

# Policy

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**Title:** **Collection and Reporting of Outstanding Sundry Debts**

**Category:** **Corporate Governance**

**Date Last Adopted** 23 September 2019

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## 1. Objectives

The objectives of the policy are to:

- Minimise the level of outstanding sundry debts;
- Ensure that uncollectable sundry debts are written off in a timely manner; and
- Ensure timely reporting on outstanding sundry debts.

## 2. Background

The below policy was developed to ensure legislative compliance and procedural instruction in the collection and reporting of outstanding sundry debts.

## 3. Policy

### 1. Payment Terms

Council's standard payment terms for sundry debts is 30 days from date of invoice, except where documented in a lease agreement, in which case the terms will agree to that agreement.

### 2. Collection

The Revenue Operations Supervisor will initiate action for recovery of debt.

Depending on the value of the debt, if payment is not received by the due date of the invoice the debtor may be issued with an account statement followed by a final notice.

Debts may be referred to a collection agency at the discretion of the Manager Finance .

The Manager Finance has the authority to vary the collection process in instances where appropriate.

### **3. Interest**

Interest will not be charged on outstanding sundry debt, except where the General Manager is delegated the authority to charge interest.

Where interest is charged, monthly interest will be charged on overdue amounts at the same rate as the rate that is determined by the Council, from time to time, for the purposes of Section 128(2) of the *Local Government Act 1993*.

### **4. Reporting**

A report highlighting outstanding sundry debts is to be submitted to the Finance and Governance Committee for consideration on a regular basis.

Debts that have been determined as being uncollectable are to be periodically recommended for write off, in line with delegations.

Details of debts written off by the General Manager are to be submitted to the Finance and Governance Committee for noting.

### **5. Delegations**

Delegations to write off debts are as follows (all amounts are exclusive of GST):

- The General Manager may write off or vary debts, including interest charges, up to a value of \$5,000 subject to the Finance and Governance Committee being later notified.
- Amounts in excess of \$5,000, and up to \$10,000, are to be written off by the Finance and Governance Committee.
- Amounts in excess of \$10,000 are to be written off by the Council.

Delegations to charge interest on overdue sundry debts are as follows:

- The General Manager, has discretion, in line with the following general criteria:
  - (i) The quantum of the overdue sundry debt exceeds \$5,000; and
  - (ii) The debt exceeds 90 days in age

## 4. Legislation, Terminology and References

Sections 76 and 128(2) of the *Local Government Act 1993*

Council's Delegations Register

<b>Responsible Officer:</b>	Director City Governance
<b>Policy first adopted by the Council:</b>	13/5/1996
<b>History</b>	
Amended by Council	14/7/1997
Amended by Council	10/12/2012
Amended by Council	25/3/2013
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