



FIN13 DEBTORS MANAGEMENT – GENERAL

Aim	To provide guidelines for staff that assist in ensuring any monies owed to Council are collected in a consistent and timely manner. This policy will apply to debtors to provide them with clear guidelines relating to outstanding monies.
Application	Corporate Services Employees
Statutory Environment	<i>Local Government Act 1995 s6.12; s6.13; s6.16 and s6.17 Caravans and Parks Camping Grounds Act 1995 Caravan Parks and Camping Grounds Regulations 1997 Fines Penalties and Infringement Notices, Enforcement Regulations 1994</i>
Principles	Strategic Community Plan 2017 – 2027 Goal 05 Inspiring Governance Objective 4 Exemplary team and work environment
Approval Date	OMC 20 November 2018

POLICY STATEMENT

The purpose of this policy and any associated guidelines is to establish a framework that will:

1. Ensure a fair and accountable approach to the Shire's debt management and collection decisions and practices.
2. Provide guiding principles for the management of credit control, debt collection and a bad debt write offs.
3. Ensure timely collection of all monies owing to the Shire for the purpose of optimising cash flow and reducing bad debt write offs.

GENERAL PRINCIPLES

The CEO shall ensure there are Debtors Management Procedures that suitably accommodate the above sentiments and to effectively manage the Shire's debts with the following principles:



- i. Appropriate Credit limits and controls are established and maintained to ensure the risk of financial loss is correctly managed
- ii. Maximum approved credit limit is no greater than \$50,000 unless approved by the Shire Chief Executive Officer in consultation with the Shire President.
- iii. Credit terms shall be clearly outlined in the Application for Credit and also stated on the issued tax invoice
- iv. Debt Collection processes established are to be fair, flexible and realistic and should accord with the ACC-ASIC Debt Collection Guidelines for Collectors and Creditors
- v. The recovery of outstanding debtor accounts will be collected in a timely manner generally as follows:
 - a. Payment not received at 30 days from invoice date - First and Final Notice issued with 7 days to pay or special arrangement put in place
 - b. Payment not received at 45 days from invoice date – Final Demand issued allowing 7 days to pay and credit may be suspended.
 - c. Payment not received at 60 days from invoice date – Credit shall be suspended and legal action may commence.

Timing of pursuing debtor accounts is at the discretion of the Director Corporate Services.

- vi. Penalty interest will be imposed on debtor accounts more than 30 days overdue at a rate set in the annual budget.
- vii. Legal action may include but is not limited to:
 - a. Letter of Demand
 - b. General Procedure Claim
 - c. Judgement
 - d. Property Seizure & Sale Order of Goods (with
 - e. Windup against Company
- viii. All legal costs associated with the debt collection action may be borne by the debtor.
- ix. Action for writing off bad debts should only take place where all avenues for recovery have been exhausted or it becomes unviable to keep pursuing the debt.
- x. Unrecoverable debts may be written off under Council delegation in accordance with DA03-2 Write off Monies Owning. xi. An annual review of provisions for doubtful debt will occur and appropriate adjustments made in the budget.
- xii. All records shall be kept to ensure continuity of information for historical purposes through Synergy Records

OCEANVIEW CARAVAN PARK

Oceanview Caravan Park managers will follow the procedures under the *Caravan Parks & Camping Grounds Act 1995* to recover debts and will forward onto Finance once these have been exhausted for recovery as per the Debtors Management Procedures.



INFRINGEMENTS

Infringements are recorded in Synergy and recovery is managed by Ranger Services. When infringements remain unpaid they may be referred to Fines Enforcement Registry and recovered under the *Fines, Penalties and Infringement Notices Enforcement Act 1994*.

EXEMPTIONS

- i. All sporting groups and not for Profit Community organisations are exempt from debt recovery action and penalty interest however the Shire may refuse booking requests for facilities if monies owing exceeding the Shire's trading terms.
- ii. Any staff member with a debt outstanding at the time of resignation or termination must pay the debt off in full prior to their final pay or the amounts may be automatically deducted from their final pay as per their signed employment contract.
- iii. Funding bodies and government organisations are exempt from debt recovery action and penalty interest.