

# **TORONTO ISLANDS RESIDENTIAL COMMUNITY TRUST CORPORATION ANNUAL LEVY BILLING AND COLLECTION POLICY**

## **a. PURPOSE OF ANNUAL LEVY**

The cooperation of Island leaseholders in financing and supporting the Toronto Islands Residential Community Trust Corporation (the Trust) has ensured its effective operation for nearly twenty years. Annual levy payments made by Island leaseholders provide essential core funding for the Trust to operate and fulfill its mandate, representing over 65% of annual revenues. Although it is a public body, the Trust is self-sustained and receives no operating funding from federal, provincial or municipal governments.

## **b. TRUST APPROACH**

The Trust strives to provide clear, prompt billing and ensure prompt collection in order to meet its budgetary expenditures for the given fiscal year. Attention to timing and consistency in billing and fairness to leaseholders and the Island community is provided by the Trust board and staff at all times.

## **c. ANNUAL LEVY RATE**

The annual levy is established by the board in consultation with the Island community as part of the annual budgeting process for the Trust.

## **d. BILLINGS**

The annual levy is billed to each leaseholder according to rates approved by the board in consultation with the Island community. The annual levy is subject to HST.

Annual levy billings provide for one payment due sixty days from the billing date. Annual levy billings will be delivered early in the fiscal year not later than one month after the Trust budget is approved by the board of directors.

Leaseholders will have the option to provide written authorization for the Trust to deliver the annual levy bill and all related communications by email.

Arrears and interest owing at the time of the annual levy billing are included on each billing.

## **e. METHOD OF PAYMENT**

Payments may be made by cash presented to the Trust or bank draft/cheque presented or delivered to Trust staff.

If and when available, electronic payment may be made by debit card or pre-authorized monthly bank account withdrawal.

A receipt of payment will be issued for all payments. Statements of account will be available upon request.

Cases of financial hardship may warrant arrangement of payment plans. Requests must be directed in writing to the Trust administrator.

## **f. INTEREST**

Interest is charged on amounts unpaid after sixty days from the billing date.

Interest is charged the day after the due date and billed the first of each month. Thereafter, interest is charged the first day of each month for the current year and on the first day of each month for all arrears.

Payments are applied to arrears before being applied to current year charges.

Interest is charged according to rates established annually by the Trust.

The board of directors will review the interest rate annually as part of the annual Trust budget process.

#### g. COLLECTION

Standard reminder or arrears notices will be sent periodically.

Any notice sent by ordinary mail is considered delivered to and received by the addressee unless the notice is returned by Canada Post or an error in the mailing address is proven.

Priority for collection is accounts with:

- three or more previous years outstanding
- two previous years outstanding
- one previous year outstanding
- current year only outstanding

For accounts which indicate previous years owing, a registered letter will be sent to leaseholders advising of the arrears situation and asking for payment in full or satisfactory payment arrangements to be made by a given date. If acceptable payment arrangements are made, the account will be monitored for compliance and follow-up will be done by telephone or in writing as required.

Satisfactory payment arrangements would be a series of postdated cheques or other arrangements that are satisfactory to the Trust. Interest charges will accrue during such period and are payable during or upon completion of payment arrangements.

If no reply is received, a final letter will be sent stating that failure to remit payment or to make satisfactory payment arrangements will result in further action in the form of notification for the start of legal proceedings.

If no reply or satisfactory arrangements are made with the Trust, legal proceedings may be initiated through Small Claims Court. Action through Small Claims Court should be avoided if possible by encouraging leaseholders to either make full payment or establish a mutually agreed upon payment plan.

#### h. CHARGES FOR COLLECTION

All costs incurred for collection to obtain information and /or collect arrears are payable by the lease holder and will be added to the account. These costs may include, but are not limited to:

- registered mail
- administrative charges
- legal fees

#### i. RECOVERY OF ARREARS AND INTEREST CHARGES

Leaseholders owing amount to the Trust may be considered in breach of the provisions of their Homeowner's Lease and the board of directors may proceed in accordance with the remedies outlined in the lease sub-section 11.10 Trust Remedies. When the total of levy arrears, accumulated interest and administrative charges and other amounts owed by the lease holder to the Trust exceeds the \$5,000 threshold specified in sub-section 11.12 Forced Sale, the board will consider undertaking proceedings for a forced sale of the lease and house.

#### j. BOARD DISCRETION

The board of directors has authority to exercise discretion in the application of this policy, including in cases it may deem appropriate or determine unusual circumstances are apparent. In exercising its discretion, the board will strive for fairness, efficiency and maintenance of its procedures in principle.

#### k. REPORTING

Trust staff will report at least quarterly to the board of directors on the status of collections detailing amounts owing to the Trust, collection efforts and results.

*Prepared by the Trust Governance Committee: February 2012*

*Approved by the Trust Board of Directors: March 9, 2012*

*Replaces: Annual Operating Levy Collection Policy, July 11, 1996*