

Part: **Public Money and Property**  
 Section: **Accounts Receivable**  
 Subsection: **Control of Accounts Receivable**

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## Control of Accounts Receivable

### Definition

**Accounts receivable** include all amounts claimed by the Crown against debtors. Amounts claimed may arise from, but are not limited to the following:

- taxation and royalties;
- fines, forfeitures and penalties;
- accountable advances;
- provision of goods and/or services;
- leases, licenses and permits;
- transfers from other governments;
- shareable and recoverable expenditures (e.g., pursuant to cost sharing agreements);
- overpayments; and
- loans, interest and advances.

### Background

[The Financial Administration Act, 1993 \(FAA\)](#) and [The Revenue and Financial Services Act \(RFSa\)](#) contain specific provisions relating to the control and accounting for accounts receivable.

### Set-offs

Section 42 of the FAA provides the Crown and every public agency with the right to retain the following as a set-off against moneys due or payable to a person:

- any amount that the person owes to the Crown or public agency;
- any overpayment that has been made by the Crown or public agency; or
- any advance made to the person under section 41 that has not been repaid or accounted for.

Section 42 of the FAA allows Treasury Board to make any directives with respect to the exercise of the Crown or public agency of their right of set-off. Refer to [Section 3715 Collection Activities](#) for more information on set-offs.

### Cancel Debts

Pursuant to the RFSa, the Board of Revenue Commissioners is empowered to cancel or adjust any debt owing to the Crown (subsection 18(1)). When a receivable is cancelled, no further collection activity can be undertaken because the money is no longer due to the Crown.

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### Write-off Debts

Clause 17(b) of the RFSA empowers the Board of Revenue Commissioners to perform any duties delegated to it by Treasury Board. Treasury Board has given the Board of Revenue Commissioners the authority to write off from the accounting records any debt owing to the Crown. When a receivable is written off the accounting records, further collection activity is typically suspended; however, the money is still owed to the Crown and may be collected.

### Enforcement

The FAA allows the Minister of Finance to recover public money from a person who:

- has received public money payable to the Crown and has not paid it to the Crown;
- has received public money for which the person is accountable and has not duly accounted for it; or
- possesses public money applicable to a purpose and has not applied it to that purpose (section 66).

The Minister may recover the above as debt due to the Crown and in any manner that money owing to the Crown may be recovered pursuant to Part III of the RFSA (section 67).

The FAA states that the Attorney General may sue for and recover, in the name of the Crown, any penalty or forfeiture imposed by an Act, and the whole of the penalty or forfeiture belongs to the Crown. The Lieutenant Governor in Council may allow all or part of the penalty or forfeiture to be paid to the person who assisted in the recovery (section 70).

### Authority

The FAA allows Treasury Board to direct any person receiving, managing or disbursing public money to keep any books, records or accounts that it considers necessary (clause 5(e)). The FAA requires public moneys to be forwarded, deposited and otherwise dealt with in accordance with any orders and directives of Treasury Board (section 22).

The FAA allows Treasury Board to make orders and issue directives with respect to its duties under section 4 of the FAA (e.g., relating to the finances, the administrative policy and management practices, and the accounting policies and practices of the Government) (clause 5(a)).

The FAA requires the Provincial Comptroller to supervise the receipt, recording and proper disposition of public money. The FAA allows the

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Provincial Comptroller to issue directives to ministries and public agencies detailing the manner in which Treasury Board orders and directives are to be complied with (subsection 10(2)).

The Provincial Comptroller is responsible to determine that adequate systems for recording, controlling, collecting and reporting accounts receivable are established and maintained.

**Treasury Board Policies** Treasury Board has approved the following accounts receivable policies:

- [Section 3705 Credit Terms;](#)
- [Section 3710 Accounts Receivable Records;](#)
- [Section 3715 Collection Activities;](#)
- [Section 3720 Collection Agency Fees;](#) and
- [Section 3725 Write-off or Cancellation of Accounts Receivable.](#)

### **Applicability**

These policies apply to the General Revenue Fund, and special purpose funds and trust money that are administered by ministries. See [Appendix C Public Money](#).

### **References**

[1200 Role of the Legislature to Control Public Money](#)  
[1300 Government Management and Control](#)  
[3000 Control of the GRF](#)  
[3010 Application for Remissions](#)  
[3400 Control of Special Purpose Funds and Trust Money](#)  
[3500 Control of Public Money](#)  
[4000 Financial Systems](#)