

FM 8 – Collection of Non-Rates and Charges

1 Objectives

To provide for the collection of outstanding debts and the charging of interest as it relates to debts other than rates.

2 Policy

2.1 Debt Management

If the invoice is not paid by the due date then the following procedure will take place.

- 2.1.1 For amounts outstanding for up to 30 days, the Finance Officer – Income Stream is to issue a Statement to the debtor with an 'overdue' sticker attached to the Statement.
- 2.1.2 For amounts outstanding for greater than 30 days but less than 60 days, the Finance Officer Income Stream is to issue a Statement to the debtor with 'any reason for overdue account' sticker attached to the statement.
- 2.1.3 For amounts outstanding for 60 days but less than 90 days, the Finance Officer Income Stream is to issue a Statement to the debtor with 'final notice payment within 7 days' sticker attached to the statement.
- 2.1.4 For amounts outstanding for greater than 90 days, the Finance Officer income Stream is to issue a letter of demand to the debtor and instruct debt collection agency to initiate debt recovery action.
- 2.1.5 Before any third party is engaged to take legal action to recover an outstanding debt, the Executive Manager Corporate Services and Chief Executive Officer are to be consulted to ensure that this action is appropriate giving due consideration to all issues that have led to the debt being overdue and not paid.
- 2.1.6 Once all reasonable attempts to either locate the debtor or to obtain payment have failed, the officer responsible for raising the debt will be asked to submit a written request for the invoice to be considered for write off.
- 2.1.7 Approval will be sought from the Chief Executive Officer, as per Delegation F.3, or from Council where the debt is greater than \$500, for approval for the debt to be written off. Once approval has been received, the appropriate entries will be made in the Accounts Receivable Ledger.

2.2 Debt Raised in Error or Debt Adjustment

If a debt has been raised in error or requires an adjustment, then an explanation will be sought from the relevant staff members. Once this has been received a credit note request will be raised which is to be authorised by both the staff member who raised the initial invoice and the Executive Manager Corporate Services.

3 Applicable Legislation and Documents

Statutory Power <i>(Acts, Regulations, Local Laws, TPS)</i>	<p><i>Local Government Act 1995</i> s.2.7(2)(b) – The council is to determine the local government’s policies s.6.12 – Power to defer, grant discounts, waive or write off debts</p> <p><i>Local Government (Financial Management) Regulations 1996</i> r.19AA – ministerial approval required to write off repayment of advance payment</p> <p><i>Local Government (Administration) Regulations 1996</i> r.34AE – Repayment and recovery of advance payments of fees and allowances</p>
Shire Policies	N/A
Related Documents	N/A
Related Procedure	N/A

4 Administration

Original Adoption Date	25 October 2012 (C.15/1012)
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