



ACCOUNTS RECEIVABLE AND COLLECTION POLICY

BACKGROUND

Section 286 of the Municipal Act, 2001, states that the Treasurer is responsible for the invoicing, collection, and reconciliation for all accounts receivable in the Township as follows:

“A municipality shall appoint a treasurer who is responsible for handling all of the financial affairs of the municipality on behalf of and in the manner directed by the council of the municipality, including,

- a) collecting money payable to the municipality and issuing receipts for those payments;
- b) depositing all money received on behalf of the municipality in a financial institution designated by the municipality;
- c) paying all debts of the municipality and other expenditures authorized by the municipality;
- d) maintaining accurate records and accounts of the financial affairs of the municipality;...”

1. PURPOSE

The purpose of this policy is to ensure that the above noted responsibilities are carried out appropriately. All accounts receivable (assets) are to be managed by the Treasury Department.

This policy will ensure that proper collection procedures are applied in accordance with the following legislation:

- Municipal Act, 2001
- Applicable Municipal By-Laws
- Collection and Debt Settlement Services Act
- The Rules of the Small Claims Court
- Any new legislation pertaining to collection of accounts receivable.

The policy will apply such collection policies in a consistent manner ensuring all are treated equally and in accordance with various governing statutes while maximizing necessary controls. This will ensure proper allocation of payment and handling of funds for proper banking and recording procedures.

DEFINITIONS:

Township – refers to the Township of North Glengarry

Treasurer – the Director of Finance/Treasurer of the Township or Deputy Treasurer in their absence.

2. POLICY APPLICATION AND EXCLUSIONS

This policy applies to the billing and collection of accounts receivables. It does not apply to the billing and collection of Water and Wastewater as they are covered in a separate policy.

3. INVOICES AND COLLECTIONS

The Treasury Department is responsible for issuing all invoices, managing accounts receivable and collecting outstanding accounts.

Other Departments shall provide the Treasury Department with the relevant information for which to create an invoice including the proper name of who to invoice, address, account information, invoice description, Harmonized Sales Tax (HST) applicable, etc.

4. MANAGEMENT OF ACCOUNTS RECEIVABLE

The Billing and Accounts Receivable Clerk shall send:

- a. Statements monthly indicating the amount owing on each account.
- b. On the first day of the month following the first notice, a second notice shall be sent out to those who are still in arrears.
- c. If after 90 days the account remains unpaid or no arrangements have been made on the accounts, a final notice will be sent indicating that the account will be sent to a collection agent if payments are not made on the last day of the month that this final notice is sent.
- d. All accounts past due by more than 120 days will be reviewed by the Director of Finance/Treasurer to decide which accounts will be sent to collections.
- e. The Director of Finance/Treasurer may approve payment arrangements.
- f. Where possible, overdue accounts receivable may be transferred to the property tax roll in accordance with the Municipal Act, 2001, section 398 (2)

5. WRITE OFFS

A balance may be written off for any of the following reasons:

- a. The balance has been deemed uncollectable by a Collection Agency;
- b. The balance has been deemed uncollectable by the Director of Finance/Treasurer or appointed designate;
- c. The invoice requires voiding or changing due to an error made by the Township

Approval limits for write offs are noted below:

Write off Amount	Authorized Personnel
\$1000.01+	Council
\$500.01 - \$1,000	CAO/Clerk
\$25.01 - \$500	Director of Finance/Treasurer or appointed designate
\$0 - \$25	Billing and Accounts Receivable Clerk

6. PAYMENT METHODS

The following methods of payment are accepted by Accounts Receivable for balances due:

- a. Cash (Canadian currency only)
- b. Debit
- c. Cheque (Canadian currency only)
- d. Electronic fund transfers (EFT) through online banking services

All payments returned by the bank will result in the customer being re-invoiced along with applicable insufficient funds charges established by the Township's Fee and Charges bylaw.