

Type of Decision									
Meeting Date	Friday, April 23, 2010				Report Date	Thursday, April 21, 2010			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	x	Information Only			Type of Meeting	X	Open		Closed
REPORT TITLE									
Policy of Fees for US Cheques Report 23/04/10/208									

Subject: Consideration of charges for ratepayers who pay with funds other than Canadian

RECOMMENDATION: That Council adopt the following resolution implementing fees for ratepayers who pay with funds other than Canadian, usually US.

**WHEREAS** in recent history the American dollar has been valued above that of Canada;

**AND WHEREAS** our current economic environment has allowed that the Canadian dollar is now trading at or above par;

**AND WHEREAS** in the past when the municipality has received tax payments in US funds the fees for exchange and cashing US cheques was taken out of the exchange rate, with any excess being contributed to pre-paid taxes;

**AND WHEREAS** the current environment will result in there being insufficient funds to cover the total taxes payable and result in taxes past due;

**THEREFORE BE IT RESOLVED THAT** the Council of the United Townships of Head, Clara & Maria does hereby initiate a formal policy whereby all funds owing to the municipality must be paid in Canadian dollars;

**AND BE IT FURTHER RESOLVED THAT** failure to do so will result in all fees for exchange and banking being deducted from the proceeds of the payment with only the remainder being applied to the debt owed to the municipality;

**AND BE IT FURTHER RESOLVED THAT** should this practise result in an amount past due, that this amount will be the sole responsibility of the ratepayer no matter what the practise has been in the past;

**AND BE IT FURTHER RESOLVED THAT** all ratepayers with foreign addresses be advised of this policy immediately and prior to the next tax instalment due date.

BACKGROUND/EXECUTIVE SUMMARY: The informal practise has been to use proceeds of the exchange rate to pay fees for cashing foreign currency cheques. Any surplus funds would be applied to the account as pre-paid taxes.

In this current economic situation this is no longer happening. The payments are being received with cheques written in US funds for the amount owing in Canadian funds resulting in insufficient funds to pay both the exchange rate, foreign cheque cashing fees and 100% of the taxes.

Financial Considerations/Budget Impact: Failure to make this change may result in increased costs to the municipality, in effect the other ratepayers. There may be 30 such transactions per year, worth making changes for.

Otherwise it is a cost of doing business however; staff does not feel that other ratepayers should be penalized for the refusal of others to pay Canadian taxes in Canadian dollars.

Policy Impact: This will change an informal practise into a policy which will be formalized and will affect all future transactions.

Approved and Recommended by the Clerk

Melinda Reith,  
Municipal Clerk

*Melinda Reith*