


# Chatham-Kent Health & Family Services

## Social Housing

### Operations Policy and Procedure Manual


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|--|--|---------------------|
| SUBJECT: Rent Arrears POLICY                               |  | INDEX NO.: CKPH 002 |
| EFFECTIVE: September 27, 2004<br>REVISED: October 15, 2010 | APPROVAL:  |                     |

1. Rent is due the first day of each month. Rent payments are processed as received and accepted as follows:
  - pre-authorized bank withdrawal (1<sup>st</sup> banking day of the month)
  - cheque
  - money order
  - pay direct from social services and trustees
  - cash or debit transaction (in-office only)
2. By the 5<sup>th</sup> day of the month, rent arrears are reviewed and a statement is produced indicating tenants in receipt of OW / ODSP and provided to designated supervisor, Chatham-Kent Social Services for caseworker follow-up (i.e. notification to OW / ODSP clients of shelter overpayment unless rent arrears paid)
3. The majority of rents are generally collected and processed by the 10<sup>th</sup> of the month. A rent arrears report is generated. The social housing supervisor reviews the report to assess the following:
  - overholding balances from previous month
  - adjustments pending due to periodic review
  - discrepancies
  - approved payment plans (retroactive arrears balances, maintenance charges)
  - evictions proceedings
  - type of arrears (regular rent, misrepresentation, maintenance charges, NSF administrative charges, internal transfer fees, Landlord & Tenant Board (LTB) application fees)
  - notification by resident of financial difficulties (i.e. payment will be late)
  - returned payments due to insufficient funds
  - incorrect amount paid (arrears balance or account credit)
  - review of internal transfer list to determine if eligibility is affected due to arrears status

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4. Once arrears status is determined, action is taken on an ongoing daily basis to collect outstanding balances by:
  - written notification (standard letter requesting payment within five days)
  - telephone reminder (generally used for senior residents, for payments received in the wrong amount and for those who respond to a "gentle" reminder)
  - Notice of Termination (N4) (initiate eviction proceedings for residents who are in excess of one month arrears and/or who are chronically behind in rent and do not respond to request letters)
  - contact with security tenant to advise resident of arrears status and encourage payment
  - personal visit when in the geographical area
5. Payments are monitored thereafter by checking daily receipts and amending rent balances affected by periodic reviews.
6. Upon termination of residency, former tenant arrears are addressed by:
  - notification to resident / estate requesting payment
  - negotiation of payment plan
  - submission to collection agency
  - reporting arrears status to CKSH (Arrears database)
  - monitoring former tenant arrears status for follow-up contact, recording payments and updating balances
7. Write-Off Process:
  - In December of each year, bad debts are written off for former tenants. Applies to those who terminated residency in the twelve month period between July of the previous year and June of the current year.
  - Yardi write-off procedure:
    - On tenant record, credit amount of Bad Debt (charge code BDWO)
    - Change status to Vacant
    - Go to yellow Memo icon and enter date of write-off, event type as "collections"

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- In Notes – Write-off of “tenant’s name”, balance owing of “amount” to Bad Debts
- Continue to maintain arrears list and attempt collection until debt is fully discharged

**SUMMARY:**

With 698 CKSH units to administer, rent collection is an ongoing process. Every effort is made to collect outstanding rent by current month-end. Negotiating a short-term payment plan may be approved based on special circumstances – reviewed on a case-by-case basis. Periodically, it is necessary to proceed with eviction: Once N4 is issued and the time period for payment (14 days) has elapsed, an application is filed with LTB for an Order requiring tenant to vacate premises and pay total arrears balance. At times, arrears balance is paid prior to issuing Writ of Possession. Alternatively, tenancy is terminated and procedures are followed to collect former tenant arrears.

(Benchmarking goal: Adults/Singles 1.0 % Families 4.5 %)