall no later than December 31 in each year prepare lists of accounts receivable, if any, showing:
- (a) the names of the debtors;
 - (b) the nature of each debt and the date on which the debt was incurred;
 - (c) the account receivable balance for each debt; and

- (d) a recommendation, with reasons, as to whether the debt should be written off.
- (2) The Comptroller shall review the lists of accounts receivable and the recommended write-offs prepared by the Financial Managers pursuant to subsection (1).
- (3) The Comptroller has the authority to write-off accounts receivable balances up to \$500 and shall provide to the Controller a list of all receivables written off under this subsection.
- (4) The Comptroller shall forward recommendations for the write-off of accounts receivable balances over \$500 to the Controller.
- (5) The Controller has the authority to write-off accounts receivable balances from \$501 to \$5,000.00 and shall provide a list of all receivables written off under this subsection to the Treasurer.
- (6) The Controller shall forward recommendations for the write-off of accounts receivable balances over \$5,000 to the Executive Council.
- (7) The Executive Council may, by resolution, write-off accounts receivable balances over \$5,000.
- (8) All decisions to write-off accounts receivable balances under this section shall be based on proof that all reasonable avenues of collection have been exhausted.

Extinguishment of Debts

5

- (1) Financial Managers shall no later than December 31 in each year prepare a report listing accounts receivable, if any, that are recommended for extinguishment.
- (2) Reports under section (1) must be addressed to the Controller and include the following:
 - (a) the names of the debtors;
 - (b) the amount of each debt to be forgiven;
 - (c) the nature of the debt and the date on which the debt was incurred;
 - (d) the measures taken to collect the debt;

- (e) the estimated costs that would be incurred in taking further action to collect the debt; and
 - (f) the reason(s) why extinguishment of the debt is recommended.
- (3) Where, after considering a report under subsection (2), the Controller is satisfied that an account receivable of \$5,000 or less is uncollectible the Controller has the authority to extinguish the debt.
 - (4) The Controller shall report all debts extinguished under subsection (3) to the Nunatsiavut Treasurer.
 - (5) The Controller shall forward recommendations for the extinguishment of debts over \$5,000 to the Executive Council.
 - (6) Where the Executive Council is satisfied that a debt between \$5,000 and \$50,000 is uncollectible the Executive Council may, by resolution, extinguish the debt.
 - (7) The Treasurer shall report all debts extinguished under subsection (6) to the Assembly.
 - (8) No debt greater than \$50,000 shall be extinguished by the Nunatsiavut Government without the express authority of an Act of the Assembly.

Directives for Implementation

6

The Treasurer may, upon the advice of the Controller, issue directives:

- (a) for the purpose of ensuring effective coordination of administrative functions among and within departments in the implementation of this Order;
- (b) respecting the interpretation of any provision or word in this Order; and
- (c) for any other purpose necessary for the efficient administration of this Order.