

	COUNCIL POLICY	R POLICY REVIEW
	C 024 – SUNDRY DEBT RECOVERY POLICY	
DATE APPROVED	RESOLUTION NUMBER	RESPONSIBLE OFFICER
		General Manager

1.0 POLICY STATEMENT

Tasman Council is actively committed to minimising outstanding sundry debtor balances and that outstanding debt recovery is processed in an orderly and equitable manner.

2.0 OBJECTIVE

Tasman Council’s commitment to this policy means that the procedure for dealing with defaulting debtors is formalised for sundry debtors.

3.0 SCOPE

This policy applies to all persons who hold a sundry debt with Tasman Council.

4.0 SUNDRY DEBTORS

4.1 Procedure

Outstanding sundry debtor accounts are to be pursued in the following manner:-

- Debtor Statements are to be issued monthly;
- When the account is 30 days overdue a 1st reminder phone call will be made or a letter/email sent requesting payment;
- When the account is 60 days overdue a 2nd reminder letter/email is to be sent;
- When the account is 90 days overdue a Final Notice is issued demanding payment within 7 days or legal action may be taken.
- For any amounts still outstanding over \$50.00, the account holder is to be notified in writing by either registered post or email with email read receipt advising that they are going to be placed with Council’s debt collection agency if payment is not received within 14 days. If payment is not received or a payment arrangement entered into after this period the outstanding debt will be lodged with the debt collection agency;
- Notes should be kept on all overdue accounts detailing the recovery action taken and any arrangements or conversations held with the customer regarding the overdue amount.
- The account holder is required to pay all associated costs in relation to the recovery of the debt;
- For amounts outstanding under \$50.00, the account holder will receive a letter from the General Manager requesting payment.

4.2 Payment Arrangement

Payment arrangements for sundry debtor accounts may be entered into under the following circumstances:-

- Where Council has delegated power to the General Manager in relation to payment arrangements for outstanding sundry debtors;

- That the account holder has completed and submitted the **prescribed application form**;
- That the form be authorised by the Corporate Services Manager or his/her delegate;
- Any requests to amend the signed arrangement are to be in writing within 14 days' notice;

In the event that any payment under a payment arrangement is defaults:-

- The account holder is to be notified in writing that they are required to make up the missed payment by alternative means and if they miss the next payment that the payment arrangement will be cancelled and that they will be placed with Council's debt collection agency unless the outstanding amount is paid in full within 14 days.
- The account holder will incur any dishonour fees (if applicable).

5.0 **Bad Debts**

The General Manager, Corporate Services Manager and Building & Development Manager is granted authority through Councils delegation register to write off debts owed to Council up to the value of \$10,000.00 if:

- There are no reasonable prospects of recovering the debt; or
- The cost of recovery is likely to be equal or exceed the amount to be recovered.

Any amounts greater than \$10,000.00 will be referred to Council for authority to write off the debt in accordance with section 76 LGA.

6.0 **ROLES & RESPONSIBILITIES**

Tasman Council has an obligation to continually reduce outstanding debts exposure. It is the responsibility of the General Manager, Corporate Services Manager, Customer Service/Accounts Officer to ensure that this policy is adhered to.

7.0 **REFERENCES**

- ACIS Debt Collection guidelines
- Councils Delegation register

This policy was approved at the ordinary Council meeting held 23 September 2020, resolution number 12/09.2020/C.



Kim Hossack
General Manager

Policy Approved – September 2016

Policy reviewed – June 2018

Policy reviewed – September 2020

Policy to be reviewed – September 2022

Disclaimer

That this policy be read in conjunction with any or all other Council and/or Management Policies