

Part: **Public Money and Property**
 Section: **Accounts Receivable**
 Subsection: **Control of Accounts Receivable**
 Policy: **Collection Agency Fees**

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Collection Agency Fees

- Objective** *The objective is to provide for the consistent handling of collection agency fees.*
- Authority** *The Financial Administration Act, 1993, clauses 5(a) and 5(e), subsection 10(2) and section 22*
- Applicability** This policy applies to the General Revenue Fund (GRF), and special purpose funds and trust money that are administered by ministries. See [Appendix C Public Money](#).
- Treasury Board Policy**
- .01 For the GRF, ministries may permit private collection agencies to withhold fees, including legal fees, from the gross amounts collected on behalf of ministries.
 - .02 For revolving funds, ministries pay the collection agency and legal fees from their appropriation.
- Provincial Comptroller Directives**
- GRF Procedures**
- .03 At least once every month, ministries should request the collection agency to forward net amounts to them with a report which, at minimum, details the following information for each receivable:
 - the gross amount collected;
 - the collection fee deducted;
 - the legal fee deducted; and
 - the net amount sent to the ministry.
 - .04 Where the net amount is revenue to be deposited to the GRF, ministries are to enter the gross amount collected by the agencies as an increase to the appropriate revenue code and the related fees withheld as a decrease to the revenue code for Collection Agency and Legal Fees Withheld. Refer to the [Accounting Manual, Appendix H Central System Processing](#) for more information.
- Revolving Fund Procedures**
- .05 Revolving funds are to record and deposit the revenue from collection agencies in the standard fashion and pay the collection and legal fees from their appropriation.

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Reconciliation .06 Ministries are to verify at least monthly that the revenues collected by collection agencies and accounted for on the Government's central financial system agree with the corresponding bank deposits.

References

[3005 Refunds to Vote](#)

[3700 Control of Accounts Receivable](#)

[3705 Credit Terms](#)

[3710 Accounts Receivable Records](#)

[3715 Collection Activities](#)

[3725 Write-off or Cancellation of Accounts Receivable](#)

[Accounting Manual, Appendix H Central System Processing](#)